SLBC MEETING, June, 2026 & Background Notes

1. Adoption of Minutes of the SLRM meeting for March 2026

The minutes of State Level Bankers' committee Meeting, held on 01st June 2026 circulated vide SLBC letter no SLBC/SLRM/Minutes/116/AJS dated 8th June 2026.

The house may adopt the said minutes.

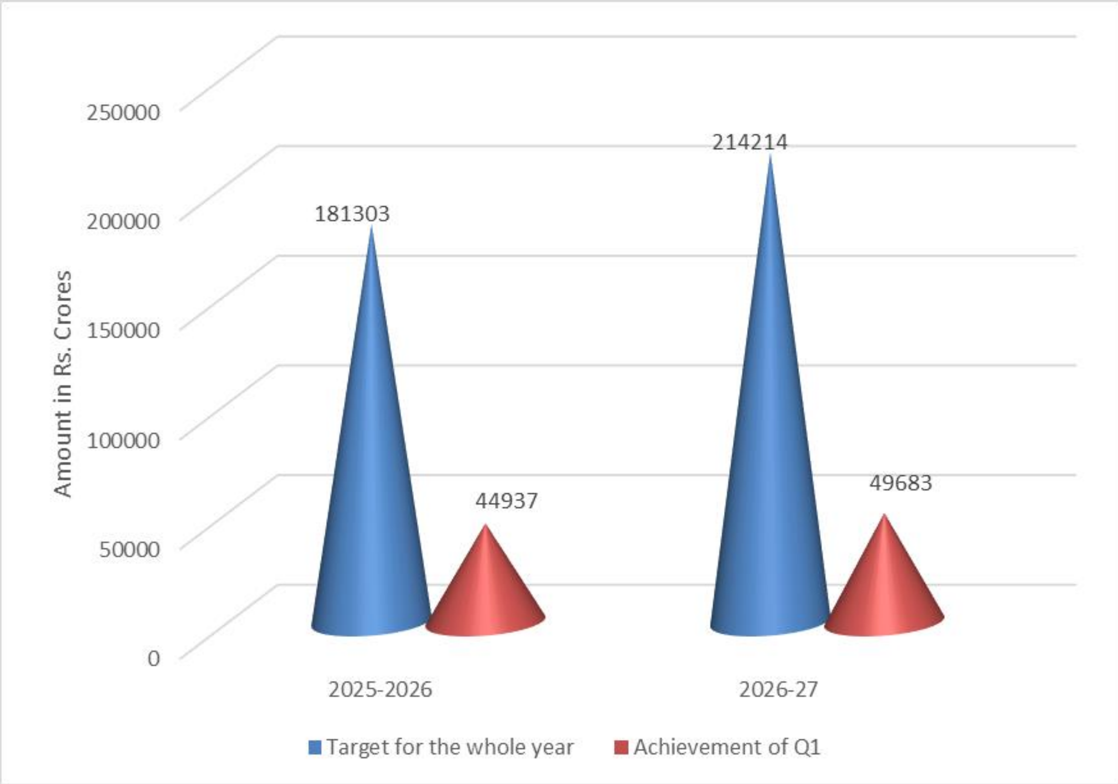
2. Banking Key Indicators of Kerala as on 31.03.2026 and 30.06.2026

Quarter	Rural	Semi Urban	Urban	Total
31.03.2026	826	5560	1844	8230
30.06.2026	828	5588	1852	8268

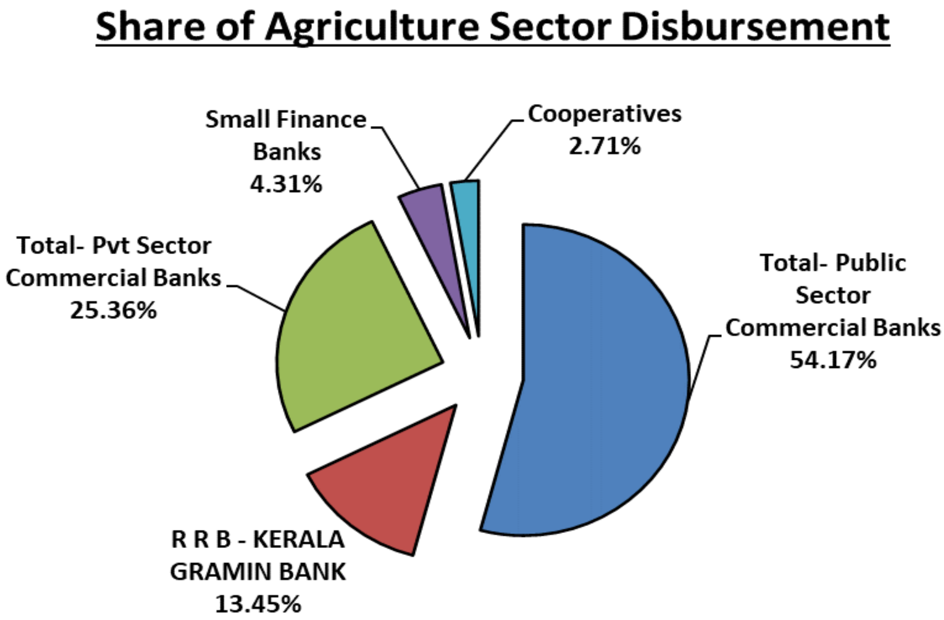
2.1 Review of performance under Annual Credit Plan 26-27 and Primary Sector.

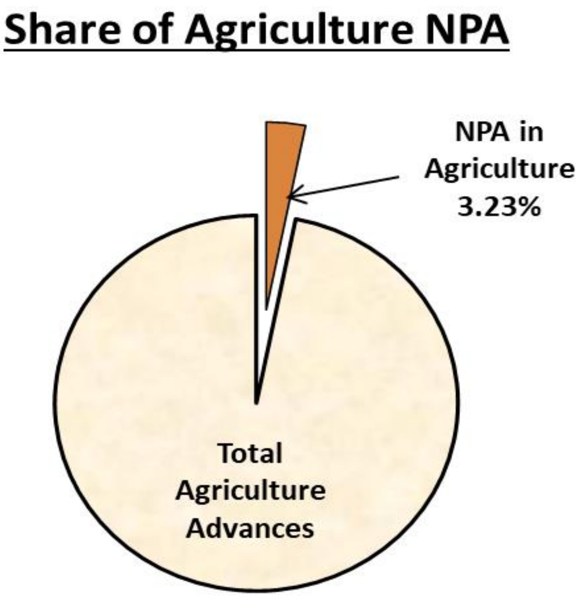
Annual Credit Plan Performance under Agriculture		
Parameter	**2025-26**	**2026-27**
Target for the whole year	**181303**	**214214**
Achievement of Q1	**44937**	**49683**
% achievement for Q1	**25%**	**23%**

Disbursement in 2025-26 : Rs. 44937/- Crs
Disbursement in 2026-27: Rs. 49,683/- Crs.
Incremental Disbursement: Rs. 4,746/- Crs



Sl. No.	District	Target for 2026-27	Achievement of Q1	% Achievement
1	ERNAKULAM	55323	21904	40%
2	THRISSUR	31590	10719	34%
3	KOLLAM	23934	7756	32%
4	KOTTAYAM	21497	6760	31%
5	IDUKKI	11047	3420	31%
6	ALAPPUZHA	19000	5751	30%
7	KOZHIKODE	26394	7967	30%
8	MALAPPURAM	24080	6962	29%
9	TRIVANDRUM	40453	11489	28%
10	PATHANAMTHITTA	11043	3101	28%
11	PALAKKAD	25450	6823	27%
12	WAYANAD	8580	2222	26%
13	KANNUR	22289	5416	24%
14	KASARGODE	12994	2895	22%
TOTAL		333674	103185	31%





2.2 <u>Pending Issues in Primary Sector</u>

2.2.1. <u>Enhancing Farmers' Income</u> Suggested by Reserve Bank of India

Sl. No.	Year (ends on March)	Total Advance	Agriculture Advances	% Agri advance in Total Advances	Growth in Agri
1	2013	175087.32	45054.61	26%	
2	2014	192010.19	48811.93	25%	3757.32
3	2015	218706.07	57655.91	26%	8843.98
4	2016	232417.61	54888.00	24%	-2767.91
5	2017	256074.70	61456.81	24%	6568.81
6	2018	286783.48	69343.93	24%	7887.12
7	2019	329899.97	80802.88	24%	11458.95
8	2020	359273.74	82220.56	23%	1417.67
9	2021	392669.16	87091.02	22%	4870.47
10	2022	424625.73	94748.01	22%	7656.99
11	2023	493157.02	110610.51	22%	15862.50
12	2023 June	498691	115156	23%	4546
13	2023 September	542171	121215	22.35%	6059
14	2023 December	558352	125540	21.94%	4325
15	2024 March	577092	131379	22.76%	5839
16	2024 June	580372	133468	22.99%	2089
17	2024 September	598934	138354	23.10%	4886
18	2024 December	665469	155232	23.32%	16878
19	2025 March	683512	157138	22.98%	1906
20	2025 June	696577	152232	21.85%	-4906
21	2025 September	716480	157988	22.05%	5,756
22	2025 December	744838	162099	21.76%	4111
23	2026 March	774506	173930	22.45%	11831
24	2026 June	781043	176141	22.55%	2,211

Kerala Agriculture: Land Reforms 2.0, New Agricultural Initiatives and Strengthening Crop Insurance

Kerala's agricultural sector is at an important stage of transition. The State's agriculture is increasingly influenced by changing land-use patterns, climate-related risks, fluctuating commodity prices, rising production costs, changing aspirations of farmers and the need to connect agricultural production with processing, value addition and wider markets. Against this backdrop, the Government of Kerala has announced a series of policy initiatives aimed at creating a more resilient, income-oriented and technology-enabled agricultural sector.

The proposed **"Land Reforms 2.0"**, the new initiatives under the comprehensive agriculture policy and the renewed emphasis on crop insurance together represent three important dimensions of the emerging agricultural framework in the State.

While Land Reforms 2.0 seeks to address the productive use of land and the revival of underutilised plantations, the new agricultural initiatives focus on women farmers, youth, value addition, marketing, technology, climate resilience and timely payment to farmers. Crop insurance, meanwhile, provides the risk-management component required to protect farmers from the financial consequences of floods, excessive rainfall, landslides, high temperatures and other natural calamities.

The overall approach indicates a shift from a conventional production-oriented agricultural strategy towards a broader framework centred on **farmer income, productive land utilisation, diversification, value addition, market access, technological intervention and risk mitigation**. The proposed measures also recognise that strengthening agriculture requires coordinated participation from the Government, banks, NABARD, insurance companies, local institutions, farmer organisations and other stakeholders.

LAND REFORMS 2.0 – MODERNISING LAND USE AND REVIVING AGRICULTURAL POTENTIAL

The proposed **Land Reforms 2.0** is intended to modernise Kerala's existing land-related regulations and make them more responsive to the present agricultural and economic environment. Many of the regulations governing land use were framed in a different economic and agricultural context. The Government's proposal seeks to revisit these arrangements with the objective of ensuring that agricultural land and plantations which are presently underutilised can contribute more effectively to economic activity and farmer livelihoods.

One of the important components of the proposal is the **revival of closed and non-operational plantations**. A number of plantations face economic difficulties when conventional plantation crops alone are not sufficient to ensure viability. The proposed reforms seek to provide opportunities for suitable plantations to undertake activities such as multi-cropping and sustainable farm tourism. Such diversification could provide additional sources of income, create employment and improve the economic viability of plantations while ensuring that ecological safeguards are maintained.

The concept of multi-cropping is particularly relevant in the context of improving the productive utilisation of land. Instead of relying exclusively on a single plantation crop, suitable land could potentially support multiple agricultural activities. This could enable plantation owners and farming communities to diversify their income sources and reduce their dependence on fluctuations in the price of a single commodity.

The proposed introduction of **sustainable farm tourism** in suitable plantations also represents an attempt to create an alternative economic model. Agriculture and allied tourism activities can potentially complement each other by allowing agricultural land to generate income not only through crop production but also through tourism-related activities. However, the source material clearly emphasises that such diversification should be undertaken without disturbing the ecological balance of the region.

The broader objective of Land Reforms 2.0 is therefore not simply a change in land regulations. It represents an attempt to unlock the productive potential of land that is presently underutilised. Bringing such land back into productive use could contribute to agricultural output, employment generation and rural economic activity. At the same time, any changes in land use need to remain compatible with environmental sustainability and the long-term interests of the State.

Another important component of the emerging agricultural framework is the use of **technology to address human-wildlife conflict**. Farmers in several parts of Kerala face crop losses arising from wildlife movement. The Government proposes to introduce Artificial Intelligence-based monitoring systems along with conventional physical barriers. Such systems could help identify the movement of wild animals and provide early warnings to farmers, thereby reducing crop damage and protecting agricultural livelihoods as well as human life.

The proposed technology-based approach demonstrates how agricultural policy is increasingly moving beyond traditional inputs and subsidies towards the use of modern technology for solving field-level problems. AI-based monitoring could become an important component of a broader climate- and technology-resilient agricultural system, particularly in areas where human-wildlife conflict poses a recurring threat to farming.

The Government has also proposed enhanced support to **rubber farmers**. The Minimum Support Price for rubber, which has been increased from ₹200 to ₹250 per kg, is proposed to be raised further to **₹300 per kg.** The objective is to provide greater income stability to rubber growers and protect them from fluctuations in market prices.

Another significant measure is the **25 per cent increase in financial assistance for crop losses caused by natural disasters and floods**. Kerala's agricultural sector is particularly vulnerable to excessive rainfall, floods, landslides and other climatic events. Increased compensation can provide immediate financial assistance to affected farmers and improve their capacity to restart cultivation after a disaster.

The issue of timely payment to paddy farmers has also received attention. The Government has stated that outstanding payments due to paddy farmers were cleared within two months of assuming office and that arrangements have been made for timely payments in the future. A permanent mechanism for ensuring prompt payment for paddy procurement has also been proposed. Such a mechanism is important because delays in procurement payments can affect farmers' working capital and their ability to meet the expenses of the next cultivation cycle.

Thus, Land Reforms 2.0 can be viewed as part of a broader effort to improve the economic productivity of agricultural resources while providing greater income security to farming communities. The proposed reforms combine land-use flexibility, plantation diversification, technology-based protection, price support and disaster compensation.

NEW AGRICULTURAL INITIATIVES – BUILDING A FARMER-CENTRIC AND CLIMATE-RESILIENT AGRICULTURAL SECTOR

Along with Land Reforms 2.0, the Government proposes to formulate a **comprehensive agriculture policy** designed to function as a "Farmer's Friend". The policy is intended to bring together modern agricultural practices, technology, financial support, market access and risk-management mechanisms.

The significance of the proposed policy lies in its broader approach to agricultural development. Rather than focusing only on increasing production, the policy seeks to improve farmer incomes, reduce vulnerabilities and strengthen the agricultural value chain. This includes activities extending from production to processing, branding, marketing and exports.

A major proposal under this framework is the creation of a **"Kerala Brand" for agricultural and spice products** processed within the State. Kerala has a strong agricultural identity, particularly in products such as spices and plantation crops. However, the economic value captured by farmers can be limited when agricultural commodities are sold primarily in raw form.

The proposed Kerala Brand seeks to address this issue by promoting **processing, value addition, packaging, branding and international marketing**. A unified identity for Kerala's agricultural products could improve their visibility in domestic and international markets and create opportunities for better returns to farmers. The initiative therefore represents a move from commodity production towards value-oriented agricultural development.

The proposed use of **Vizhinjam Port as an export gateway** is another important element. The Government plans to leverage the port's transshipment capabilities to improve the logistics associated with agricultural exports. Reduced transportation costs and transit times could strengthen the competitiveness of Kerala's agricultural and processed products in international markets. High-value products such as spices and processed agricultural commodities could particularly benefit from improved logistics connectivity.

The development of an integrated agricultural value chain involving production, processing, branding, logistics and exports can potentially create benefits beyond the farm sector. It can support agro-processing enterprises, generate employment and encourage entrepreneurship in rural areas. The success of such a model, however, would depend on ensuring adequate market linkages and enabling farmers and farmer organisations to participate effectively in value addition.

Empowerment of Women Farmers

An important new initiative is **"Krishi Sakhi"**, a five-year programme aimed at empowering women farmers and increasing their participation across the agricultural value chain. The programme will provide support not only for agricultural production but also for processing, value addition, marketing and income generation.

The initiative is particularly significant as **2026 is being observed as the International Year of the Woman Farmer**. Strengthening women's participation in agriculture can contribute to greater economic opportunities and recognition of their role throughout the agricultural value chain.

The focus on women farmers also expands the understanding of agricultural support beyond the conventional farmer-beneficiary model. Women can participate not only in cultivation but also in post-harvest management, processing, marketing and value-added activities. Therefore, programmes such as Krishi Sakhi have the potential to support a wider range of income-generating opportunities associated with agriculture.

Encouraging Youth Participation in Agriculture

The Government has also introduced **"Kathir" agricultural clubs in schools** to encourage the younger generation to take an active interest in agriculture. The programme includes agricultural study visits through *KathirSanchaaram* and *Kathir Markets*, which are intended to connect students with locally produced agricultural products.

The Government is also considering providing grace marks to students who actively participate in agricultural activities. Such initiatives seek to make agriculture more visible and attractive to young people and encourage a greater understanding of farming as an economic activity.

Youth participation is particularly important for the long-term sustainability of agriculture. Encouraging students to understand cultivation, farm management, value addition and agricultural markets can contribute to creating a new generation that is more familiar with modern agricultural practices and opportunities.

The Government has also highlighted the achievements of young farmers. The construction of a house for **Adithyan, a Class VI student from Cherthala who received the State Best Child Farmer Award**, has been announced. His activities include paddy and vegetable cultivation as well as integrated farming involving livestock and poultry. The initiative demonstrates the importance being attached to recognising young farmers and presenting agriculture as a viable and rewarding activity.

Climate-Resilient Agriculture and Restoration of Crop Production

Kerala's agricultural sector is increasingly exposed to climate-related risks. In this context, the **Crop Loss Assessment and Replanting Special Drive** is an important intervention. Farmers whose crops have been damaged by floods and other natural calamities will receive seeds, planting materials and fertilisers free of cost to help restart cultivation.

The objective is to ensure that agricultural production can resume at the earliest after a calamity. For a farmer, crop loss does not end with the destruction of the standing crop; it also affects the ability to purchase inputs for the next crop. Providing essential planting materials and fertilisers can therefore help reduce the time required for recovery.

The Government has also emphasised climate resilience through higher compensation for crop losses and improved farmer-support mechanisms. Technology, AI-based interventions, value addition and better market access are being considered as part of the broader response to emerging agricultural challenges.

Improving Farmer Liquidity through Timely Payments

Timely payment to farmers is an important element of agricultural sustainability. The Government has announced measures to settle **paddy procurement arrears** relating to January–June through a banking consortium. This is expected to provide liquidity to paddy farmers and strengthen their financial position for the next agricultural season.

Similarly, steps have been taken to clear outstanding payments to vegetable farmers through **Horticorp**, with the dues expected to be settled by the end of August 2026. Timely settlement of such dues can improve farmers' cash flow and encourage continued participation in organised procurement and marketing mechanisms.

The measures demonstrate that agricultural policy needs to address not only production but also the financial cycle of farmers. Delayed payments can constrain the ability of farmers to purchase inputs and service their financial obligations. Faster procurement payments can therefore complement credit support and other agricultural interventions.

Review and Strengthening of Agricultural Administration

An **Internal Agriculture Summit** is scheduled for 10 and 11 September 2026 to undertake a comprehensive review of the Agriculture Department's performance. The summit is expected to examine the implementation and effectiveness of existing programmes and identify future priorities and strategies.

The proposed review is particularly relevant in the context of climate change, farmer income and agricultural sustainability. Effective implementation will require coordination among different departments and institutions and continuous assessment of whether agricultural programmes are reaching their intended beneficiaries.

Overall, the new agricultural initiatives indicate a move towards a more comprehensive ecosystem in which the farmer is supported across the entire agricultural cycle—from production and input availability to processing, marketing, payment, exports and risk protection.

CROP INSURANCE – STRENGTHENING FINANCIAL PROTECTION AGAINST CLIMATE RISKS

While land reforms and new agricultural initiatives address productive capacity and farmer income, **crop insurance provides the financial risk-management component** necessary for a resilient agricultural sector.

Kerala's agricultural sector remains highly vulnerable to natural calamities and adverse weather conditions. The State frequently experiences excessive and unseasonal rainfall, floods, landslides, high temperatures, drought-like conditions, strong winds and other climate-related events. Such events can result in significant crop losses and adversely affect the income and livelihood of farmers. Increasing variability in weather patterns has further intensified the risks faced by the farming community.

In this context, crop insurance assumes significant importance as a mechanism for protecting farmers against losses arising from adverse weather and natural calamities. The **State Agriculture Insurance Scheme and Weather Based Crop Insurance Scheme (WBCIS)** provide important avenues for financial protection.

These schemes are supported by the broader institutional framework involving the **Central Government, State Government, Reserve Bank of India and NABARD**, along with banks, insurance companies and other stakeholders. However, despite this institutional support, the level of coverage among farmers remains a matter of concern.

Need for Wider Crop Insurance Coverage

Agriculture is inherently exposed to weather and climatic risks. In Kerala, the geographical and climatic characteristics of the State make the vulnerability particularly significant. Heavy rainfall, flooding, landslides, prolonged dry spells and abnormal temperatures can substantially reduce agricultural income.

Crop losses can also affect the repayment capacity of farmers. When a farmer loses a crop, the financial impact extends beyond the immediate loss of produce. The farmer may have outstanding agricultural loans, input costs and other financial commitments. A significant crop loss can therefore result in increased indebtedness and financial stress.

Crop insurance can provide a financial safety net by compensating eligible losses and helping farmers continue agricultural activities after a calamity. It can also support the banking sector by reducing the financial impact of crop failures on agricultural loans and strengthening the resilience of agricultural credit.

Accordingly, crop insurance should be considered an integral component of **agricultural risk management and sustainable agricultural credit**, rather than merely an additional financial product.

Importance of WBCIS for Kerala

The **Weather Based Crop Insurance Scheme** is particularly relevant to Kerala because of the State's dependence on weather-sensitive crops and the occurrence of frequent weather anomalies.

WBCIS uses defined weather parameters such as rainfall, temperature, humidity and other measurable weather conditions as the basis for assessing losses, subject to the terms and conditions of the scheme. When specified weather conditions cross prescribed thresholds, the scheme has the potential to provide timely financial support to eligible farmers.

The use of objectively measurable weather data provides a transparent mechanism for addressing certain categories of weather-related agricultural risks. However, the effectiveness of the scheme depends substantially on farmer awareness.

Farmers need to understand the crops and areas notified under the scheme, eligibility conditions, premium contribution, weather parameters, coverage provisions, claim conditions and other relevant requirements. Without adequate awareness, the availability of an insurance scheme may not automatically translate into effective coverage.

Role of Banks in Improving Coverage

Banks have a critical role in increasing crop insurance coverage because a significant number of farmers access agricultural credit through the banking system.

At the time of sanction and renewal of eligible agricultural loans, bank branches can appropriately inform farmers about applicable insurance provisions and the benefits of adequate crop insurance coverage. Branch-level interaction provides an important opportunity to ensure that farmers understand the risks they face and the protection available to them.

The role of **Lead District Managers, bank branches and agricultural officers** can be strengthened through village-, panchayat- and block-level awareness programmes. Special attention can be given to areas that are frequently affected by floods, landslides, excessive rainfall and other natural calamities.

NABARD and the State Government can also facilitate awareness and capacity-building programmes through **Farmer Producer Organisations, Self Help Groups, Primary Agricultural Credit Societies, Krishi Bhavans and other grassroots institutions**. Insurance companies can participate in these programmes and explain the scheme provisions and claim procedures to farmers in simple language.

Crop Insurance as an SLBC Agenda

The issue of relatively low coverage under the State Agriculture Insurance Scheme and WBCIS can be placed before the **State Level Bankers' Committee** for focused discussion.

One of the first steps could be the preparation of **district-wise data on eligible farmers and farmers covered under the two schemes**. Such information would help identify districts and regions where insurance penetration is comparatively low.

The reasons for low coverage may include lack of awareness, procedural difficulties, limited understanding of claim settlement, premium-related concerns and other operational issues. Identifying these barriers is necessary for designing targeted interventions.

Regular awareness campaigns can be organised jointly by banks, the Agriculture Department, NABARD, insurance companies and LDMs, particularly before the commencement of the relevant crop or insurance season. Bank branches can proactively communicate the availability and importance of insurance protection to eligible farmers.

Special focus can also be given to vulnerable regions that frequently experience floods, landslides, excessive rainfall, high temperatures and other climate-related events. Local institutions such as Panchayats, Krishi Bhavans, PACS, FPOs, Kudumbashree units and farmer organisations can be brought into the awareness and enrolment process.

The claim process should also be communicated clearly. Insurance companies may be requested to provide simple information regarding claim procedures, documentation requirements, timelines and grievance-redressal mechanisms. Better understanding of these processes can improve farmers' confidence in crop insurance.

A suitable monitoring mechanism may also be considered through the SLBC framework for periodically reviewing crop insurance coverage. District-wise progress can be placed before the appropriate forum so that areas with low coverage can receive focused attention.

Way Forward – Towards Saturation of Crop Insurance

The future approach should move from a **scheme-availability model to a saturation-oriented model**. The mere existence of insurance schemes is not sufficient. Farmers need to be informed, facilitated and supported in obtaining adequate coverage.

The SLBC may consider requesting member banks to make crop insurance awareness an integral part of agricultural credit outreach. LDMs can coordinate with the Agriculture Department, NABARD and insurance agencies to organise focused programmes in vulnerable agricultural areas.

A coordinated campaign could be undertaken before the relevant agricultural season with the objective of:

"Every Eligible Farmer – Adequate Crop Insurance Coverage."

Such a campaign could focus on awareness, enrolment, renewal, understanding of coverage and timely assistance in the event of a claim. This would help ensure that crop insurance becomes an integral component of agricultural risk management rather than a product that farmers consider only after a calamity.

The agricultural initiatives announced by the Government of Kerala represent a comprehensive attempt to respond to the changing requirements of the State's farming community. The proposed **Land Reforms 2.0** seeks to modernise land-use regulations, revive closed and distressed plantations, promote diversification and bring underutilised agricultural resources back into productive use.

The new agricultural initiatives complement these reforms by focusing on **farmer income, women farmers, youth participation, value addition, branding, exports, technology, climate resilience and timely payments**. Programmes such as Krishi Sakhi and Kathir seek to strengthen the participation of women and youth, while the Kerala Brand and the proposed use of Vizhinjam Port seek to connect agricultural production with processing, markets and international trade. The Crop Loss Assessment and Replanting Special Drive and enhanced compensation measures seek to improve the ability of farmers to recover from natural calamities.

At the same time, the increasing exposure of Kerala's agriculture to floods, excessive rainfall, landslides, high temperatures and other climate-related events highlights the need for stronger financial risk protection. The **State Agriculture Insurance Scheme and WBCIS** therefore assume a critical role in the emerging agricultural framework.

The three areas—**productive land use, farmer-centric agricultural development and comprehensive risk protection**—are closely interconnected. Land reforms can create opportunities for productive use and diversification; agricultural initiatives can improve income and market opportunities; and crop insurance can protect those gains against climatic and natural calamity risks.

The success of these measures will depend not only on policy formulation but also on effective implementation, coordination and monitoring. Banks, Government departments, NABARD, insurance companies, LDMs, local institutions, FPOs, PACS and farmer organisations all have important roles to play.

For the banking sector in particular, agricultural credit needs to be supported by adequate risk mitigation and farmer awareness. Crop insurance coverage should therefore form an important part of agricultural credit outreach. Similarly, timely payment mechanisms, value-addition opportunities and improved market linkages can strengthen the financial capacity of farmers and improve the sustainability of agricultural lending.

The proposed framework ultimately seeks to move Kerala agriculture towards a model that is **more productive, diversified, market-oriented, technology-enabled, climate-resilient and farmer-centric**. A coordinated implementation of Land Reforms 2.0, the new agricultural initiatives and wider crop insurance coverage can contribute significantly towards strengthening the resilience of Kerala's farming community and ensuring the long-term sustainability of the State's agricultural economy.

2.2.2. Credit Delivery Framework for Tenant Farmers (Agenda by Reserve Bank of India)

Background

Agriculture in Kerala is characterized by highly fragmented landholdings, a large number of marginal farmers, increasing dependence on leased land for cultivation and growing challenges arising from climate change, labour shortages and rising input costs. While Kerala's historic land reforms played a significant role in protecting cultivating tenants and redistributing land ownership, the present agricultural scenario calls for a review of the existing framework governing agricultural land leasing.

A significant portion of agricultural activity in Kerala is presently undertaken through **informal tenancy arrangements**. Farmers who do not own sufficient agricultural land often cultivate land belonging to others through oral or informal agreements. However, the absence of a comprehensive legal framework recognising and regulating such arrangements creates difficulties for both landowners and tenant cultivators. In particular, tenant farmers may not have adequate documentary evidence of cultivation, which can restrict their access to institutional credit, crop insurance, agricultural subsidies, disaster relief, extension services and other Government support.

The issue assumes greater importance in the context of Kerala's highly fragmented agricultural holdings. Small and marginal holdings make it difficult for individual landowners to undertake economically viable cultivation, while interested farmers, farmer groups, youth and agricultural entrepreneurs may be willing to cultivate larger areas if suitable land is available. A regulated leasing framework can therefore facilitate **aggregation of fragmented holdings without transferring ownership**, thereby improving the productive utilisation of agricultural land.

Need for Legalising Tenant Farming

The present system creates a situation where agricultural tenancy exists in practice but remains inadequately recognised institutionally. This has implications for the banking sector as well. A tenant cultivator who is actually undertaking cultivation may not possess ownership documents that can establish his/her status as a cultivator before a bank. Consequently, access to **Kisan Credit Card (KCC), crop loans, investment credit and other institutional finance** may become difficult.

Legal recognition of tenant farming can establish a clear distinction between **ownership of agricultural land and the right to cultivate the land**. Such recognition need not dilute or adversely affect the ownership rights of landowners. Instead, it can provide a legally recognised mechanism through which landowners can lease out agricultural land for cultivation for a specified period, while tenant farmers obtain secure cultivation rights during the lease period.

A transparent leasing system could also encourage owners of currently fallow or underutilised agricultural land to bring such land back into productive cultivation. It would enable willing landowners to earn rental income while providing land access to farmers who have the ability and willingness to cultivate but lack adequate land of their own.

Proposed Framework for Regulated Agricultural Leasing

The Government may consider introducing an appropriate **legal and institutional framework for agricultural land leasing**, taking into account Kerala's specific social, economic and landholding characteristics. The framework may incorporate the following broad provisions:

1. **Voluntary and registered leasing:** Agricultural leasing may be permitted on the basis of a voluntary agreement between the landowner and tenant farmer. Registration or digital recording of the lease may be facilitated through a simple and low-cost mechanism.

2. **Protection of ownership rights:** Legalisation of tenancy should not result in transfer of ownership rights to the tenant. The landowner should retain ownership and be entitled to resume possession after expiry of the agreed lease period, subject to the terms of the agreement and applicable law.

3. **Defined tenure:** Lease agreements may specify the period of cultivation, rent, responsibilities of both parties, conditions for renewal and termination, thereby providing greater certainty to both landowners and cultivators.

4. **Recognition of cultivator status:** A tenant farmer recognised under the framework may be provided a suitable certificate or digital record establishing the person as the cultivator for the duration of the lease. This can be used for accessing institutional credit and eligible agricultural support.

5. **Access to institutional credit:** Banks may be permitted to consider the recognised tenancy/cultivation certificate along with other prescribed documents for extending **KCC, crop loans and agricultural investment credit**, subject to applicable banking norms. This would be particularly relevant for farmers who do not own land but are actively engaged in cultivation.

6. **Crop insurance and disaster relief:** Recognised tenant cultivators should be eligible, subject to scheme guidelines, for crop insurance coverage and agricultural disaster compensation relating to crops cultivated by them. This is especially important in Kerala given the recurring risks from excessive rainfall, floods, landslides, drought and other climatic events.

7. **Digital land and tenancy records:** A digitally maintained database of agricultural land and registered tenancy arrangements may be developed, with appropriate safeguards. Integration with existing land records and agricultural databases can reduce disputes and facilitate verification by banks and Government departments.

8. **Protection against misuse:** The framework should include adequate safeguards against fraudulent claims, unauthorised sub-leasing, conversion of agricultural land for non-agricultural purposes and exploitation of either landowners or tenant farmers.

The legal recognition of tenant farming can have a direct positive impact on **financial inclusion and agricultural credit delivery**. At present, the absence of formal tenancy documentation can be a major barrier for cultivators who require institutional finance. Once a suitable legal framework is established, the banking system can develop appropriate lending procedures for recognised tenant farmers.

SLBC Kerala may, in consultation with RBI, NABARD, Government departments and member banks, examine the feasibility of issuing suitable operational guidelines to banks regarding lending to recognised tenant cultivators. The framework may specifically facilitate access to KCC and crop loans based on recognised cultivation rights rather than relying exclusively on ownership of agricultural land.

Such a mechanism could also contribute towards **KCC saturation**, particularly among genuine cultivators who are presently outside the formal credit system. It can further support agricultural mechanisation, investment in irrigation, protected cultivation, livestock and allied activities where the underlying activity is undertaken by the recognised tenant.

Recommendation to Government

In view of the above, **SLBC Kerala may recommend that the Government of Kerala examine the feasibility of legalising and institutionalising agricultural land leasing/tenant farming in the State**, while fully protecting the ownership rights of landowners and the interests of cultivating farmers.

The Government may consider constituting an appropriate **inter-departmental committee/working group** comprising the Departments of Agriculture, Revenue, Cooperation, Finance and Local Self Government, along with representatives from NABARD, RBI, SLBC, banking institutions, farmer organisations and relevant experts, to examine the existing legal provisions and formulate a Kerala-specific framework for regulated agricultural leasing.

The proposed framework may focus on **"Land Reforms 2.0"**, with the objective of moving from merely protecting land ownership to ensuring the productive utilisation of agricultural land. Legalised and regulated tenancy can facilitate consolidation of fragmented holdings, revival of fallow land, access to institutional credit, crop insurance coverage, mechanisation and technology adoption, while simultaneously creating greater security for both landowners and tenant farmers.

SLBC Kerala may therefore recommend that the Government initiate necessary consultations and legislative/administrative measures for introducing a transparent, voluntary and farmer-friendly system of legal agricultural tenancy in Kerala. Such a reform could serve as an important structural intervention for revitalising the State's agricultural sector and strengthening institutional credit delivery to the actual cultivator.

2.2.3 <u>Extension of Kisan Credit Card (KCC) Scheme for Animal Husbandry Farmers and Fisheries</u>

The details of camps conducted as follows as on 14.08.2026

KCC Fisheries Bankwise wise data as on 14/08/2026					
Sl No	**Name of the District**	**No of applications received**	**No of applications accepted**	**No of applications sanctioned**	**Pending for more than 15 days**
1	Bank of Baroda	419	415	350	0
2	Bank of India	1246	1244	987	0
3	Bank of Maharashtra	3	3	3	0
4	Canara Bank	4516	4511	4197	0
5	Central Bank of India	280	279	242	1
6	Cooperative Bank	1000	1000	962	0
7	IDBI Bank Ltd.	3	3	3	0
8	Indian Bank	3443	3443	3355	0
9	Indian Overseas Bank	768	767	719	0
10	Jammu & Kashmir Bank Ltd	0	0	0	0
11	Punjab & Sind Bank	0	0	0	0
12	Punjab National Bank	416	416	401	0
13	State Bank of India	4978	4955	3862	0
14	UCO Bank	212	210	186	0
15	Union Bank of India	4820	4810	4602	0
Total		**22104**	**22056**	**19869**	**1**

KCC Fisheries District wise data as on 14/08/2026					
Sl No	**Name of the District**	**No of applications received**	**No of applications accepted**	**No of applications sanctioned**	**Pending for more than 15 days**
1	Alappuzha	155	153	60	0
2	Ernakulam	3907	3887	3711	0
3	Idukki	278	278	97	0
4	Kannur	197	197	181	0
5	Kasaragod	1268	1268	1268	0
6	Kollam	2297	2297	2297	0
7	Kottayam	388	388	163	1
8	Kozhikode	3453	3453	3453	0
9	Malappuram	514	514	319	0
10	Palakkad	1295	1285	1173	0
11	Pathanamthitta	253	237	121	0

12	Thiruvananthapuram	7005	7005	5966	0
13	Thrissur	751	751	717	0
14	Wayanad	343	343	343	0
Grand Total		**22104**	**22056**	**19869**	**1**

The details of camps conducted as follows as on 14.08.2026

KCC Animal Husbandry District wise data as on 14/08/2026					
Sl No	**District Name**	**No of applications received**	**No of applications approved**	**No of applications sanctioned**	**Pendency for more than 15 days**
1	Alappuzha	797	796	101	0
2	Ernakulam	4525	4525	4366	0
3	Idukki	2140	2138	1080	0
4	Kannur	10078	10078	9786	0
5	Kasaragod	7993	7993	7984	0
6	Kollam	7984	7984	7984	0
7	Kottayam	1022	1022	125	5
8	Kozhikode	15764	15764	15764	0
9	Malappuram	6180	6180	6171	0
10	Palakkad	9629	9627	8964	0
11	Pathanamthitta	688	688	231	2
12	Thiruvananthapuram	11173	11173	10161	0
13	Thrissur	6832	6832	6508	4
14	Wayanad	10250	10237	10220	0
Total		**95055**	**95037**	**89445**	**11**

KCC Animal Husbandry Bankwise wise data as on 14/08/2026					
Sl No	**Name of the District**	**No of applications received**	**No of applications accepted**	**No of applications sanctioned**	**Pending for more than 15 days**
1	Bank of Baroda	2519	2519	2372	0
2	Bank of India	3083	3083	2971	2
3	Bank of Maharashtra	15	15	15	0
4	Canara Bank	42640	42629	41647	6
5	Central Bank of India	263	263	161	0
6	Cooperative Bank	9003	9003	8770	0
7	IDBI Bank Ltd.	271	271	267	0
8	Indian Bank	1116	1116	1037	0
9	Indian Overseas Bank	7563	7563	7292	0
10	Jammu & Kashmir Bank Ltd	0	0	0	0
11	Punjab & Sind Bank	0	0	0	0
12	Punjab National Bank	1686	1685	1567	2
13	State Bank of India	15509	15503	12929	0
14	UCO Bank	1013	1013	1001	0
15	Union Bank of India	10374	10374	9416	1
Total		**95055**	**95037**	**89445**	**11**

2.2.4 Agenda Suggested by Reserve Bank of India- Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem

Reserve Bank of India has suggested that SLBC may deliberate on measures to strengthen **credit delivery for agricultural logistics and supply-chain infrastructure**, particularly by leveraging Government-supported schemes such as the **Agriculture Infrastructure Fund (AIF)** and **PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme.** The issue assumes particular significance for Kerala, where the availability of adequate post-harvest infrastructure—including collection centres, grading and sorting facilities, warehouses, cold storage, pack houses, primary processing units and efficient market linkages—remains an important area requiring focused intervention.

Reserve Bank of India has suggested that SLBC may deliberate on measures for strengthening **credit delivery to agricultural logistics, supply chain and post-harvest infrastructure** by effectively leveraging various Government schemes, including the **Agriculture Infrastructure Fund (AIF)** and **PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme**. This assumes particular relevance in Kerala, where significant opportunities exist for improving infrastructure relating to collection, aggregation, grading, sorting, storage, cold chain, transportation, processing and marketing of agricultural and allied products.

The development of such infrastructure is essential not only for reducing post-harvest losses but also for improving value realisation to farmers, strengthening

Farmer Producer Organisations (FPOs), encouraging food processing enterprises and creating stronger linkages between primary producers, processors, exporters and markets. The AIF itself provides an important opportunity for financing a wide range of infrastructure, including warehouses, cold chains, processing and agricultural logistics, and can also be converged with other eligible subsidy schemes.

A recent development highlighting the potential for greater private-sector participation in this area is the proposed **6,500-tonne integrated cold chain hub at Kizhakkambalam near Kochi by Westman Supply Chain Solutions Pvt. Ltd.** The facility is proposed to include temperature-controlled storage chambers, processing and packing areas and blast-freezing facilities, catering to sectors including fruits and vegetables, spices, dairy, marine products and other food products. The company has also indicated plans for a cold-chain project near Vizhinjam to support export-import logistics.

Such investments demonstrate the emerging business potential of the agricultural and food logistics sector in Kerala. However, for scaling up similar projects across the State, **timely and adequate institutional credit will be critical**. Banks, therefore, have a major role to play in identifying viable projects and extending term loans and working capital support to entrepreneurs, FPOs, cooperatives, startups, food-processing units and logistics companies. A focused approach by banks towards project financing under AIF, PMFME and other credit-linked Government schemes can encourage greater private investment and facilitate the creation of an integrated agricultural value chain.

The matter also assumes added significance in the context of the operationalisation of **direct EXIM cargo operations at Vizhinjam International Seaport in August 2026.** Vizhinjam has the potential to emerge as an important gateway for Kerala's agricultural, food-processing, seafood and other export-oriented sectors. The port's development plans specifically envisage specialised cold-chain facilities and logistics infrastructure, while agri-food processing and seafood are identified as priority sectors.

At the same time, research relating to agribusiness opportunities around Vizhinjam has identified constraints such as inadequate extension and export support, fragmented markets, weak farmer collectives and other institutional barriers. This underlines the need for coordinated interventions to ensure that farmers and enterprises are able to effectively utilise the emerging infrastructure and export opportunities.

In this background, it is proposed that the **Department of Agriculture & Farmers Welfare, Department of Industries and other concerned Government agencies may coordinate with SLBC and member banks to identify infrastructure gaps and prepare a pipeline of bankable projects** in areas such as cold storage, pack houses, warehouses, reefer transportation, collection and aggregation centres, primary processing, food processing and export-oriented logistics.

The House may deliberate on the present status of agricultural logistics and supply-chain infrastructure in Kerala, identify critical gaps and explore a coordinated action plan involving Government Departments, banks and private investors for improving credit flow under AIF, PMFME and other relevant schemes. The emerging opportunities arising from Vizhinjam International Seaport may also be integrated into the State's strategy for developing export-oriented agricultural and food-processing infrastructure

2.2.5 Agenda Suggested by Director Agriculture – Credit under Agriculture Infrastructure Fund

The key objective of the scheme is to mobilize a medium to long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country.

The scheme covers post-harvest management projects like supply chain services including e-marketing platforms, warehouse, silos, pack-houses, assaying units, sorting & grading units, cold chain, logistics facilities, primary processing centers, ripening chambers and other viable projects for building community farming assets such as organic input production, bio stimulant production units, infrastructure for smart and precision agriculture, supply chain infrastructure for clusters of crops including exports clusters etc.

All loans up to a limit of ₹ 2 crores under this financing facility will have interest subvention of 3% per annum. This subvention will be available for a maximum period of 7 years. An applicant can put up to 25 projects in different locations and each of such projects will be eligible under the scheme for loan upto ₹ 2 crore. Under the scheme, it is mandatory for borrowers to contribute at least 10% of total project cost irrespective of available capital subsidy. Multiple projects in one location are also eligible with an overall cap of ₹2 crore. In case, one eligible entity puts up projects in different locations then all such projects will be eligible under the scheme for loan upto ₹2 crore. However, for a private sector entity, such as farmer, agri entrepreneur, start-up there will be a limit of maximum of 25 such projects. This limitation of 25 projects will not be applicable to state agencies, cooperatives, national and state federations of cooperatives, FPOs, federations of FPOs, SHGs and federation of SHGs.

The Scheme will be operational from 2020-21 to 2032-33. Loan disbursement under the scheme will complete in six years, i.e. by the end of Financial Year 2025-26.

24% of total grants – in – aid under the scheme should be utilized for SC/ST entrepreneurs (16% for SC and 8% for ST). Besides this, lending institutions would ensure adequate coverage of entrepreneurs belonging to women and other weaker segments of society may be provided loan on priority basis to ensure that benefits of implementation are inclusive and accrued to the intended beneficiaries in accordance with Government guidelines and policies.

Benefits:

The scheme targets to provide following benefits:

1) Improved marketing infrastructure to allow farmers to sell directly to a larger base of consumers and hence, increase value realization for the farmers. This will improve the overall income of farmers.

2) With investments in logistics infrastructure, farmers will be able to sell in the market with reduced post-harvest losses and a smaller number of intermediaries. This further will make farmers independent and improve access to market.

3) With modern packaging and cold storage system access, farmers will be able to further decide when to sell in the market and improve realization.

4) Community farming assets for improved productivity and optimization of inputs will result in substantial savings to farmers.

5) Government will be able to direct priority sector lending in the currently unviable projects by supporting through interest subvention, incentive and credit guarantee. This will initiate the cycle of innovation and private sector investment in agriculture.

6) Due to improvements in post-harvest infrastructure, government will further be able to reduce national food wastage percentage thereby enable agriculture sector to become competitive with current global levels.

7) Central/State Government Agencies or local bodies will be able to structure viable PPP projects for attracting investment in agriculture infrastructure.

8) With Credit Guarantee, incentive and interest subvention lending institutions will be able to lend with a lower risk. This scheme will help to enlarge their customer base and diversification of portfolio.

9) Refinance facility will enable larger role for cooperative banks and RRBs.

Eligibility:

1) Participating lending institutions will decide criteria for selection of eligible borrower as per their own policy, keeping in mind the viability of the projects.

2) 24% of total grants – in – aid under the scheme should be utilized for SC/ST entrepreneurs (16% for SC and 8% for ST). Besides this, lending institutions would ensure adequate coverage of entrepreneurs belonging to women and other weaker segments of society may be provided loan on priority basis

Performance of Kerala State under AIF as on 24/08/2026

Performance of AIF Scheme since inception in Nos	
Number of applications under Draft	463
Applications kept pending due to pending information	911
Applications denied	1032
Number of Verified applications	438
Number of Rejected application	4585
Number of applications sanctioned	5448
Out of the sanctioned applications disbursed	4932
Applications pending to be disbursed	516

Performance of AIF Scheme since inception in Cr	
Number of applications under Draft	196.89
Applications kept pending due to pending information	523.97
Applications denied	10.71
Number of Verified applications	176.86
Number of Rejected application	1942.61
Number of applications sanctioned	1786.71
Out of the sanctioned applications disbursed	1250.05

Project wise Status of AIF Loan Applications as on 23-08-2026 (Rs. in Crore)						
Project Type	**Total Applications - No. of Applications**	**Total Applications - Amount (Cr)**	**Sanctioned - No. of Applications**	**Sanctioned - Amount (Cr)**	**Disbursed - No. of Applications**	**Disbursed - Amount (Cr)**
Primary Processing Center	3975	2010.84	2041	714.87	1871	504.05
Custom Hiring Centre	3815	574.83	1818	251.48	1660	224.77
Warehouse	487	620.88	177	188.34	160	129.57
Others	1073	596.07	251	111.17	235	86.24
Composite Project	179	262.27	54	76.12	42	41.48
Cold Stores and Cold Chain	202	241.23	81	115.65	71	51.92
Infrastructure for smart and precision agriculture	527	217.74	162	41.08	152	31.53
Sorting & Grading Unit	90	79.32	41	32.12	33	18.85
PHM Activities	94	50.52	39	20.66	34	14.59
Farm/Harvest Automation	418	100.95	186	43.51	169	39.29
Organic inputs production	247	145.74	63	25.34	50	14.58
Integrated Primary and Secondary Processing Unit	754	403.83	290	108.78	244	52.39
Mushroom Farming	367	61.35	141	20.17	116	12.49
Supply chain infrastructure for clusters of crops	20	35.26	4	6.30	3	4.61
Hydroponic Farming	51	28.57	21	8.07	16	4.37
Logistics Facility	90	27.23	33	8.64	32	7.25
Silos	5	6.80	3	3.70	3	3.70
Packaging units	91	226.57	21	4.97	19	2.93
Bio stimulant production units	20	10.82	2	1.92	2	1.92
Poly House/ Greenhouse	44	23.66	10	2.57	9	2.25
Assaying units	5	4.78	1	0.40	1	0.40
PPP projects promoted by Central or their agencies	4	2.17	2	0.12	2	0.12
PPP projects promoted by Local Govts. or their agencies	2	0.09	1	0.05	1	0.05
Ripening Chambers	1	0.41	0	0.00	0	0.00
PPP projects promoted by State. or their agencies	3	2.24	0	0.00	0	0.00
Aeroponic Farming	6	1.02	2	0.27	2	0.13
Supply chain infrastructure for export clusters of crops	1	3.00	0	0.00	0	0.00
Vertical Farming	20	6.76	4	0.41	4	0.41
Grand Total	**12591**	**5744.93**	**5448**	**1786.72**	**4931**	**1249.90**

Bank wise Status of AIF Loan Applications as on 23-08-2026 (Rs. in Crore)						
Lending Institution	**Sanctioned**		**Disbursed**		**Applications Pending at Banks**	
	No. of Applications	**Amount in Cr**	**No. of Applications**	**Amount in Cr**	**No. of Applications**	**Amount in Cr**
STATE BANK OF INDIA	1514	425.91	1385	317.74	68	21.48
Kerala State Cooperative Bank	216	287.45	167	175.10	11	6.59
Canara Bank	864	260.07	790	146.78	57	16.53
The Federal Bank Ltd	293	161.60	292	133.75	57	32.30
HDFC Bank	74	109.07	69	83.41	27	40.73
Kerala Gramin Bank	769	95.68	712	86.29	51	10.30
Bank Of Baroda	432	88.81	376	63.39	7	4.42
Union Bank of India	294	65.67	271	45.87	41	13.93
Bank Of India	265	54.48	243	42.61	16	4.52
Punjab National Bank	211	48.30	185	24.87	25	3.63
UCO Bank	108	36.87	87	23.36	10	3.18
IDBI BANK LTD	88	30.57	80	19.13	22	6.37
Indian Bank	124	28.63	110	20.62	8	3.04
South Indian Bank	63	27.76	58	24.08	11	5.42
Axis Bank	17	24.60	13	19.60	0	0.00
Central Bank Of India	29	12.52	20	3.08	3	0.30
Kotak Mahindra Bank	4	8.05	3	3.50	0	0.00
Indian Overseas Bank	45	8.01	37	5.52	6	0.88
ICICI Bank	8	6.82	8	6.82	0	0.00
Karur Vysya Bank	5	1.81	5	1.21	1	0.06
NABKISAN Finance Ltd	4	1.40	2	0.78	1	0.52
ESAF Small Finance Bank Limited	6	0.92	5	0.88	0	0.00
Bank of Maharashtra	8	0.67	6	0.46	1	0.24
Tamilnad Mercantile Bank Ltd	1	0.43	1	0.43	0	0.00
Dhanlaxmi Bank Ltd	5	0.35	5	0.35	6	0.74
National Cooperative Development Corporation (NCDC)	1	0.26	1	0.26	0	0.00
Bandhan Bank Ltd	0	0.00	0	0.00	3	0.46
J&K Bank	0	0.00	0	0.00	0	0.00
Punjab and Sind Bank	0	0.00	0	0.00	1	0.16
AU Small Finance Bank Limited	0	0.00	0	0.00	0	0.00
CSB Bank Ltd	0	0.00	0	0.00	0	0.00
IDFC FIRST Bank Ltd.	0	0.00	0	0.00	1	0.50
DCB Bank	0	0.00	0	0.00	0	0.00
Agriwise Finserv Ltd	0	0.00	0	0.00	0	0.00
Karnataka Bank	0	0.00	0	0.00	0	0.00
IndusInd Bank	0	0.00	0	0.00	0	0.00
Grand Total	**5448**	**1786.72**	**4931**	**1249.90**	**434**	**176.30**

District wise Status of AIF Loan Applications as on 23-08-2026 (Rs. in Crore)						
Districts	Sanctioned		Disbursed		Applications Pending at Banks	
	No. of applications	Amount in Cr	No. of applications	Amount in Cr	No. of applications	Amount in Cr
Thiruvananthapuram	286	90.84	247	59.81	43	13.71
Kollam	313	75.97	278	54.85	28	5.36
Pathanamthitta	121	24.31	109	18.42	7	0.82
Alappuzha	298	56.98	271	46.39	20	5.52
Kottayam	270	91.47	247	65.27	23	13.62
Idukki	342	130.14	300	94.29	57	25.07
Ernakulam	453	348.15	413	201.21	43	35.85
Thrissur	596	145.86	551	112.89	38	15.77
Palakkad	859	262.11	771	188.96	66	21.06
Malappuram	664	162.31	614	128.33	30	13.53
Kozhikode	402	125.24	365	84.13	33	8.86
Wayanad	424	107.56	388	87.14	15	4.84
Kannur	289	117.86	260	75.57	20	8.70
Kasaragod	131	47.90	117	32.64	11	3.58
Grand Total	**5448**	**1786.72**	**4931**	**1249.90**	**434**	**176.30**

Pending geo tagging

Geotagging is a record for having the unit set up by the entrepreneur using AIF loan and its benefits. Also it is mandatory to have the units geo tagged to ensure the smooth flow of interest subvention to AIF loan accounts.

The present level of geotagging as at 19-07-2026 is 89.90% from 87.10% at the 148th SLBC meeting

Bankwise AIF units to be geotagged is

Ban Name	To be Geotagged
Canara Bank	134
STATE BANK OF INDIA	72
Bank Of Baroda	69
Punjab National Bank	58
Union Bank of India	45
Bank Of India	42
Kerala Bank	28
Kerala Gramin Bank	20
UCO Bank	8

HDFC Bank	4
IDBI BANK LTD	3
South Indian Bank	2
Indian Bank	1
Indian Overseas Bank	1
Central Bank Of India	1
Kotak Mahindra Bank	1
Total	489

2.Shortcomings observed in updation of portal by the bankers.

Banks have to update status of AIF Loans in the AIF portal on a regular basis on sanction, disbursement, final disbursement and NPA status .Non-updation of portal has manifold implications

1. ***Under reporting of loan sanctions and under reporting of disbursements.***
2. ***Eligible interest subvention not claimed.***
3. ***Eligible CGTMSE Annual Guarantee Fee (AGF) reimbursement not claimed.***
4. ***The AIF loan portfolio vis a vis the NPA share in the overall exposure to AIF portfolio may not be realistic.***

3. Insisting on unaffordable margins by Banks:

The issue of insisting on more than 10% of the Approved AIF project cost as margin still remains unresolved with two banks –State Bank of India and Indian Bank. In the SLRM SBI has replied

Reply from State Bank of India:

For loan amount: UptoRs 2 Lakhs: Nil . Above Rs 2 Lakhs: 25% of the project cost. However, there is **an authority structure in place** to waive the stipulated margin of 25% to 10%(minimum) for all loans above Rs 2 Lakhs.

Reply from Indian Bank:

Indian Bank has informed that they have referred the same to their Head Office and a reply isawaited.

Entrepreneurs approaching both SBI and India Bank are mandated to bring in more than 10% margin. Both banks may be advised to provide data on total number of AIF loans sanctioned during the last six months or so and total loans sanctioned with 10% margin to the SLBC.

4.Gap to target

The goal assigned for AIF loan sanctions in Kerala is Rs 2520 cr and the current level of achievement is Rs 1713 cr only that is at 68% and the gap is 807 crores . Banks are requested to clear the pending 461 applications verified by the PMU and with the bank now, to the tune of Rs 213 cr, immediately.

2.2.6. **Agenda Suggested by NABARD**

1. **Ghar - Ghar PMFBY Abhiyan: Saturation of loanee farmers under PMFBY / RWBCIS**

   1.1 The Department of Agriculture & Farmers Welfare (DA&FW), Government of India, has launched a special campaign during Kharif 2026 to achieve saturation of eligible Kisan Credit Card (KCC) accounts under PMFBY/RWBCIS.

   1.2 In this connection, the period from 01 July to 31 July 2026 is being observed as Crop Insurance Month with a special focus on PMDDKY districts and other low-enrolment districts, with the objective of enhancing farmer awareness and maximizing enrolment of eligible farmers under the scheme. In this connection:

   a. Bank branches will have to necessarily keep the records of the farmer declaration who are willingly opting out.

   b. Banks to regularly monitor the progress of "Saturation of KCC Accounts under PMFBY" across the country and submit reports to GOI on Total number of Loanee farmers and number of loanee farmers successfully enrolled under PMFBY.

   c. As per clause 38.5.8 of the PMFBY Operational guidelines 2023, "In case, claims have arisen during crop season then respective defaulting bank and its branches would be responsible to make payment of the admissible claims to loanee farmers who were deprived of insurance cover".

   1.3 Issues to be discussed:

   a. DDM Palakkad has reported the issue ofnon- receipt of insurance claims byfarmers since Kharif 2024 during field visits. The same may be discussed during forthcoming SLBC meeting.

   b. A time window of at least one month may be made available to bankers for deduction of premium for upcoming crop seasons. Most often, information about extension is communicated weeks after the period for deduction as advised originallyhas ended.

2. **Finalisation of GLC Targets for FY 2026-27:**

   2.1 Government of India is emphasizing the development of allied sectors and has highlighted the need for close monitoring of Ground Level Credit (GLC) flow across various sub-sectors of agricultural credit.

   2.2 For FY 2025–26, the Government of India has fixed separate targets for Animal Husbandry, Dairy, Fisheries, and e-NWR–based Pledge

Finance.Further, Govt of India is also identifying niche areas and advising Banks to earmark specific GLC targets for such areas (eg: shrimp farming)

2.3 Accordingly, **from 2026-27, SLBC may finalize activity-wise targets for banks for Priority Sector Lending (PSL) under agriculture**.

3. Reporting and Monitoring of GLC Achievement:

3.1 The lack of sub-sector wise and activity wise GLC data in agriculture sector is hampering the monitoring of credit flow to priority sector areas like Animal Husbandry, fisheries etc. SLBC may refine the GLC reporting format for Banks for close monitoring of credit offtake in the state.The activity wise GLC data would enable better engagements with line departments at district and state level for evidence-baseddecision making for improving GLC in various sub sectors of agriculture.

3.2 SLBC may also put in place a suitable mechanism to review the credit flow to Ammal Husbandry sector, Fisheries sector (**including financing extended for seaweed cultivation and related value-addition activities**) and other allied sectors.

3.3 **Disbursement and outstanding under KCC Crop Loan, KCC AH and KCC Fisheries may be placed for review in quarterly SLBC meetings**.

3.4 In tertiary sector, credit disbursementunder various activities is much lesser than the targets finalised under ACP, which warrants sub sector wise review of GLC flow.Therefore, SLBC may henceforth review sub-sector wise GLC achievement of Banks under tertiary sector in the ensuing meetings to identify areas.

4. Extension of AHIDF and FIDF:

4.1 Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India has accorded approval for temporary extension of AHIDF up to 30 September 2026 or till approval of the scheme under the 16th Finance Commission cycle, whichever is earlier.

4.2 Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India has accorded approval for temporary extension of FIDF up to 30 September 2026 or till approval of the scheme under the 16th Finance Commission cycle, whichever is earlier.

4.3 Scheduled Banks are Nodal Loaning Entities under both the schemes and hence Banks may explore avenues to finance projects under these funds.

5. GLC reporting in Alappuzha district:

5.1 As per the new reporting format, 15 blocks have been indicated in the place of 12 blocks for submission of returns by banks in Alappuzha. Three taluks (Cherthala, Kuttanad andKarthikappally) are included as blocks.DDM Alappuzha has informed that this would lead to misreporting or difficulty in reviewing the performance of Banks during BLBCs.

6. Recall of advance subsidy:

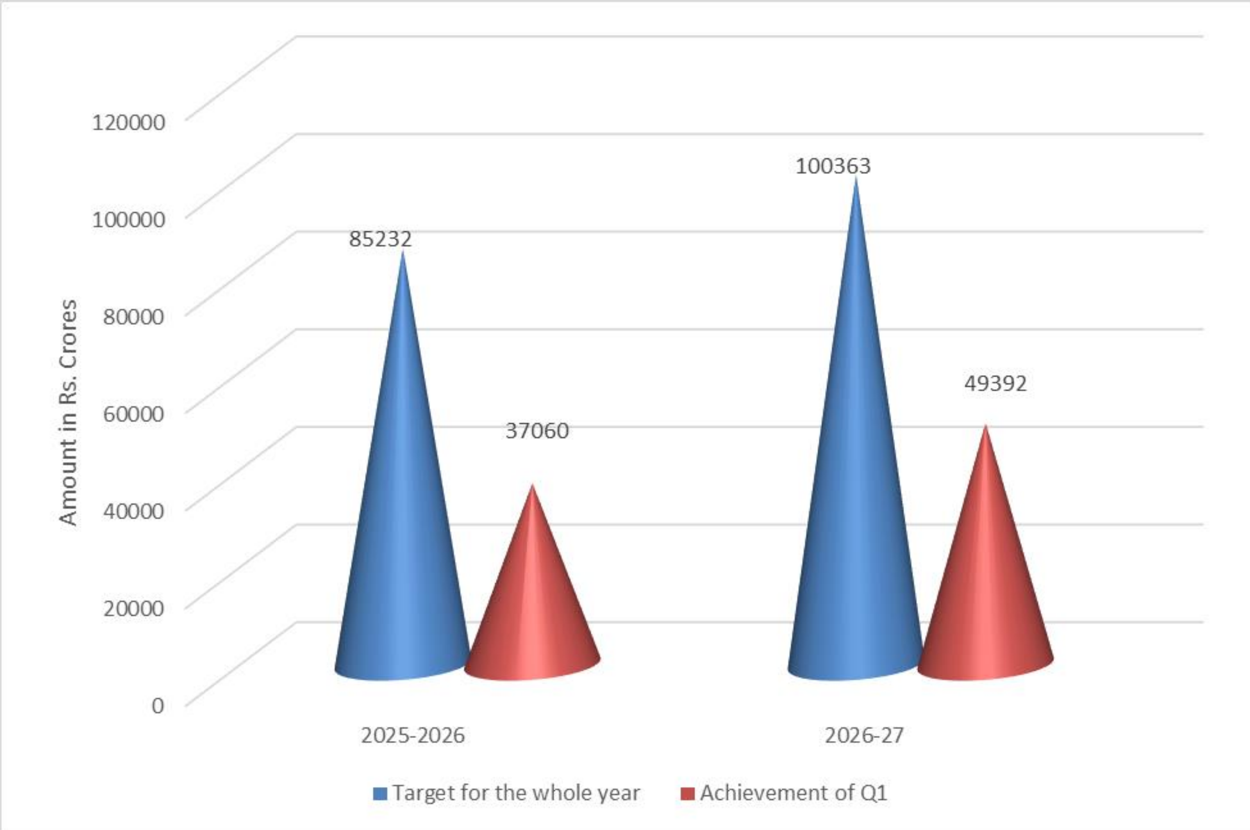
6.1 Under New AMI scheme of Govt. of India, advance subsidy has been recalled and the refund has not been received in the following account. Bank is requested to submit the reason for non-payment of recalled subsidy and process the refund at the earliest.

Name of the promoter	Name of Bank Branch	Date of sanction	Date of disbursement of first instalment	Date of sanction by NABARD	Pending Months	Type of project	Eligible TFO (₹)	Advance subsidy released (₹)	Date of release
Santhosh V.	Bank Of Baroda, Pothencode Branch	06-Nov-2020	01-Jan-2021	23-04-2021	49	Storage	3402000.00	425000.00	30/07/2021

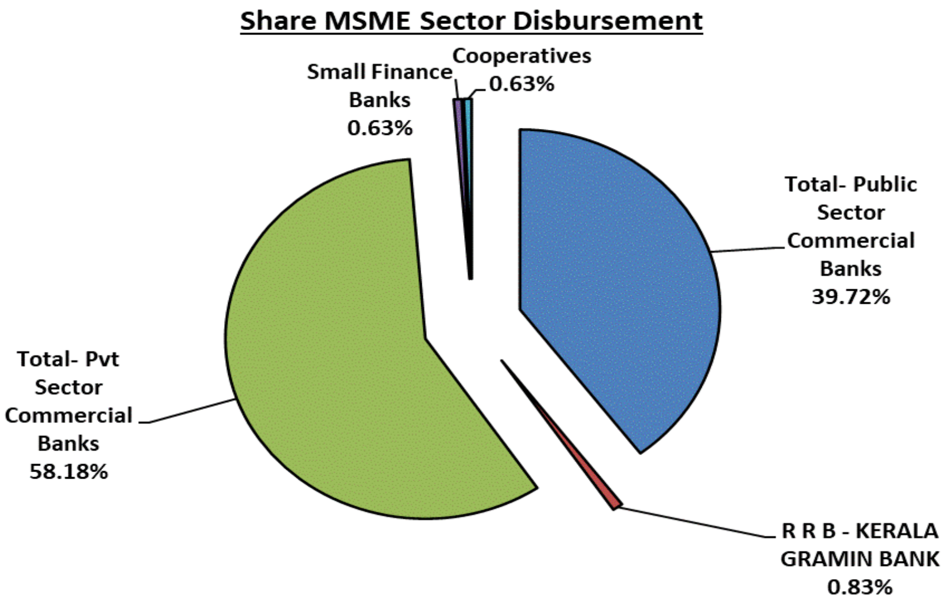
3.1. PERFORMANCE UNDER MSME SECTOR IN ANNUAL CREDIT PLAN 26-27

MSME		
Parameter	**2025-26**	**2026-27**
Target for the whole year	**85232**	**100362**
Achievement of Q1	**37060**	**49392**
% achievement for Q1	**43%**	**49.19%**

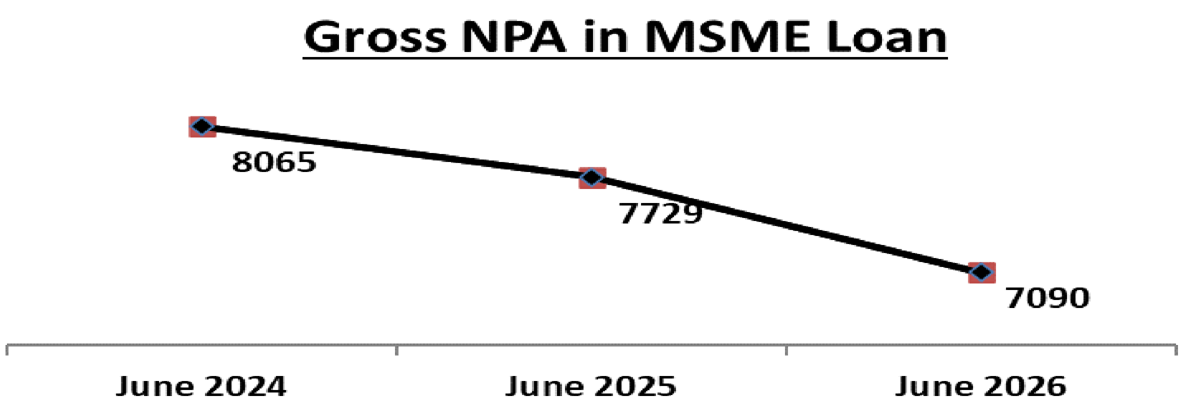
Disbursement in 2025-26 : Rs.37060/- Crs
Disbursement in 2026-27: Rs. 49392/- Crs.
Incremental Disbursement: Rs. 12,332/- Crs



Share of MSME Outstanding



Sl. No.	District	Target for 2026-27	Achievement of Q1	% Achievement
1	IDUKKI	1983	1198	60%
2	KOZHIKODE	7447	3994	54%
3	KOTTAYAM	5935	3139	53%
4	PALAKKAD	5120	2721	53%
5	MALAPPURAM	5244	2723	52%
6	PATHANAMTHITTA	2015	1026	51%
7	ERNAKULAM	29696	15193	51%
8	ALAPPUZHA	4355	2193	50%
9	THRISSUR	10990	5473	50%
10	WAYANAD	1442	726	50%
11	KOLLAM	6713	3132	47%
12	KANNUR	4470	2113	47%
13	KASARGODE	2038	830	41%
14	TRIVANDRUM	12915	4931	38%
TOTAL		100363	49392	49%



3.2. Pending Agendas under Secondary Sector

3.2.1. Agenda Suggested by the Kudumbashree

A. **Review of Performance under PMSAVNidhi**

The Lok Kalyan Mela Special Campaign under PM SVANidhi Scheme is proposed to be conducted across Urban Local Bodies and Census Towns from 1st to 30th September 2026 with the objective of ensuring comprehensive outreach and empowerment of street vendors. The Mela will bring together Banks, Urban Local Bodies, Digital Payment Aggregators, FSSAI, Line Departments, Vendor Associations and other stakeholders to facilitate mobilisation of new beneficiaries, timely sanction and disbursement of loans, resolution of pending applications, digital onboarding through UPI/QR codes, facilitation of PM SVANidhi Credit Cards, and food safety and hygiene training.

The campaign will also focus on socio-economic profiling of PM SVANidhi beneficiaries and their family members and facilitating their linkage with eligible welfare schemes under SVANidhi Se Samriddhi. The programme will provide an opportunity for direct interaction between bankers and street vendors to address operational issues, resolve pending cases and ensure effective last-mile delivery of benefits under the restructured PM SVANidhi Scheme, supported by proper publicity, documentation and daily reporting of campaign outcomes.

B. Review of Performance under PM FME

PMFME SANCTIONS SINCE INCEPTION		
SL NO	**NAME OF THE BANK**	**NO OF APP**
1	CANARA BANK	2651
2	STATE BANK OF INDIA	1688
3	KERALA GRAMIN BANK	1526
4	UNION BANK OF INDIA	862
5	The Kerala State Co Operative Bank Ltd	725
6	BANK OF BARODA	397
7	FEDERAL BANK	371
8	IDBI BANK	284
9	INDIAN OVERSEAS BANK	248
10	BANK OF INDIA	229
11	INDIAN BANK	204
12	PUNJAB NATIONAL BANK	202
13	UCO BANK	182
14	CENTRAL BANK OF INDIA	143
15	SOUTH INDIAN BANK	72
16	DHANALAKSHMI BANK	70
17	HDFC BANK	36
18	THE WAYANAD DIST CO-OP BANK LT	32
19	MALAPPURAM DISTRICT CO-OPERATIVE BANK-MALAPPURAM	26
20	BANK OF MAHARASHTRA	23
21	IDUKKI DISTRICT CO OPERATIVE BANK LTD	10
22	KARNATAKA BANK LIMITED	5
23	ESAF SMALL FINANCE BANK LIMITED	2
24	ICICI BANK LIMITED	2
25	AXIS BANK	1
26	CSB BANK LIMITED	1
27	IDBI Bank Limited	1
28	KARUR VYSYA BANK	1
29	THRISSUR DISTRICT CO-OPERATIVE BANK LTD	1
TOTAL		9995

PMFME PENDENCY		
SL NO	**NAME OF THE BANK**	**NO OF APP**
1	STATE BANK OF INDIA	147
2	CANARA BANK	137
3	KERALA GRAMIN BANK	123
4	UNION BANK OF INDIA	95
5	IDBI BANK	46
6	PUNJAB NATIONAL BANK	32
7	BANK OF BARODA	30
8	FEDERAL BANK	30
9	The Kerala State Co Operative Bank Ltd	24
10	SOUTH INDIAN BANK	20
11	INDIAN BANK	19
12	BANK OF INDIA	16
13	INDIAN OVERSEAS BANK	14
14	CENTRAL BANK OF INDIA	11
15	UCO BANK	10
16	DHANALAKSHMI BANK	8
17	HDFC BANK	8
18	MALAPPURAM DISTRICT CO-OPERATIVE BANK-MALAPPURAM	5
19	AXIS BANK	3
20	ICICI BANK LIMITED	3
21	BANK OF MAHARASHTRA	2
22	CITY UNION BANK LIMITED	1
23	CSB BANK LIMITED	1
24	IDUKKI DISTRICT CO OPERATIVE BANK LTD	1
25	KARUR VYSYA BANK	1
26	THE MATTANCHERRY MAHAJANIK COOPERATIVE BANK LTD	1
27	THE WAYANAD DIST CO-OP BANK LT	1
TOTAL		789

PM FME team will be attending the SLBC meeting and discussions on PM FME pendency will be discussed.

C. Review of PMEGP

KHADI AND VILLAGE INDUSTRIES COMMISSION
STATE OFFICE, PATTOM PALACE.P.O.
THIRUVANANTHAPURAM.

No.SOK/PMEGP/SLBC/2026-27 Date:23-07-2026

Agenda note on PMEGP for the 149th SLBC meeting scheduled to be held in August 2026

1. **PMEGP Target for FY 2026–27**

As per the communication from the Central Office, KVIC, the Prime Minister's Employment Generation Programme (PMEGP) will continue during the current financial year (FY 2026–27). The detailed Physical and Financial targets, along with the Margin Money grant allocation, are yet to be communicated by the Central Office. On receipt of the same, targets will be allocated to the implementing agencies and financing banks in consultation with SLBC and SLMC for timely implementation of the programme.

- **a)** Bank wise performance during 2025-26- **Annexure-A**
- **b)** Bank wise performance during 2026-27 (as on 23-06-2026) **Annexure-B**
- **c)** Bank wise disbursement of M.M. grant during 2025-26 & 2026-27(as on 23-06-2026) placed at **Annexure-C (I &ii)**

2. **Status of PMEGP 2.0 Portal**

The new PMEGP 2.0 portal has been launched during June 2026, and further upgradation and stabilization of the system are presently in progress. During this transition period, certain technical issues are being encountered by applicants, implementing agencies, and financing banks for the processing/uploading applications. These issues have already been taken up with the concerned authorities, and necessary modifications are under way. The technical issues are expected to be resolved shortly, after which the processing/uploading of applications will proceed smoothly. Training programmes on the PMEGP 2.0 Portal have been successfully conducted for all stakeholders, including officials of the implementing agencies and financing banks. The training sessions covered the new features, workflow, and operational procedures of the upgraded portal to facilitate smooth implementation of the scheme.

At present, implementing agencies and financing banks are facing some difficulties in logging into the portal, for processing and uploading of new applications. Applicants and stakeholders are also encountering technical issues while accessing and using the portal. The issues have already been brought to the notice of the Central Office, KVIC, and the portal technical team. Necessary corrective measures are under way, and it is expected that the technical issues will be resolved shortly to enable smooth processing of PMEGP applications.

3.Budget and Fund Allocation for BFL activities

The budget allocation and fund release for Backward and Forward Linkage (BFL) activities for the current financial year are yet to be received from the Central Office, KVIC. Necessary action will be taken immediately upon receipt of the allocation.

4. Physical Verification of PMEGP Units

Physical verification of PMEGP units in Kerala state is progressing satisfactorily. The details of units that have received Margin Money up to FY 2023–24 have been uploaded in the designated mobile application for field verification by the Dept. of Post. The verification is being carried out in a phased manner. Out of 16,376 PMEGP units allotted for physical verification in the State, 14,210 units have been verified, achieving approximately 77% of the verification target. The remaining units are being verified on a priority basis, and the verification process is expected to be completed within the stipulated time.

Most of the beneficiaries/financing banks have approached KVIC for M.M. grant adjustment. The implementing agencies are to note that M.M. grant adjustment letter will be uploaded to respective banks by auto generation process in the PMEGP portal. All the implementing agencies are requested to verify in frequent intervals in PMEGP portal to obtain auto generate M.M. adjustment letters which will in turn forward to financing banks for adjustment of M.M. grant for the respective beneficiary accounts to avoid delay in adjustment for the benefit of beneficiaries. Like wise, for Non traceable, Not working and units having un disbursed loan amount in verification report, the M.M.grant adjustment letter with call back amount are also to be processed by the respective implementing agencies .

Latest progress of Physical Verification report (Year wise) is attached as **Annexure- D.**

State Director (I/c)

To
The Convener
State Level Bankers Committee- Keralam

Encl: As above.

Annexure- A

Kerala State Bank Wise Performance 2025-26

Row ID	Name	Forwarded to Bank		Sanctioned by Bank		Margin Money Claimed		Referred back for Rectification		Pending at bank		Pending for MM Disbursement	
		No of Prj.	MM Involve (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)
1	STATE BANK OF INDIA	766	3477.9	380	1505.4	1068	3207.8	341	1027.1	5	32.74	662	2276.1
2	CANARA BANK	554	2360.6	345	1371.6	1437	4314.8	550	1634.4	208	933.54	823	2916.5
3	KERALA GRAMIN BANK	468	1792.7	309	1183.6	939	2770.9	546	1703.4	35	180.94	706	2246
4	The Kerala State Co Operative Bank Ltd	288	441.01	255	354.8	365	477.54	155	233.79	21	56.99	229	345.71
5	UNION BANK OF INDIA	207	913.18	137	583.82	928	2704.2	285	916.45	81	336.96	451	1696.3
6	BANK OF BARODA	107	453.53	68	310.32	232	790.27	69	231.72	32	127.24	165	643.09
7	FEDERAL BANK	98	379	29	116.92	162	514.67	81	241.78	45	179.02	116	409.17
8	INDIAN BANK	76	357	59	269.89	165	454.81	53	165.69	22	95.43	100	317.5
9	SOUTH INDIAN BANK	59	293.91	9	37.8	18	74.23	8	27.17	28	152.92	13	52.68
10	INDIAN OVERSEAS BANK	53	210.45	47	179.21	157	459.45	53	161.17	8	38.28	90	298.4
11	PUNJAB NATIONAL BANK	48	209.92	27	112.84	98	310.97	70	222.78	14	72.21	82	263.59
12	CENTRAL BANK OF INDIA	47	201.69	41	211.49	78	306.03	29	99.15	5	21.81	46	215.6
13	BANK OF INDIA	35	177.22	27	126.03	107	343.69	81	257.99	12	71.21	98	309.77
14	IDBI BANK	35	151.92	29	118.13	27	86.12	14	41.39	9	45.2	17	61.39
15	DHANALAKSHMI BANK LTD	18	84.32	10	44.46	25	74.73	11	21.46	4	17.43	22	67.92
16	UCO BANK	17	50.29	7	13.25	44	133.58	24	78.79	7	28.63	30	104.21
17	HDFC BANK	12	66.55	1	5.11	7	11.6	4	5.68	11	61.7	4	5.68
18	BANK OF MAHARASHTRA	5	35.98	5	26.16	6	13.6	3	9.3	0	0	4	12.3
19	CATHOLIC SYRIAN BANK LTD	4	21.88	0	0	4	3.88	0	0	4	21.88	2	0.89
20	INDUSIND BANK	2	7.25	0	0	0	0	0	0	1	3.5	0	0
21	AXIS BANK LTD	1	7	0	0	0	0	0	0	0	0	0	0
22	CITY UNION BANK LIMITED	1	7	0	0	1	8.75	0	0	1	7	1	8.75
23	ICICI BANK LTD	1	5	0	0	1	7	0	0	0	0	1	7
24	KARUR VYSYA BANK	1	3.5	0	0	0	0	0	0	1	3.5	0	0
25	KOTAK MAHINDRA BANK LTD	1	0.24	0	0	0	0	0	0	1	0.24	0	0
31	JAMMU AND KASHMIR BANK LTD	0	0	0	0	1	0.75	0	0	0	0	1	0.75
32	KANNUR DISTRICT CO-OP BANK LTD.	0	0	0	0	0	0	0	0	0	0	0	0
33	KARNATAKA BANK LTD	0	0	0	0	3	6.68	3	6.68	0	0	3	6.68
34	PUNJAB AND SIND BANK	0	0	1	1.32	0	0	0	0	0	0	0	0
	Total	2904	11709	1786	6572.1	5873	17076	2380	7085.9	555	2488.4	3666	12266

Annexure - B

Kerala State Bank Wise Performance 2026-27 (as on 27.06.2026)

Row	Name	Forwarded to Bank		Sanctioned by Bank		Margin Money Claimed		Referred back for Rectification		Pending at bank		Pending for MM Disbursement	
		No of Prj.	MM Involve (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)
(A)	(B)	(F)	(G)	(H)	(I)	(J)	(K)	(P)	(Q)	(V)	(W)	(X)	(y)
1	STATE BANK OF INDIA	31	158.65	15	81.53	292	907.34	26	90.85	5	32.74	268	859.98
2	CANARA BANK	26	95.37	20	82.12	224	740.76	51	166.01	20	75.91	192	670.88
3	KERALA GRAMIN BANK	23	90.75	17	85.43	146	419.56	22	70.41	17	66.47	127	380.95
4	FEDERAL BANK	10	50.72	1	1.53	27	99.63	7	27.24	8	40.03	27	99.63
5	The Kerala State Co Operative Bank Ltd	10	27.79	3	3.56	87	87.11	15	13.75	9	26.04	73	77.29
6	UNION BANK OF INDIA	9	35.08	9	44.73	107	335.18	20	53.27	7	23.75	95	319.67
7	SOUTH INDIAN BANK	8	39.24	0	0	5	19.68	2	8.03	7	35.77	5	19.68
8	BANK OF BARODA	6	22.22	7	19.02	85	284.93	8	32.95	5	18.51	83	281.14
9	INDIAN BANK	6	22.13	8	56.4	44	117.58	7	18.86	5	20.03	42	113.23
10	CENTRAL BANK OF INDIA	4	14.81	2	21.07	9	38.97	3	10.43	4	14.81	8	37.04
11	PUNJAB NATIONAL BANK	3	25.32	1	3.68	19	58.42	6	16.58	3	25.32	18	57.39
12	DHANALAKSHMI BANK LTD	2	7.91	1	5.26	11	38.14	3	3.77	0	0	10	36.56
13	HDFC BANK	2	12	0	0	0	0	0	0	2	12	0	0
14	IDBI BANK	2	10.85	2	17.07	5	7.85	4	6.53	1	7	4	6.53
15	BANK OF INDIA	1	5	2	15.74	13	43.66	4	14.36	1	5	13	43.66
16	UCO BANK	1	1.5	1	0.51	6	23.68	1	2.26	1	1.5	6	23.68
17	BANK OF MAHARASHTRA	0	0	0	0	1	4.21	1	4.21	0	0	1	4.21
18	CATHOLIC SYRIAN BANK LTD	0	0	0	0	2	0.89	0	0	0	0	2	0.89
19	CITY UNION BANK LIMITED	0	0	0	0	1	8.75	0	0	0	0	1	8.75
20	INDIAN OVERSEAS BANK	0	0	3	28.69	38	97.98	8	21.61	0	0	30	81.21
21	JAMMU AND KASHMIR BANK LTD	0	0	0	0	1	0.75	0	0	0	0	1	0.75
	Total	**144**	**619.34**	**92**	**466.34**	**1123**	**3335.07**	**188**	**561.12**	**95**	**404.88**	**1006**	**3123.12**

Annexure - C (II)

Bank Wise Performance in Kerala State under PMEGP Scheme for the year 2026-27 (as on23.06.2026)				
		2026-27		
Sl. No	Bank	No. of projects	MM (Rs. In Lakhs)	Employment
1	CANARA BANK	387	884.17	4257
2	STATE BANK OF INDIA	226	489.14	2486
3	UNION BANK OF INDIA	216	433.77	2376
4	The Kerala State Co Operative Bank Ltd	111	112.14	1221
5	KERALA GRAMIN BANK	88	196.49	968
6	INDIAN OVERSEAS BANK	58	115.51	638
7	BANK OF BARODA	39	83.24	429
8	INDIAN BANK	38	76.12	418
9	FEDERAL BANK	28	69.27	308
10	CENTRAL BANK OF INDIA	21	59.34	231
11	UCO BANK	12	24.08	132
12	IDBI BANK	6	12.84	66
13	DHANALAKSHMI BANK LTD	4	4.42	44
14	SOUTH INDIAN BANK	4	7.15	44
15	PUNJAB NATIONAL BANK	3	4.79	33
16	HDFC BANK	2	4.51	22
17	BANK OF MAHARASHTRA	1	0.74	11
18	CATHOLIC SYRIAN BANK LTD	1	1.15	11
Grand Total		**1245**	**2578.87**	**13695**

Annexure- D

Year-wise Kerala state Physical Verification progress							
F.Y.	Total Units Assigned	Working	Not Working	Not Traceable	Total Inspected	Total Pending	Inspected %
2016-17	680	466	77	87	630	50	92.65%
2017-18	1263	934	137	153	1224	39	96.91%
2018-19	2449	1902	233	226	2361	88	96.41%
2019-20	2428	1704	384	215	2303	125	94.85%
2020-21	2389	1625	405	247	2277	112	95.31%
2021-22	2788	1897	431	224	2552	236	91.54%
2022-23	3129	2309	394	114	2817	312	90.03%
2023-24	3389	43	3	0	46	3343	1.36%
Total	**18515**	**10880**	**2064**	**1266**	**14210**	**4305**	**76.75%**

c. PM Vishwakarma

1. Lack of Uniformity in EMI and Loan Sanctioning Practices

- Beneficiaries have reported variation in EMI amounts across banks, even for similar loan amounts, tenure, and scheme interest.
- In some cases, beneficiaries were informed that the interest subvention would be reimbursed directly to their accounts, resulting in confusion.
- Upon review of certain loan accounts, it was observed that beneficiaries were being charged EMIs ranging from approximately ₹6,200 to ₹6,500 per month for a loan amount of ₹1 lakh at interest rates between 11% and 13%, similar to normal commercial lending practices informing the borrower that the subsidy on the interest will be reimbursed later. Consequently, these loans are being fully repaid within about 16 months. Under the PM Vishwakarma Scheme, however, beneficiaries are expected to receive credit at a concessional interest rate of 5%, which would result in an EMI of approximately ₹5,879 per month for an 18-month repayment period. This has led to concerns among beneficiaries regarding the manner in which interest subvention is being applied and reflected in loan repayment schedules.

Request to SLBC

- Banks may be advised to adopt a transparent and uniform approach in EMI calculation and loan repayment schedules under the PM Vishwakarma Scheme, so that similarly placed beneficiaries receive consistent treatment across lending institutions.
- Banks may be advised to clearly explain the EMI structure and interest subvention mechanism to beneficiaries, as per scheme guidelines and consistent approach in EMI calculation.

2. Status and Reduction of Pending PM Vishwakarma Loan Applications

- It is observed that the number of pending PM Vishwakarma loan applications has increased compared to the position reviewed during the previous meeting. The rise in pendency may delay the timely delivery of scheme benefits to eligible beneficiaries and warrants focused attention from the concerned stakeholders.

Request to SLBC

- The support of SLBC is requested to direct banks and DLBCs to reduce the pending cases

Application pending with Bank status

	Status as on 26th May 2026	Status as on 26th June2026
Total Pending	877	933
More than one month	678	614
More than 3 Months	443	475
More than 6 Months	244	303
More than 1 year	138	146

Bank wise details

Banks	Beneficiaries count	Beneficiaries count
	Status as on 26th May 2026	Status as on 26th July2026
AXIS BANK	5	3
BANK OF BARODA	18	12
BANK OF INDIA	29	15
CANARA BANK	207	260
CENTRAL BANK OF INDIA	9	19
CSB BANK LIMITED	2	3
DHANLAXMI BANK LTD	1	1
ESAF Small Finance Bank Limited	0	2
HDFC BANK LTD	3	2
IDBI BANK LTD	0	2
INDIAN BANK	15	20
INDIAN OVERSEAS BANK	19	32
INDUSIND BANK LIMITED	3	3
KERALA GRAMIN BANK	45	7
PUNJAB AND SIND BANK	0	1
PUNJAB NATIONAL BANK	12	15
SOUTH INDIAN BANK	95	41
STATE BANK OF INDIA	360	431
THE FEDERAL BANK LTD	25	39
The Kerala State Co-operative Bank Ltd.	3	4
UCO BANK	6	0
UNION BANK OF INDIA	20	21
Grand Total	**877**	**933**

More than 6 months – bank wise Details

Banks	**Beneficiaries count** Status as on 26th may 2026	**Beneficiaries count** Status as on 26th July 2026
AXIS BANK	5	3
BANK OF BARODA	0	3
BANK OF INDIA	9	5
CANARA BANK	78	129
CENTRAL BANK OF INDIA	2	17
CSB BANK LIMITED	1	2
DHANLAXMI BANK LTD	0	1
HDFC BANK LTD	3	2
IDBI BANK LTD	0	1
INDIAN BANK	4	7
INDIAN OVERSEAS BANK	8	11
INDUSIND BANK LIMITED	3	3
KERALA GRAMIN BANK	1	0
PUNJAB NATIONAL BANK	0	1
SOUTH INDIAN BANK	73	13
STATE BANK OF INDIA	52	92
THE FEDERAL BANK LTD	1	6
The Kerala State Co-operative Bank Ltd.	3	3
UNION BANK OF INDIA	3	4
Grand Total	**246**	**303**

Emergency Credit Line Guarantee Scheme (ECLGS 5.0)

Enhanced Outreach and Awareness on ECLGS 5.0 among Banks

It is requested that all banks may be advised to undertake wider outreach and awareness activities regarding the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 to ensure its effective implementation. During interactions with MSME entrepreneurs, it has been observed that some entrepreneurs have reported that bank branches are either not adequately aware of the scheme or are unable to provide clear guidance.

In view of the above, banks may be requested to sensitize their field-level functionaries and branch officials on the provisions and operational guidelines of ECLGS 5.0. This will help ensure uniform dissemination of information, facilitate timely processing of eligible applications, and enable MSMEs to fully avail the benefits of the scheme. Banks may also be encouraged to proactively identify and reach out to eligible MSME borrowers through awareness campaigns, customer communication, and branch-level interactions.

MSME-DFO requests that these matters be included in the agenda for discussion during the meeting. Your prompt attention to resolving these issues will be greatly appreciated.

3.2.2 Agenda suggested by Reserve Bank of India

1. Bringing Kerala State Government PSUs into TrEDS Platform

It is observed that many enterprises selling their products to Kerala State Government PSUs are facing a 30–45-day delay in receiving payments from the companies. Bringing such Government PSUs (like Horticorp and Supplyco) on the TrEDS platform would benefit a large number of MSME vendors who supply to them. Kerala State Small Industries Association (KSSIA) had also raised the above issue during Empowered Committee meetings on MSME. Further, the banks would be keen to finance the receivables from these PSUs.

SLBC Convenor bank is advised to discuss the issue of registration of State Government Companies on TrEDS platform.

It is informed by the MSMI-DI that Govt. of Kerala vide order dated 16th May, 2022 on TReDS permitted State owned Public Undertakings, Companies, Local Government institutions, all Statutory Boards/Societies under the State Government and all Apex Co-operatives to participate on the Trade Receivable Discounting System (TReDS) envisaged for settlement of bills for Micro, Small & Medium Enterprises, suppliers of Goods and Services. It is requested that wide publicity of the same may be done in all Bank branches).

The Steering committee suggested that the TrEDS may make mandatory for the stakeholders up to certain limit.

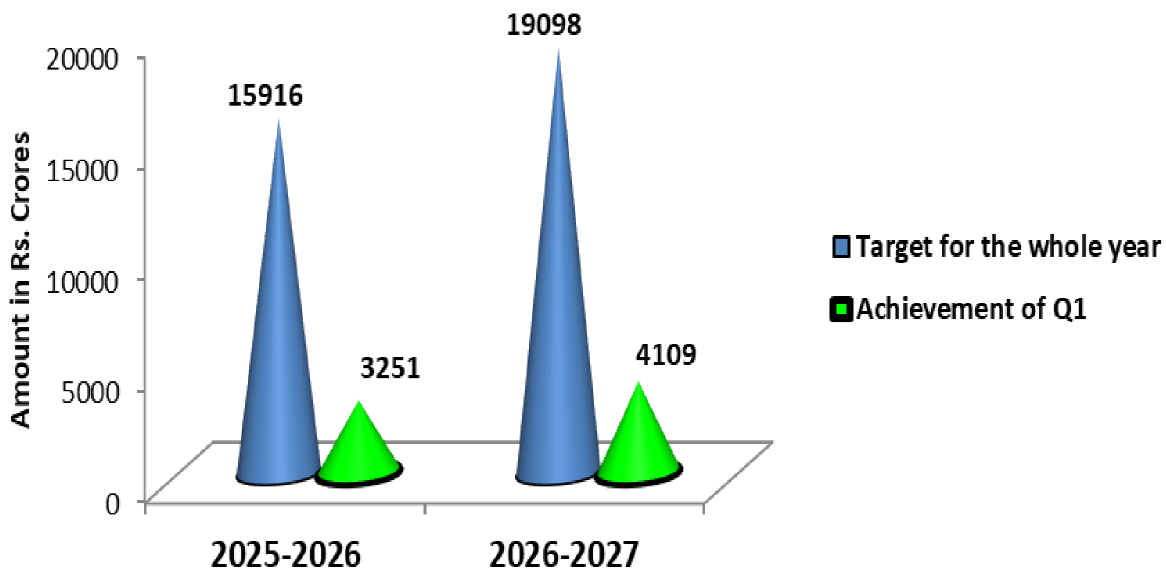
In the 142nd SLBC Meeting, Additional Secretary, Industries Department, informed the chair that after the last SLBC meeting there has been a

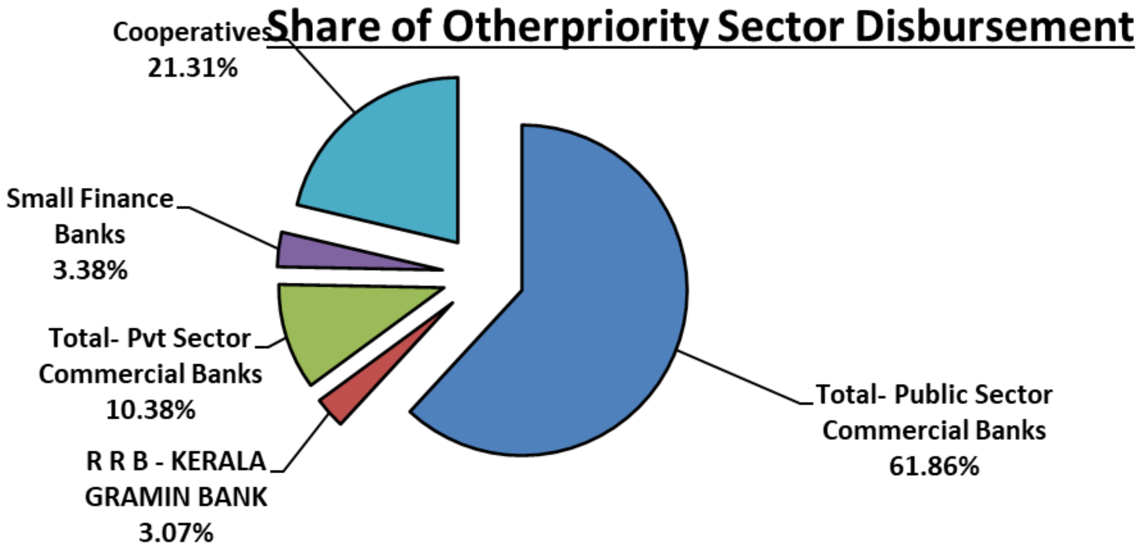
considerable progress in enrolling the State Government PSU into TrEDS Platform and around 8 PSUs has been enrolled till date.

Regional Director, Reserve Bank of India informed that if Central Government can make all their PSUs to enroll into the TrEDS platform mandatorily why we cannot. As a reply to the same Additional Sector informed that since the financial positions of State PSUs are not so strong settling the same under the timeline provided in the TrEDS. State Government is thinking in the same line as the Central Government for enrolling the State PSUs mandatory.

4. PERFORMANCE UNDER THE OTHER PRIORITY SECTOR

OTHER PRIORITY SECTOR		
Parameter	2025-2026	2026-27
Target for the whole year	15916	19098
Achievement of Q1	3251	4109
% Achievement for Q1	20%	22%





Sl.No.	District	Target for 2026-27	Achievement of Q1	% Achievement
1	MALAPPURAM	1260	514	41%
2	ALAPPUZHA	1093	295	27%
3	KOLLAM	1284	310	24%
4	KOTTAYAM	1110	268	24%
5	ERNAKULAM	2810	679	24%
6	THRISSUR	1600	356	22%
7	KANNUR	1482	308	21%
8	KOZHIKODE	1192	232	19%
9	IDUKKI	623	110	18%
10	PALAKKAD	1630	289	18%
11	PATHANAMTHITTA	853	143	17%
12	KASARGODE	720	122	17%
13	TRIVANDRUM	3014	424	14%
14	WAYANAD	428	58	14%
TOTAL		19098	4109	22%

4.1. PRAGATI Meeting: Review of Social Security Schemes – PMJJBY and PMSBY

The PRAGATI (Pro-Active Governance and Timely Implementation) platform, a flagship ICT-based initiative chaired by the Prime Minister, has recently marked its 50th meeting, serving as a critical engine for reviewing high-impact social security programs like the **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)** and the **Pradhan Mantri Suraksha Bima Yojana (PMSBY)**. These meetings foster a "Team India" spirit by bringing together Union Secretaries and State Chief Secretaries on a single digital interface to break bureaucratic silos and address ground-level implementation bottlenecks. During these reviews, the government focuses on maximizing financial inclusion by streamlining the auto-debit process, resolving public grievances, and ensuring that the benefits of these insurance covers reach the remotest corners of the country. By utilizing real-time data and geospatial technology, the PRAGATI framework ensures that the mission of providing a "safety net for all" is not delayed by coordination failures, thereby accelerating the transition toward a more secure and digitally integrated India.

The importance of these schemes lies in their ability to provide affordable, high-value protection to the unorganized sector and low-income families who were previously excluded from the insurance net. **PMJJBY** offers a renewable one-year term life cover of **Rs. 2 lakh** for death due to any cause, available to individuals aged 18 to 50 at a highly competitive annual premium of **Rs. 436**. Parallelly, **PMSBY** serves as a vital accident insurance policy for those aged 18 to 70, providing **Rs. 2 lakh** for accidental death or total permanent disability and **Rs. 1 lakh** for partial disability, all for a nominal annual premium of just **Rs. 20**. Both schemes operate on an annual cycle from June 1st to May 31st, with premiums conveniently auto-debited from the subscriber's bank account. This minimal financial burden—totaling less than Rs. 500 per year for combined life and accident cover—empowers millions of citizens to mitigate the risks of unforeseen tragedies without jeopardizing their financial stability, making them cornerstones of India's social security architecture

4.2. Agenda suggested By PFRDA – Banks and LDMs to be sensitized to enhance APY coverage in Kerala.

At the outset, we are pleased to share that the Atal Pension Yojana has achieved a milestone with 6 crore enrolments as of yesterday. This accomplishment was made possible thanks to the steadfast support of all banks and the guidance provided by SLBCs. We express our gratitude to SLBC Kerala for their integral role in this journey.

PERFORMANCE OF APY

Name of State	Annual Target FY 2026-27	Enrolments FY 2026-27	% Achievement FY 2025-26	Gap to Achieve this year Target
Kerala	6,29,770	69,785	11.08%	5,59,985

Total APY Enrolments as on 30/06/2026		
Name of the Bank	**ANNUAL TARGET**	**APY accounts opened in FY 2026-27**
KERALA GRAMIN BANK	69850	21767
CANARA BANK	72490	18344
STATE BANK OF INDIA	139480	8678
INDIAN OVERSEAS BANK	20130	2970
UNION BANK OF INDIA	40150	2854
INDIAN BANK	19360	2427
BANK OF BARODA	27610	2394
THE SOUTH INDIAN BANK LTD	22455	2371
DHANLAXMI BANK LIMITED	6660	1787
HDFC BANK LTD	31275	1077
IDBI BANK LTD	5700	923
ESAF SMALL FINANCE BANK LIMITED	22610	729
AXIS BANK LTD	12075	450
CENTRAL BANK OF INDIA	12980	442
UCO BANK	6160	403
TAMILNAD MERCANTILE BANK LTD	1125	395
CSB Bank Limited	13725	378
THE KARUR VYSYA BANK LTD	945	238
THE FEDERAL BANK LTD	28485	231
KARNATAKA BANK LIMITED	945	231
BANK OF MAHARASHTRA	6270	193
PUNJAB NATIONAL BANK	21780	126
BANK OF INDIA	11990	99
KOTAK MAHINDRA BANK	2025	90
INDUSIND BANK LIMITED	1035	79
AU SMALL FINANCE BANK LIMITED	630	76
UJJIVAN SMALL FINANCE BANK LIMITED	1400	18
PUNJAB AND SIND BANK	660	9
ICICI BANK LIMITED	11775	6
YES BANK LIMITED	540	0

4.3.Review of CD Ratio –Suggested by RBI

The Credit–Deposit (CD) Ratio of banks has been a consistent point of discussion in all SLBC meetings, with particular emphasis on the performance of Kerala-based banks as well as the State Bank of India, whose CD Ratios remain below 60%. As per the latest available report, the CD Ratio of 12 banks is below the State average of 72.04%. In view of the need to improve credit deployment within the State and enhance the overall CD Ratio, the performance of these banks requires focused attention and appropriate action. The details of the banks having a CD Ratio below the State average are given below:

Banks having CD ratio above State Average	
Name of the Bank	**CD Ratio**
KSCARDB	**1617.55**
BANK OF MAHARASHTRA	**445.43**
UCO BANK	**285.20**
PUNJAB & SIND BANK	**182.70**
YES BANK	**160.33**
BANDHAN BANK	**143.98**
BANK OF BARODA	**120.59**
BANK OF INDIA	**116.33**
HDFC BANK	**115.93**
UNION BANK OF INDIA	**109.64**
R R B - KERALA GRAMIN BANK	**108.57**
CENTRAL BANK OF INDIA	**106.34**
PUNJAB NATIONAL BANK	**102.82**
CITY UNION BANK	**102.12**
INDUS IND BANK	**96.29**
ICICI BANK	**95.78**
CANARA BANK	**95.75**
IDFC FIRST Bank	**95.30**
AXIS BANK	**92.96**
INDIAN BANK	**91.62**
KOTAK MAHINDRA BANK	**90.61**
INDIAN OVERSEAS BANK	**84.78**
IDBI BANK	**80.39**
JAMMU & KASHMIR BANK	**74.12**
KARNATAKA BANK	**73.80**

Banks having CD ratio below State Average	
Name of the Bank	**CD Ratio**
KSCB	**69.54**
KARUR VYSYA BANK	**59.20**
STATE BANK OF INDIA	**59.14**
DHANLAXMI BANK	**56.24**
LAKSHMI VILAS BANK	**52.16**

T.N.MERCANTILE BANK	**46.28**
Ujjivan Small Finance Bank	**42.87**
CATHOLIC SYRIAN BANK	**41.60**
ESAF	**39.66**
SOUTH INDIAN BANK	**39.57**
FEDERAL BANK	**38.85**
RBL Bank	**5.68**

4.4. Status of Land allotment for RSETIs building

Latest Position regarding RSETI land Allotment		
Sl No	**Name of the District**	**Update regarding the RSETI Land Allotment**
1	Kottayam	LDM had met the district collector kottayam on 02.07.2026 with respect to expediting the land allotment for RSETI Kottayam. The District Collector advised that they have submitted a report to Principal Director, LSGD on 26.05.2026.
2	Pathanamthitta	The latest position regarding the land allotment is that the valuation of the 32 teak trees and 3 mango trees has been completed. The valuation of the old Village Office building and the remaining trees standing on the property is pending. The Superintendent (LR), Collectorate, Pathanamthitta, has informed that the remaining valuation will be completed at the earliest. Necessary instructions in this regard have already been issued to the Assistant Forest Conservator (AFC), Konni, and the concerned Grama Panchayat.

4.5 Agenda Suggested by RBI – Adoption of Fintech

As you are aware, the FinTech revolution presents us with a unique opportunity to drive financial inclusion and improve the efficiency of the financial sector. The need for collaboration with Fintech firms is needed by our banks to stay in tune with the dynamic changing landscape, providing greater marketing opportunities and faster delivery of services. The banks may be encouraged to adopt Fintech, particularly in the agriculture sector, and explore the possibilities of digitizing the loan process for small value loans up to 10.00 lakh. The progress of banks in this regard may also be tracked. SLBC is advised to include Adoption of Fintech as an agenda item in the upcoming SLRM and act as a critical link for feedbacks regarding concerns that emanate from mushrooming of Fintech entities, either directly or in partnership with the banks, without adequate oversight.

4.6 Agenda suggested by Reserve Bank of India: Progress under Government Schemes for all banks

During the review of the progress of Financial Inclusion schemes, it has been observed that there has been very little participation from Private Sector Banks in FI schemes of the Government. SLBC Kerala/UTLBC Lakshdweep is advised to monitor the progress under various government schemes for all banks with special emphasis on performance of Private Sector Banks. The indicative list of such Government Schemes/ initiatives is provided as follows:

a. Social Security Schemes: PMJJBY, PMSBY and APY

b. PMJDY-Account Opening

c. Allocation of villages for opening 'brick & mortar' branches in village having population above 3000

d. Pradhan Mantri Mudra Yojana (PMMY)

e. Stand Up lndia

f. Promotion of new age digital products

g. PMSVANidhi

h. PM Vishwakarma Scheme

The data regarding the same is provided in Annexure 43.

4.7 Agenda suggested by CGST Department

From
The JOINT COMMISSIONER

To
The Convenor
SLBC, Kerala.

Sir,

Sub:- SGSTD -Agenda called for the 148th meeting of SLBC, Kerala- Agenda items reporting- Reg.

Ref:- (1)Agenda call for the 148th meeting of SLBC, Kerala via email dated 10.02.2026 of that office.
(2)Ltr. No.H2/255/2024-TAXES dated 03.02.2026 of Taxes (H) Department.
(3)Ltr, No.SGST-1220/2024-TPS(HQ)8 dated 10.12.2024 of this office
(4)Ltr, No.SGST-1220/2024-TPS(HQ)8 dated 23.04.2025 of this office
(5)Ltr, No.SGST-1220/2024-TPS(HQ)8 dated 27.01.2026 of this office

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Kind attention is invited to the references cited above. As per reference cited 1st above, your office has sought for the agenda to be discussed on the 148th meeting of SLBC, Kerala. It may be noted that, in the 141st meeting of SLBC, Kerala, the appointment of Nodal Officers of banks for facilitating tax arrears recovery was discussed and consequently 33 banks have appointed nodal officers to liaison with the State Goods and Services Tax Department, Kerala for facilitating tax arrears. As per reference 3rd cited above, 5 PANs were forwarded to Nodal Officers of 33 banks to provide the corresponding bank account details in the prescribed proforma.But 6 banks have not yet provided the required details.Additionally as per ref (4) cited 119 PANs were forwarded to all 33 banks and 12 banks have not responded .With the letter cited ref (5) above proforma with 146 PANs have been forwarded and only 7 banks have given bank account details.Hence it is requested to include this issue in the agenda to be discussed in the 148th meeting of SLBC, Kerala.

4.8 Agenda suggested by DFS: Performance of Banks under PM Surya Ghar

PM SuryaGhar data 01.04.2026 to 22.07.2026			
Name of the bank	**No of loans sanctioned**	**No of loans rejected**	**No of App pending**
State Bank of India	45517	13393	12484
Canara Bank	7923	2480	2502
Union Bank of India	2242	611	1084
Bank of Baroda	1823	331	669
Punjab National Bank	802	292	473
Kerala Grameena Bank	1019	664	422
Bank of India	592	253	298
Indian Overseas Bank	779	320	229
Indian Bank	845	605	191
Central Bank of India	378	91	170
UCO Bank	183	59	117
Bank of Maharashtra	204	68	44
IDBI Bank	2	7	7
Punjab & Sind Bank	5	9	2
Jammu & Kashmir Bank	0	0	1
HDFC Bank	0	29	0

FRESH ISSUES

1. Agenda suggested by The Principal Director, LSGD.

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PRINCIPAL DIRECTORATE
Local Self Government Department
Swaraj Bhavan, Nanthancode,
Kowdiar PO, Thiruvananthapuram - 695003
Contact: 0471-2727255, 2314526
e-mail: pd.lsgd@kerala.gov.in
Website: lsgd.kerala.gov.in

LSGD/PD/21416/2026-IT&EG1

Date: 14-07-2026

The Principal Director

The Principal Secretary to the Government
Local Self Government Department

Madam,

Sub: LSGD- Principal Directorate- Local Self-Government Institutions- Proposal to convene a meeting with SLBC and Scheduled Banks regarding Bank Reconciliation issues in LSGIs- Reg.

Kind attention is invited to the subject cited.

Timely completion of the Bank Reconciliation process is essential for the preparation of Annual Financial Statements and other statutory financial reports; however, this process remains pending in the majority of local self-government institutions.

At present, LSGIs across the State are experiencing persistent difficulties in completing Bank Reconciliation efficiently. A significant technical barrier is that bank statements currently must be uploaded in a fixed Excel format, often requiring manual data entry. This practice increases the risk of clerical errors and potential financial irregularities. Transitioning to automated systems like API integration or the MT940 standard is crucial to minimizing these risks.

1

90/2026/LSGD(OS)

In light of these challenges, it is requested that a meeting be convened under your chairmanship with representatives of the State Level Bankers Committee (SLBC) and major scheduled banks to discuss these issues and explore the adoption of standardized digital integration.

This is submitted for your kind consideration.

In connection with the issues relating to bank reconciliation and the pending reconciliation of accounts of Local Self-Government Institutions (LSGIs), the Principal Directorate, Local Self Government Department has requested coordination with SLBC and scheduled banks for resolving the issues and exploring suitable digital integration mechanisms.

In this regard, **all member banks are requested to provide the details of inoperative accounts maintained by the respective banks, in the prescribed format, to SLBC at the earliest.** The data so received from all banks will be consolidated by SLBC and furnished to the concerned authorities for further necessary action.

Banks are requested to accord **top priority** to the matter and ensure submission of the requisite data without delay.

2. Agenda suggested by Reserve Bank of India.

It has been observed that the uptake of the Pradhan Mantri Fasal Bima Yojana (PMFBY) in Kerala remains below the expected levels, despite the scheme's objective to provide comprehensive risk cover to farmers at affordable premium rates.

Accordingly, you are advised to:

- ✓ Include a specific agenda item "Strategies to Improve PMFBY Uptake in Kerala" for discussion in the upcoming Steering Committee meeting.
- ✓ Invite officials from the Department of Agriculture, Government of Kerala, to attend this session.

3. Agenda suggested by Kerala Grameena Bank

With regard to your mail, we seek clarifications on the below mentioned points.

1. We wish to bring to your kind notice certain issues being faced by our branches owing to the ongoing Digital Survey process.

    - In locations where the Digital Survey has been completed, Village Offices are no longer issuing conventional location sketches and are instead directing applicants to obtain Digital Survey Sketches from the portal. However, these sketches often depict road access merely as Government land and do not clearly indicate whether the property has access through a public road. As a result, branches are unable to independently verify road accessibility, which is essential for the creation of Equitable Mortgage (EM) in eligible loan accounts.

- Further, branches have reported discrepancies in the land tax receipts issued after the Digital Survey, such as:
    - Changes in the Thandapper Number compared to previous tax receipts.
    - Variations in the extent of land recorded in the receipts.

These discrepancies are causing difficulties in the renewal of existing KCC accounts and the sanctioning of fresh KCC loans, as the particulars available in the latest tax receipts do not match the records and documents submitted by the applicants.

2. We have received a communication from SLBC that, while filing for Revenue Recovery, banks must properly bifurcate and assign the loan amounts to individual members to reflect their actual dues or specific share of the total loan, and that total liability of a group loan should not be recorded as the individual liability of each constituent member.

However, since in an SHG loan, each member is liable for the entire outstanding amount, the Bank is entitled to proceed against any or all of the borrowers for recovery of the entire dues. Bifurcation of the loan amount among individual members for revenue recovery purposes may dilute the contractual liability undertaken by the borrowers and could adversely affect the Bank's recovery rights.

We request your guidance on the issues mentioned above.