

110th MEETING OF STATE LEVEL BANKERS' COMMITTEE, KERALA

AGENDA AND BACKGROUND NOTES

Date : 13.09.2013 (Friday)

Time : 10 a.m.

Venue : Hotel Residency Tower
Govt. Press Road, Trivandrum

1. ADOPTION OF MINUTES

The minutes of the State Level Review Meeting (SLRM) of SLBC, Kerala held on 25th & 26th June, 2013 has already been forwarded to the members vide Convener's letter SLBC 38 163 2013 KRA dated 5th June, 2013.

The House may adopt the said minutes.

2. ISSUES RELATING TO GOVERNMENT DEPARTMENTS

2.1. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

2.1.1. PRIMARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.1.1	Allocation of Agri. Term Loan (ATL) - Agency-wise target -2012-13 (Pending since September 2012)	<p><i>In the 107th Meeting of SLBC Kerala, it was decided that SLBC would allocate the revised target for term loans, agency wise. Based on the apprehension that the enhanced target may affect the PLP and DCP already put in place, the forum concurred with the view that Government may constitute a committee comprising of various departments so as to enable identification and allocation of the activities.</i></p> <p><i>Agriculture Department was entrusted to convene a meeting with respective commodity Boards, Planning Board and Banks to identify and allocate the activities to be promoted under investment credit to improve the credit off take under term loans.</i></p>	<i>Agriculture Department</i>	<p>The matter was discussed as an agenda item both in 108th & 109th Meeting of SLBC, Kerala. The Agricultural Production Commissioner, Government of Kerala assured convening the meeting in consultation with NABARD and SLBC for allocating agency wise targets.</p> <p>The meeting of the core group was conducted on 14.05.2013 to examine the ways and means for improving the investment credit in the State of Kerala. It was decided to constitute district level committees consisting of the following members:</p> <ol style="list-style-type: none"> 1. Lead District Manager (Convenor) 2. District Development Manager, NABARD 3. Deputy Director (Credit), Agriculture Department 4. Deputy Director, Dairy Development Department 5. Deputy Director, Animal Husbandry Department 6. Deputy Director, Fisheries Department <p>It was decided that the group in each District shall prepare schemes applicable in the District based on the potential plan; generate required applications for such scheme and to sponsor such cases to the financing banks. A financial plan for the various predominant activities shall be prepared and placed in the DLRC of the respective districts for approval. It is learnt that this meeting is yet to take place in most of the Districts. Concerned Govt Departments, LDM & NABARD to handhold for taking the matter forward.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>When the matter came up for discussion in the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 the forum advised that:</p> <ul style="list-style-type: none"> • Sub-Committee meetings to be conducted immediately in all the remaining districts. • Identified Government Departments to present implementable action plan based on the PLP, DCP and the potential available in the district. • Field departments shall identify the beneficiaries and help them to prepare viable bankable proposals and forward it to financing banks. • Wherever possible model projects are also to be prepared for the popular activities in the District. • Review of progress to be undertaken in DCC/DLRC meetings. <p><i>SLBC Cell, vide letter SLBC 38 186 2013 KRA dated 24.07.2013, had taken up the matter with LDMS/DDMs and copy forwarded to the Director of Agriculture, Government of Kerala.</i></p> <p>In the Sub-Committee Meeting held on 26.08.2013, the representative from Directorate of Agriculture informed that district level sub-committee meetings have been conducted in almost all districts. Government Departments are in the process of identifying the proposals, but implementable action plans are yet to be finalised. After that only Agriculture Department would be able to identify beneficiaries and prepare viable/bankable proposals.</p> <p>It was suggested that the issue shall be brought to the notice of Agricultural Production Commissioner, Government of Kerala.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.1.2	Widening and deepening the spread of Kisan Credit Card (KCC)	<p><i>The issue was first discussed in the 106th meeting of SLBC, Kerala wherein as per Ministry directives all banks need to obtain certification from the village headman/Panchayat member/ ward member for having covered all the farmers in their service area with a KCC.</i></p> <p><i>Banks to come out with ATM enabled KCC for fresh loans and renewals.</i></p> <p><i>With regard to providing statistical data on the number of farmers in the State, an attempt is being made on a pilot basis to register all the farmers with Agriculture Department in a web based package specially developed for the same. Accordingly Wayanad was selected as the pilot District for the registration of farmers in the web based package of the Agriculture Department. As this was found to be successful it was extended to all the districts of the State. This would facilitate the Agriculture Department to effectively implement the EBT payment systems besides having a complete data base of farmers in the state.</i></p>	Agriculture Department	<p>The 109th meeting of SLBC, Kerala held on 26.03.2013 noted that the farmers' registration process is still in progress and the final figures are yet to be arrived at. Though the total farm houses holds in the State is estimated at 66 lakhs, only 14 lakh plus farmers have registered with Agriculture Department. The data digitization was completed only in respect of 7.38 lakh farmers. It was felt that till the final position is arrived, the matter needs to be carried forward.</p> <p>In the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013, Secretary, Agriculture Department informed that the department will share the completed data base of farmers with SLBC after an exclusive meeting with SLBC Convenor so that banks can go ahead with financing them so as to ensure 100% coverage of farmers with KCC.</p> <p><i>SLBC Cell, vide letter SLBC 38 188 2013 KRA dated 24.07.2013, had taken up the matter Secretary, Agriculture Department, Government of Kerala requesting to initiate appropriate steps at the earliest.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from Directorate of Agriculture informed that the digitalisation of data of farmers is being done by NIC. Out of the 17.43 lakh applications received, data of only 12.14 lakh farmers have been digitalised. Only after completion of the process, Agriculture Department would be able to share the data with SLBC.</i></p> <p><i>The Sub-Committee opined that Department may think of sharing the data of already digitised list of farmers, instead of waiting for digitisation of entire data base of farmers.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.1.3	Stamp Duty exemption for Agricultural loans availed from Commercial Banks - Pending since March 2012	<i>Stamp duty on agricultural loan is exempted for co-operative banks in Kerala. However, such exemption is not available for Commercial Banks and RRBs. The share of primary sector credit by Commercial banks is substantial. It is recommended by Department of Financial Services, GoI, that, the same may be made applicable to commercial banks also which may result in an increased credit flow to agriculture sector.</i>	<i>Taxes Department in co-ordination with Finance</i>	<p>In the 107th Meeting of SLBC, when the issue was raised, the representative from Taxes Department informed that financial implication on the matter is under the consideration of Finance Department in consultation with Taxes Department</p> <p>SLBC Cell vide letter No. SLBC 35 34 2013 AKP dated 21.01.2013 had followed up the matter with Finance Dept.</p> <p>Vide letter No. 5262/E2/12/TD dated 04.04.2013 of Secretary, Taxes (E) Department, Government of Kerala informed as follows:</p> <p style="text-align: right;">വാണിജ്യ ബാങ്കുകൾ നൽകുന്ന</p> <p>കാർഷിക വായ്പകളുമായി ബന്ധപ്പെട്ട കരണങ്ങൾ (Deposit of Title deed-Equitable mortgage) ഐക്യമായി (optional) മാത്രം രജിസ്റ്റർ ചെയ്യുന്ന കരണമായതിനാൽ, ആയവ വ്യാപകമായി രജിസ്റ്റർ ചെയ്ത് വരുന്നില്ല. മേൽ സാഹചര്യത്തിൽ ഇത്തരം കരണങ്ങൾക്ക് വേണ്ടിവരുന്ന മുദ്രസല ട്വിവാകണമെന്ന ആവശ്യത്തിന് പ്രസക്തി ഇല്ല എന്ന വിവരം അറിയിച്ചു കൊള്ളുന്നു.</p> <p>ഈ വിഷയവുമായി ബന്ധപ്പെട്ട ഇനം SLBC യുടെ അജണ്ടയിൽ നിന്നും മാറ്റണമെന്നും ഇതിനാൽ അഭ്യർത്ഥിക്കുന്നു.</p> <p>The above reply given by Taxes Department is pertaining to stamp duty on equitable mortgage and not regarding exemption of stamping of agriculture loan agreements executed by the farmers. The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided, the Department may have a re-look on the exact requirement of the agenda suggested and convey a decision to SLBC.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p><i>SLBC Cell, vide letter SLBC 38 187 2013 KRA dated 24.07.2013, had again taken up the matter with the Secretary, Finance Department, under a copy each to Secretary(Agriculture) & Secretary (Taxes), Government of Kerala.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Finance/Taxes Department, Government of Kerala.</i></p>
2.1.1.4	Debt Relief scheme for Fishermen - Government proposal for extending relief to loans availed from Nationalized / Scheduled Banks	<p><i>The Kerala Fishermen Debt Relief Commission (KFDRC) Act 2008 was enacted and brought into force for constituting a Commission to recommend relief measures to the fishermen who are in distress due to indebtedness. Based on the recommendations of the commission Government has already settled the loans availed by fishermen from Co-operative banks.</i></p> <p><i>The Commission has now approached SLBC for working out modalities for settling dues of fishermen who have availed loans from Commercial Banks.</i></p>	<p><i>Kerala Fishermen Debt Relief Commission</i></p>	<p>The 108th Meeting of SLBC Kerala took up the draft scheme provided by Kerala Fishermen Debt Relief Commission. Since many member banks expressed concerns over several aspects the forum suggested calling for independent views from banks to be submitted by 15.01.2012 failing which the proposal would be accepted.</p> <p>State Bank of India, Federal Bank and NMGB had proposed their respective views on the proposal submitted by the Commission the same were forwarded to the Commission by SLBC Cell.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, responding to the bankers demand for providing the list of eligible beneficiaries to be covered under the scheme, the Secretary, Kerala State Fishermen Debt Relief Commission informed that it is difficult to provide the complete list of eligible beneficiaries as the screening process is still in progress.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>To begin with broad guidelines have been evolved regarding the eligible amount, cut-off dates etc. and bankers have requested the Commission to provide the complete list of eligible beneficiaries bank-wise and amount wise.</i></p>		<p>The Sub-Committee suggested that banks will not be in a position give a blanket approval for the list of beneficiaries for being considered under the scheme covered under the Commission and that any proposal for write off or restructuring of the loans in a mass scale requires the approval from the respective banks Board. Hence, it was proposed that the Commission may submit the list bank wise for beneficiaries having liability up to Rs. 1.5 lakh.</p> <p>The 109th meeting of SLBC, Kerala held on 26.03.2013 suggested that SLBC may take initiative for collecting the bank wise list of beneficiaries having liability up to Rs. 1.5 lakh from Kerala State Fishermen Debt Relief Commission (KSFDR) and provide to the banks for arriving at a decision in cases of loans with liability up to Rs. 1.5 lakh.</p> <p>It was also decided that the remaining cases may be taken up after completion of the decision in respect of loans with liability up to Rs. 1.5 lakh.</p> <p>SLBC Convenor had collected the bank wise list of beneficiaries identified by commission till then having liability up to Rs. 1.5 lakh from Kerala State Fishermen Debt Relief Commission (KSFDR) and provided the same to the Controlling Offices of respective banks.</p> <p>The matter came up for discussion in the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 it was decided that Banks shall consider the currently available partially completed list and convey their decisions on the same without waiting for the complete list.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p data-bbox="1144 284 2074 443"><i>SLBC Cell, vide letter SLBC 38 189 2013 KRA dated 24.07.2013, had again reminded the matter with the Controlling Offices of all Banks and forwarded a copy to the Secretary, Kerala State Fishermen Debt Relief Commission.</i></p> <p data-bbox="1144 483 2074 603">In the Sub-Committee of SLBC, Kerala that met on 26.08.2013 the representative from SLBC Cell informed that so far, no response is received from any of the banks.</p> <p data-bbox="1144 643 2074 762">The representative from KSFDRRC informed that one more year would be required to complete the sitting process and finalise the entire beneficiary list.</p> <p data-bbox="1144 802 2074 962"><i>Since there was no feedback from individual banks so far, the Sub-Committee opined that a decision on the matter may be taken by individual banks directly in consultation with the commission and recommended to drop the agenda from SLBC follow up.</i></p>

2.1.2. TERTIARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.1	Land Allotment for construction of RSETI Buildings - Pending since July 2012	<i>Land allotment for construction of RSETI buildings is pending in 3 districts viz. Kollam, Kozhikode & Palakkad.</i>	<i>Commissionerate of Rural Development</i>	<p>The 108th Meeting of SLBC, Kerala held on 03.01.2013, the representative from Commissionerate of Rural Development informed that land allotment proposal for RSETIs in Kollam and Palakkad Districts had already been submitted to Government of Kerala for approval. In the case of RSETI, Kozhikode new area is to be identified. The land identified earlier stands cancelled and steps are being initiated to locate another area.</p> <p>The forum requested the Department to speed up the process as the Ministry of Rural Development Department had allocated a sum of Rs. 1 crore for setting up of RSETI in every district and the work for construction of the building is to be initiated at the earliest.</p> <p>SLBC Cell through various letters have been following up with the Commissioner for Rural Development.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Development Commissioner for Rural Development informed as follows:</p> <ul style="list-style-type: none"> (i) Kollam District - the land is allotted and Government Order is to be issued. (ii) Palakkad District - land identified at Parali Grama panchayat. Government Order can be issued only on receipt of the resolution from Parali Grama panchayat. (iii) Kozhikode District - land not available. Direction given to the Programme Director to identify suitable land. <p>In the 109th SLBC meeting & the annual SLRM 2013 meeting observed that there is no progress and decided to follow up the matter with Commissionerate of Rural Development.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p><i>SLBC Cell, vide letter SLBC 38 196 2013 KRA dated 24.07.2013, had again taken up the matter with the Commissioner for Rural Development and reply is awaited.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the Joint Development Commissioner for Rural Development informed that the proposal for land allotment for Kollam and Palakkad Districts is still pending with Government and formal orders are expected.</i></p> <p><i>In Kozhikode District, land is not yet identified so far. The Project Director of Kozhikode District solicited adequate help from banks for identification of land.</i></p> <p><i>The Sub-Committee requested SLBC Cell to take up the matter with LDM Kozhikode and RSETI, Kozhikode for extending adequate support to Government authorities in identifying new land.</i></p> <p><i>The Sub-Committee decided to follow up the matter with Commissionerate of Rural Development.</i></p> <p><i>Commissionerate of Rural Development to inform the latest position.</i></p>
2.1.2.2	<p>Giving Provision to Controlling offices of banks to monitor status of RR - Pending since December 2011</p>	<p><i>RR filing in the State is now online. The view option/function should be made available to the Controlling offices of banks to enable them to monitor the progress.</i></p>	<p><i>Revenue Department</i></p>	<p>In the absence of representative from Revenue Department in the earlier SLBC meetings, the forum suggested following up the matter with Revenue Department.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed that at present the matter is dealt by NIC, Malappuram and assured to take up with them for sorting out the matter at the earliest.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided to pursue the matter with Revenue Department, Government of Kerala.</p> <p><i>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala again and forwarded a copy to the Land Revenue Commissioner, Trivandrum. Reply is awaited.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Revenue Department.</i></p>
2.1.2.3	<p>Levying of Service Charges under SARFAESI - Pending since June 2011</p>	<p><i>The Government of Kerala vide GO (MS) No. 39/11/RD dated 20.01.2011 had ordered recovery of service charge @ 7.5% of the amount demanded from the borrower/guarantor under SARFAESI for which action U/S 14 of the Act is initiated.</i></p> <p><i>Levying of Service charges under SARFAESI is not covered under the present law. Hence it was suggested to withdraw the Service Charges imposed by the Government for SARFAESI related cases.</i></p>	Revenue Department	<p>The issue is pending since SLRM held in June 2011 and is being followed up since then.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed that the matter has to be taken up with Government of India for amending the SARFAESI Act. The Sub-Committee requested to issue a clarification in this regard and suggested taking up the matter with the Secretary, Revenue Department with a copy endorsed to the Commissioner, land Revenue also.</p> <p>SLBC Cell vide letter No. SLBC 35 100 2013 KRA dated 04.03.2013 had again written to Secretary, Revenue Department with copy marked to the Land Revenue Commissioner.</p> <p>Responding to the matter in the 109th meeting of SLBC, Kerala held on 26.03.2013, Sri. Kamala Vardhana Rao, IAS, Secretary, Revenue Department informed that Government of Kerala had taken up the matter with Government of India and reply is awaited. The State Level Review Meeting of SLBC, Kerala held on 25th &</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>26th June, 2013 decided to pursue the matter with Revenue Department, Government of Kerala.</p> <p><i>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala and forwarded a copy to the Land Revenue Commissioner, Trivandrum.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from Revenue Department informed that the matter has be taken up with Government of India for amending the SARFAESI Act and awaiting the reply.</i></p> <p><i>The Sub-Committee decided to pursue the matter with Revenue Department.</i></p> <p>Revenue Department to inform the developments.</p>
2.1.2.4	Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository - Pending since June 2006	<p>(a) <i>To computerise land records in the State of Kerala – This will enable financing banks to make online notings, regarding their lien and help to bring down the transaction cost for getting various certificates from village office.</i></p> <p>(b) <i>To establish a National Mortgage Repository (NMR) in the State that will function in a similar manner as vehicle registration where</i></p>	<i>Revenue Department</i>	<p>The issue is pending since June 2006.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed the following:</p> <p>(i) Computerization process was completed in 17 identified villages</p> <p>(ii) By 31.03.2013, the process would be completed in 573 villages in 9 districts</p> <p>(iii) Out of the total 1634 villages, the remaining would be covered by the end of 2014.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>hypothecation is marked on the Registration Book of the owner or a Search made in Registrar of Companies Office to ascertain certain details pertaining to companies.</i></p> <p><i>This is aimed at bringing in more transparency and prevention of frauds on property transactions.</i></p>		<p>Responding to the matter in the 109th meeting of SLBC, Kerala, Sri. Kamala Vardhana Rao, IAS, Secretary, Revenue Department informed that the process of computerization of land records, involves Revenue, Survey and Registration Departments. The Department is in the process of designing a software and the recently formed land governance society would co-ordinate the activities of Revenue, Survey and Registration Departments to accomplish the task. Once computerization is completed, it would address all the problems related to the documentation aspects of loanees.</p> <p>50% of process would be completed by 2012-13 and the entire process would be completed within a year's time.</p> <p>The SLRM 2013 meeting to pursue the matter with Revenue Department till its logical conclusion.</p> <p><i>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala and forwarded a copy to the Land Revenue Commissioner, Trivandrum and reply is awaited</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Revenue Department.</i></p> <p>Revenue Department to inform the developments.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.5	Inclusion of HDFC Bank Ltd a Private Sector Scheduled Commercial Bank(s) U/s 71 of KRR Act & Issue of user ID & password for online Revenue Recovery procedures	<i>“The HDFC Bank Ltd, being a private sector scheduled commercial Bank is still not included under Section 71 of the Revenue Recovery Act of Kerala, and have not till date received the Login ID and password for the same. The bank is providing credit/finance for the Agricultural operations in the State, but is unable to take legal recourse for effecting recovery under the RR Act, from the default cases.”</i>	Revenue Department	<p>In the Sub-Committee meeting of SLBC Kerala held on 27.02.2013, the Assistant Commissioner of Land Revenue assured to look into the matter. SLBC vide letter No. SLBC 35 93 2013 KRA dated 04.03.2013 had written to the Secretary, Revenue Department, Government of Kerala.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013, Kerala decided to pursue the matter with Revenue Department.</p> <p>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala and forwarded a copy to the Land Revenue Commissioner, Trivandrum. Reply is awaited.</p> <p>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Revenue Department.</p>
2.1.2.6	Land Acquisition Compensation for property mortgaged to Banks	<i>The land Acquisition authority, while awarding compensation against taken over of land, is demanding production of original documents before them. The banks find it difficult to produce the original title deed that has been deposited with them under Equitable Mortgage. There is likely legal hitch also involved on the validity of the EM on retaining the original documents by the LA authorities when the EM is in force with the bank. Therefore, the Government may direct the LA authorities to accept the bank certified copy of the title deed at par with the original title deed and award compensation.</i>	Revenue Department	<p>The matter came up for discussion during the group discussion session in the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013.</p> <p>The forum decided to take up the matter with Revenue Department.</p> <p>SLBC Cell, vide letter SLBC 38 203 2013 KRA dated 26.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala. Reply is awaited.</p> <p>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Revenue Department.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.7	E-Collection of Kerala State Commercial Taxes - Inclusion of major banks in the State in addition to banks handling the same at present - Pending since December 2011	<i>Proposal to authorize major banks to transact Kerala Government business of e-payment of Commercial Tax – issue relating to accreditation of all major banks in addition to those listed banks as per the existing Government Order.</i>	Taxes Department	<p>Though the matter was discussed as an agenda item in all SLBC meetings since the induction of this agenda, no progress has been made in resolving the issue. SLBC hence decided to pursue the matter with Taxes Department.</p> <p><i>SLBC Cell, vide letter SLBC 38 198 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Taxes Department, Government of Kerala.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Taxes Department.</i></p> <p>Taxes Department may apprise the present position.</p>
2.1.2.8	Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum - Pending since December 2007	<p><i>The proposal is aimed at:</i></p> <ul style="list-style-type: none"> • <i>Enforcing stamp duty on Equitable Mortgages (EM) put forth by banks by putting through “Registered Memorandum” with a maximum nominal monetary ceiling on the stamp duty imposed.</i> • <i>To make registration of Memorandum of Agreement relating to deposit of title deeds mandatory in the State instead of making it optional.</i> 	Taxes Department	<p>SLBC Kerala has been regularly pursuing the matter with Secretary, Taxes Department since the induction of the agenda.</p> <p>In the 109th meeting of SLBC, Kerala held on 26.03.2013, the representative from Taxes Department informed that the note regarding the recommendation is under the consideration of the Government for fixing upper ceiling.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided to pursue the matter with Taxes Department.</p> <p><i>SLBC Cell, vide letter SLBC 38 198 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Taxes Department, Government of Kerala.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Taxes Department.</i></p> <p>Taxes Department to inform the developments.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.9	<p>Waiver of Stamp duty on SHG loans - Pending since March 2006</p>	<p><i>The proposal was to waive stamp duty on loans availed by Self Help Groups so as to augment credit flow to SHGs</i></p>	<p>Taxes Department</p>	<p>The issue is pending since March 2006.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided to pursue the matter with Taxes Department.</p> <p>Vide G.O (P) No. 141/2013/TD dated 22.07.2013 of Taxes (E) Department had waived stamp duty on SHG loans. SLBC Cell observes the following regarding the GO.</p> <p>1) <i>It is applicable for only agreements between banks and SHGs (ie Articles of Agreement) and not applicable for interse agreements executed among SHG members.</i></p> <p>2) <i>It is only made applicable for SHGs registered under society act whereas almost all the SHGs in our state are unregistered bodies only.</i></p> <p>3) <i>It is only applicable for SHG loans availed from Scheduled commercial banks, meaning loans from DCBs are not covered.</i></p> <p>In view of the above, SLBC cell has again taken up the matter with State Govt with a request to issue fresh GO addressing the above.</p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Taxes Department.</i></p> <p><i>Taxes Department, Government of Kerala to inform the present position.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.10	Automation of Interface of State Government Treasuries with Banks - Pending since December 2011	<i>The Department of Financial Services, Ministry of Finance, Government of India desires that full automation and interface of State Government Treasuries with the banks should be given top priority as it would help the concerned state government and the Banks to implement EBT, funds transfer to beneficiaries and credit of Government grants/subsidy/funds, quick credits etc.</i>	<i>Finance Department</i>	<p>In the 108th Meeting of SLBC, Kerala held on 03.01.2013, the Additional Secretary, Finance Department informed that work in this regard is in progress. This being a long pending item the forum requested to provide a status paper.</p> <p>Vide letter No.247/PLG A2/2012/Fin dated 05.01.2013, the Principal Secretary Finance (Planning A) Department, Government of Kerala informed that “The full automation of interface of State Government Treasuries can be done only after the implementation of networking of treasuries. The procedure for the implementation of networking is in progress. At the same time, Government have asked the Director of Treasuries to inform the progress made and the difficulties faced by the State Government in the process of full automation of State Government treasuries and automated interface with the concerned banks to furnish a report to Government of India. The report of the Director of Treasures is awaited.”</p> <p>In the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June 2013, it was informed that the interface between treasury and banks, facilitating EBT is being developed. Government intends to bring down the volume of cash handling by Treasuries and Government offices through EBT system. It starts with disbursement of welfare pensions & Scholarships and the digitization of data is in progress.</p> <p><i>SLBC Cell, vide letter SLBC 38 200 2013 KRA dated 24.07.2013, had taken up the matter with the Principal Secretary, Finance Department, Government of Kerala. Reply is awaited.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Finance Department.</i></p> <p>Finance Department to provide the status paper.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.11	<p>Amendment/ modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I - Pending since December 2007</p>	<p><i>To make suitable amendment in the Registration Rules and to empower the SROs to make an entry of possession of immovable properties under SARFAESI Act 2002 also in their Book I, as done in the case of property attachment made by Civil or Revenue courts.</i></p>	<p><i>Registration Department</i></p>	<p>The issue is pending since December 2007. SLBC Kerala has been regularly pursuing the matter with Registration Department since the induction of the agenda.</p> <p>In the 108th Meeting of SLBC, Kerala held on 03.01.2013, the representative from Taxes Department informed that the matter is under active consideration of the Government. However, since amendment of Act is involved informed that it may take time.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 noted that proposal was submitted to Government for amendment of registration Act vide letter No.IT3/20954/2010 dated 15.12.2011 and decision is pending.</p> <p><i>SLBC Cell, vide letter SLBC 38 201 2013 KRA dated 24.07.2013, had taken up the matter with the Inspector General, Registration Department, Government of Kerala.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from Registration Department informed that Government is yet to take a decision in this regard.</i></p> <p><i>The Sub-Committee decided to pursue the matter with Registration Department.</i></p> <p>Registration Department to inform the position.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.12	<p>Inclusion of Banks under “Public Utility Service” - u/s 22 A of Legal Services Authorities Act - Establishment of Permanent Lok Adalath u/s 22 B</p> <p>- Pending since March 2012</p>	<p><i>As per the Legal Services Authorities Act, 1987 (amendment Act 2002) the jurisdiction of the Permanent Lok Adalath is applicable only to “Public Utility Services” such as –</i></p> <ul style="list-style-type: none"> • <i>Transport service for the carriage of passengers or goods by air, road or water</i> • <i>Postal, telegraph or telephone service</i> • <i>Supply of power, light, air, water to the public by any establishment</i> • <i>System of public conservancy or sanitation</i> • <i>Service in hospital or dispensary</i> • <i>Insurance service</i> • <i>And includes any service which the Central Government or the State Government, as the case may be, in the public interest, by notification, declares to be a Public Utility Service.</i> <p><i>As per the definition of the Act, Banks do not fall under the purview of “Permanent Lok Adalaths”. However, if Central Government or State Government, in the interest of public declares by notification, the same can be brought under the purview of the Act.</i></p>	<p><i>Law Department in co-ordination with Finance Department</i></p>	<p>The 108th Meeting of SLBC, Kerala held on 03.01.2013 observed that no progress has been made in respect of issuing any notification for including banking service under the purview of the act. It was informed that required steps are to be initiated by Law Department in co-ordination with Finance Department.</p> <p>SLBC Cell vide letter No. SLBC 35 107 2013 KRA dated 04.03.2013 had written to the Law Department.</p> <p>From the deliberations in the 109th meeting of SLBC, Kerala & annual SLRM 2013 meeting held on 26.03.2013 it was ascertained that Law Department has taken up the matter with Kerala State Legal Service Society, Ernakulam which in turn had taken up the issue with Ministry of Law & Justice (Department of Legal Affairs) vide their letter No.2095/D/P/KELSA dated 15.02.2012.</p> <p>The representative from Law Department, Government of Kerala informed that this being a central act, the matter is under the consideration of Ministry of Law & Justice, Government of India.</p> <p><i>SLBC Cell, vide letter SLBC 38 199 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Law Department, Government of Kerala and forwarded a copy to the Principal Secretary, Finance Department, Government of Kerala.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from Law Department informed that the matter is pending with Ministry of Law & Justice, Government of India. Further since banking services are coming under union list, the amendment can be made only by the Central Government. She suggested that SLBC shall also take up the</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>In the larger interest of the public especially the low income group, issuance of a notification to the effect that Banks also fall under “Public Utility Service” for the purpose of the Act.</i></p>		<p><i>matter with Ministry of Law & Justice, Government of India & IBA.</i></p> <p><i>The Sub-Committee recommended pursuing the matter with Law Department and Government of India.</i></p>
2.1.2.13	<p>Weighing instrument of high accuracy class for any bullion transactions including ornaments or other articles made of gold or silver as per Kerala Government Order No. 5/2012/CAD dated 20th July 2012 - Kerala Legal Metrology Enforcement Rules, 2012</p>	<p><i>As per Kerala Government Order No. 5/2012/CAD dated 20th July 2012- Kerala Legal Metrology Enforcement Rules, 2012, any bullion transactions including precious metals, pearls, ornaments or other articles made of gold or silver, only beam scale of class A or class B category or a Non-automatic weighing instrument of high accuracy class (class- II) or special accuracy class (class- I), of e value 10mg shall be used in any transaction. Banks have already provided gold weighing machine, having accuracy of 100 mg as per the existing rules. As per the aforesaid Government notification banks need to replace the entire gold weighing machines provided to their Kerala branches with 10 mg accuracy gold weighing machine.</i></p>	<p><i>Legal Metrology Department</i></p>	<p>The matter came up for discussion in the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 as suggested by Federal Bank.</p> <p>The forum concurred with the views of the Steering Committee that banks are not involved in any trading activities using gold ornaments pledged by the customers and hence shall take up the matter with Legal Metrology Department, Government of Kerala for exempting banks from complying with this requirement.</p> <p>The forum decided to take up the matter with Legal Metrology Department, Government of Kerala.</p> <p><i>SLBC Cell, vide letter SLBC 38 195 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Food, Civil Supplies & Consumer Affairs Department, Legal Metrology Division, Government of Kerala. Reply is awaited.</i></p> <p><i>Vide letter CI-3622/13 dated 26.08.2013, Controller, Legal Metrology, Vikas Bhavan, Trivandrum informed that, the Gold Loan business come under the purview of Legal Metrology Act, 2009 and Legal Metrology (General) Rule, 2011. The Legal Metrology Enforcement Rules, 2012 (G.O. No. 5/2012/CAD dated</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>It may please be noted that for the purpose of providing gold loans, Banks are only assessing the value of gold ornaments officer after considering various factors like purity, presence of stones, pearls, wax etc. if any. which do not involve any bullion transaction.</i></p> <p><i>In the above circumstances, Banks may be permitted to continue with the existing machines. If the same is not possible banks may be provided with a time period of one year to replace the existing machines.</i></p>		<p><i>20.07.2012) has been issued based on the above mentioned Acts and Rules. Therefore, institutions engaged in the gold loan business is liable to use the Weight & Measures instruments specified in Rule 9 (3) of the Kerala Legal Metrology (Enforcement) Rule, 2012.</i></p> <p><i>In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, Controller, Legal Metrology informed that since it is a Central Act, Department have no right to give any relaxation.</i></p> <p><i>The Sub-Committee suggested that SLBC may take up the matter with Central Government and Indian Banks' Association under copy to Legal Metrology Department.</i></p>
2.1.2.14	<p>Establishment of Financial Literacy Centres (FLCs) in all blocks of the State</p>	<p><i>RBI vide circular RPCD.CO.MFFI.BC.N0.86/12.01.018/2008-09 dated February 4, 2009 had brought out a model scheme with regard to establishment of FLC wherein it was envisaged to set up FLCs at all levels viz. Block, District, Town and City level. Accordingly, banks were expected to initiate setting up of FLCs in all the Blocks.</i></p> <p><i>Kerala has a unique status of having established FLC in all the 14 districts by September 2011 itself. The task of</i></p>	<p><i>Banks/LDMs</i></p>	<p>In the SLRM meeting conducted at Trivandrum on 25th & 26th June 2013, Sri. Salim Gangadharan, Regional Director, Reserve Bank of India directed that if any bank is not interested in opening FLCs in Kerala, they should surrender their rights for opening FLC and inform the same to SLBC in writing. SLBC in turn shall do the re-allotment. He added that bankers have to confirm that FLCs set up are conforming to the provisions of RBI Circular. Moreover, after establishment the compliance aspects shall be cross verified by Lead District Managers of respective districts and ensure regarding the acceptability.</p> <p>Sri. R. K. Dubey, Chairman & Managing Director of Canara Bank urged all the banks to consider the matter seriously by giving proper importance to the task assigned to them. He requested the</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>establishing FLC at Block level was aimed to be completed by September 2013. Accordingly, LDMs have allotted the blocks to the banks operating in the area for establishing FLCs.</i></p>		<p>management of banks in the state to strongly represent the matter to the respective corporate offices so as to complete the task before the deadline. He added that if any bank is not interested in opening FLCs, then they can inform the same to SLBC in writing s to enable SLBC to reallocate the same to another bank. He expressed hope that Kerala would take the lead in establishing FLCs in all the blocks within the stipulated time</p> <p>As at 31.08.2013, Banks have established FLCs in 101 blocks out of total 152. The bank wise performance vis-a vis targets and details of FLCs yet to be established are given in <u>Annexures-9.40 & 9.42</u> respectively.</p> <p>Status & Progress Report as at June 2013 pertaining FLCs already established is given in <u>Annexure- 9.41.</u></p> <p>Further SLBC is awaiting reports from LDMs regarding the compliance part of FLCs already opened by banks in bank branches and Akshaya centres. LDMs were asked to furnish report regarding availability of exclusive counselor, facilities extended, visibility of FLCs etc. Most of the LDMs are yet to furnish the report.</p> <p>It is observed that some banks are yet to initiate steps for establishing FLCs in the allotted blocks. Banks to inform the present position.</p>

3. GENERAL ISSUES

3.1. FRESH ISSUES

3.1.1.1. PRIMARY SECTOR

3.1.1.1. JLG financing to improve investment credit (Suggested by NABARD)

- (i) There are large numbers of JLGs formed by institutions like NGOs, primary cooperative banks, etc. In the State of Kerala
- (ii) **Ensuring end-use of credit**

Of late, several complaints were received mainly relating to financial misappropriation by one or two members of JLGs or by the sponsoring agencies. Therefore, the banks should stick to basic tenets of JLG financing. Banks should sanction loans directly to individual member loan accounts on the strength of group guarantee by the members to each other jointly, which SBI is following. Wherever group loan is financed, the banks have to ensure that all the members of the group are conversant with the loan and the terms and conditions attached therefore. Under no circumstance, the loan amount should be directly credited to sponsoring agencies. The banks are advised to be vigilant about the activities of NGOs, some of whom reportedly are collecting money from public/members of groups with a promise to secure bank loan. If any such institutions are noted, the same may be intimated to SLBC/NABARD/RBI immediately.
- (iii) **Kudumbashree groups**

The JLGs formed by Kudumbashree are of two types – (a) farming groups (b) micro enterprise groups. Farming JLGs indulge in crop cultivation either jointly in one large farm or in the farms owned/leased by individual members of JLGs. The micro enterprise groups indulge in activities allied to agriculture or in non farm income generating activities. These are undertaken jointly as a group or individually by the members.
- (iv) Kudumbashree is able to mobilize Government and other supports having clearly defined independent organizational structure. Therefore, Kudumbashree is able to provide substantial benefits, both financial and non financial to its members. Also, they have large scale operations capable of implementing state wide programmes/projects through the structures.
- (v) The banks may urge NGOs and others which are finding it to difficult to manage to entrust their JLGs to Kudumbashree. Kudumbashree would evaluate the groups and exercise their option to take over such groups and integrate with their programme.
- (vi) **Relaxation in monetary ceilings**

Further, some banks have prescribed per group ceiling for financing JLGs which ranges from Rs.2 lakh to Rs.5 lakh or per member ceiling of amounts upto Rs.50000/-. This puts automatic restriction on the scale of activities. Also, higher group lending would entail collateral requirements. The loan amount may relate to scale of finance or unit cost as the case may be. Under financing is one of the reasons driving people to borrow from informal sources and consequent NPA. If the loan is sanctioned on individual basis, the group members would scale up activities which are urgently required. The state is expecting greater financial flow especially to dairy

and hi-tech vegetable sector. Separate scheme is being formulated for such financing. All the banks are advised to support the programmes in big way.

To this extent, whenever required, the banks should review their JLG financing policy objectively and support capital formation and investments in agriculture and allied sector.

In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from NABARD suggested that the issue may be highlighted for creating awareness among banks. The Sub-Committee decided to place the matter in SLBC for information.

3.1.1.2. SHG-Bank Linkage Programme - Assessing SHGs for Bank Finance (Suggested by NABARD)

(i) NABARD Circular No. 122 /MCID-04/2013-14 dated 27 May 2013, on revised norms for assessing SHG for credit linkage for the first time and assessment of matured SHG for higher quantum of loan are available on our website - www.nabard.org. All banks are requested to use the revised norms to facilitate their assessment of SHGs / matured SHGs for credit linkage.

(ii) Financing of SHGs

In view of the intensification of the SHG programme and continuous monitoring of the progress by the Department of Financial Services, MoF, GoI, banks may monitor and review the financing of SHGs by their branches. The State has been given a target of credit linkage of 1.5 lakh SHGs for the year 2013-14. Kudumbashree has fixed a target of 1.27 lakh SHG credit linkage. However, the progress in financing SHGs sponsored by Kudumbashree / other agencies is not to the desired extent. Suitable instructions may be issued to all branches of banks to follow the rating norms given above and finance the groups.

(iii) Submission of data on SHG-Bank Linkage on monthly basis

To overcome the delay in submission of data on SHG-Bank linkage to Government of India, the Department of Financial Services, Ministry of Finance has advised all Public Sector Banks to incorporate the relevant field in their CBS and has also directed banks to furnish information on monthly basis to NABARD.

(iv) Government of India Scheme for Women SHG

Under the scheme, the identified districts are required to be saturated with quality SHGs over a period of 3 years. The scheme is being implemented in Wayanad and Palakkad districts from the year 2012-13. Anchor NGO/s have been identified in the districts and MoU signed with the identified branches of commercial banks / RRBs. The target set by GoI was 600 WSHGs per district and so far 1199 WSHGs have been formed and savings linked to banks in these two districts as detailed below:

Anchor NGOs - Wayanad District - Wayanad Social Service Society: 600 WSHGs

Palakkad District - Peoples Service Society, Palakkad 300 WSHGs
Hope Foundation 299 WSHGs

The progress under this GoI Scheme is being reviewed by the Department of Financial Services, Ministry of Finance, Government of India. Further, the implementation of the scheme is also being monitored by DFS through Web based MIS system.

Based on the recent review, DFS has advised that all the SHGs which were savings linked under the scheme as on 31 March 2013, must be credit linked by 30 September 2013. Further, DFS has also advised the controlling offices of participating banks to depute their officers to monitor the process of implementation and sort out the operating issues, if any, faced by their branches in the identified districts. As on June 2013, only 2 WSHGs have been credit linked (Canara Bank).

For the current year, a target of 500 WSHGs for each district has been allotted.

Controlling Offices of banks implementing the scheme may ensure that all the SHGs savings linked by their branches as on 31 March 2013 are credit linked latest by 30 September 2013. They may also depute their officers to monitor and sort out the operational issues at their branches as directed by DFS.

(v) JLG Linkage

In terms of various guidelines issued for financing of JLGs, banks have the option to financing the members directly or grant group loan. Adverse reports of misuse of the JLG financing by one or two scrupulous JLG promoting institutions have been reported in the press. In order to avoid recurrence of such instances, either by the facilitating NGO / leadership of the group, it is suggested that the banks may opt to issue individual loans making each one jointly and severally liable for repayment of all loans taken by all individuals belonging to the group.

Wherever Group Loan is being issued or has been issued, Bank may put in place measures to ensure that all group members are fully conversant with the terms and conditions of the loan.

The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to place the matter in SLBC for information of banks and LDMS.

3.1.2. SECONDARY SECTOR

3.1.2.1. Weavers Credit Card – Note by Directorate of Handloom & Textiles

The Weavers Credit Card Scheme aims at providing adequate and timely assistance from the Banking Institutions to meet the credit requirement of all weavers and ancillary workers involved in weaving. The credit limit will be fixed on the assessment of working capital requirements as well as cost of tools and equipments required for carrying out weaving activity. The maximum credit limit to individual weavers will be up to Rs. 2 lakhs. Government of India provides Margin Money Support @ of Rs. 4200 per weaver 6% interest rate for the loans provided to the Handloom sector and credit guaranteed for 3 years through CGTMSE.

The issuance of WCC is a critical requirement to ensure flow of credit to the weavers and Government has been emphasizing the need to give top priority to co-ordinate with banks for issuing WCCs to all applicants.

The total applications forwarded to different banks during the year 2012-13 were 14219 Nos. Out of that only 2129 Nos were sanctioned with an amount of Rs. 497.82 lakhs and disbursed amount comes only to Rs. 359.10 lakhs.

The target fixed for Kerala for the issuance of Weavers Credit Card for the current year i.e 2013-14 is 10,000 Nos. To achieve the target directions were issued to General Managers of all District Industries Centres to organize special awareness cum registration camps in the handloom clusters and in other areas of weavers in co-ordination with banks and NABARD to collect fresh applications for Weavers Credit Cards as well as to clear the pending applications with local bank branches. The details of pending cases during 2013-14 and the present position of application pending in the various banks are enclosed for ready reference.

A Sub-Committee Meeting of SLBC, Kerala on Weavers' Credit Card was convened on 31.07.2013 at Canara Bank, Circle Office, Trivandrum. In the meeting all banks have agreed to clear the pending loan applications before 10.08.2013 and submit progress report to SLBC. Only a few banks have submitted the progress report so far in spite of reminders.

All banks are requested to co-operate for implementing the scheme and sanction maximum number of applications so as to achieve the target fixed for Kerala.

In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, Sri. Sam C. Ittycheria, Director of Handloom & Textiles informed the following:

- a) The progress under the scheme is very slow.
- b) Some banks are returning applications under the scheme citing flimsy reasons like Project is not viable, out of service area, non submission of invoice, non adherence of KYC norms etc.
- c) Banks are yet to comply with the decisions taken in the subcommittee meeting held on 31.07.2013 (Please see **Annexure-9.45** for minutes of the meeting)

Referring the issues (i) whether the borrower would be eligible for interest subsidy for the intervening period once his account is upgraded to standard from NPA status and (ii) the matter of availability of margin money for loans less than Rs.25000/-, he informed that the matter has been taken up with Government of India seeking clarification and reply is awaited.

With regard to the mismatch of data given by banks and Directorate of Handloom & Textiles, the sub-committee requested SLBC Cell to send one more communication to Controlling Offices of Banks requesting to furnish the performance and pendency details as per the format specified.

The Sub-Committee decided to place the matter in SLBC.

3.1.2.2. Weaver's Credit Card (Suggested by LDM, Ernakulam)

In the MSME Empowered Committee Meeting conducted on 24.07.2013 at Ernakulam , the following points were discussed on the subject:

- a. The applicants under the scheme are in need of a revolving credit facility for a period of three years with Debit Card/ATM.
- b. As at present banks do not have such a facility for the purpose, whether Laghu Udyami Credit Cards can be provided to the beneficiaries
- c. Last year most of the applications under the scheme were rejected/ returned by banks stating that the beneficiaries are not turning up/ not interested. It is observed that the selection was in a hurry without imparting proper awareness to the public.
- d. As private sector banks are not considered for extending weaver's credit cards, service area norms cannot be made applicable to the scheme
- e. The Committee felt that the loan may be extended to the members of the weaver's co-op society and the societies may make periodical disbursements through the weaver's credit cards accounts only which will reduce the chances of accounts turning into NPA.

The above points were discussed in the subcommittee of SLBC held on 26.08.2013 and following were the recommendations of the subcommittee.

- a. Director of Handloom & Textiles informed that the Directorate is ready to conduct branch wise camps involving field level officials of Directorate/ DIC, bank officials and applicants but branch Managers are not giving dates for conducting such camps. It was suggested that LDMs and FLC counselors of the District shall also participate in such camps.
- b. Controlling Offices of banks to fix the date for conducting camps in consultation with Branch Managers, LDMs and Handloom Directorate and issue necessary instructions to branches under their purview in this regard.

The Sub-Committee noted the points mentioned and decided to place the same in SLBC.

3.1.3. TERTIARY SECTOR

3.1.3.1. Progress and Implementation of Direct Benefit Transfer (DBT) in Kerala

- In the State of Kerala, for implementation of DBT, two districts Wayanad and Pathanamthitta were identified as pilot districts in the first phase. Nine more Districts were identified in the second phase. With this barring 3 Districts (Kollam, Kasargod & Malappuram) all other 11 Districts are identified for the implementation of the scheme.
- All the 14 Districts are identified for the implementation of DBT- LPG.
- The list of identified schemes for DBT implementation along with implementing Departments are given in the **Annexure-9.51**.
- Wherever the list of beneficiaries under the identified schemes were made available by the Government Departments, the same was circulated to the banks by LDMs and followed up with them for ensuring Aadhaar seeding.

- The District wise position of schemes implemented and number of beneficiaries as on 16.08.2013 is given in the **Annexure-9.49.**
- The scheme wise position of beneficiaries as at 16.08.2013 is given in the **Annexure-9.50.**
- SLBC Kerala had conducted a series of subcommittee meetings for periodic review and monitoring of the DBT implementation progress. The minutes of recent subcommittee meetings are given in **Annexure-9.46 & 9.47.**
- As decided by DCCs, Bank branches are giving adequate publicity to sensitize common public regarding Aadhaar seeding. Banners and posters are displayed in almost all bank branches requesting customers to seed their Aadhaar number. Besides District Collectors and LDMs at periodic intervals are giving press releases also.
- SLBC had given Aadhaar/DBT jingles in 7 FM radio channels on a cost sharing basis among banks for creating awareness among public.

Points for discussion

- 35 more districts have been identified for implementation of DBT L, out of which 12 districts are from Kerala. Hence the entire State of Kerala is under DBT L. Lead banks have already initiated action co-ordinating with OMCs for seeding Aadhaar numbers and creating awareness among public. Ministry Guidelines advising banks to go for Aadhaar seeding through direct contact with customers is given in **Annexure-9.52.** Issues involved if any to be flagged by LDMs/Banks.
- Wayanad & Pathanamthitta Districts are yet to achieve 80% aadhaar seeding level at banks' end as advised by Finance Ministry. Banks, LDMs of Wayanad & Pathanamthitta to respond on the matter.
- Government Departments had agreed to send only incremental list at weekly intervals to LDMs which would save a lot of time and labour. List to contain only details of beneficiaries having A/c no and Aadhaar number. Care is to be taken to remove beneficiary details without account number and aadhaar number from the list given to LDMs LDMs to inform the present position.
- LDMs to furnish back to Government Departments, the list of beneficiaries whose Aadhaar numbers have been mapped with NPCI. Departments to obtain feedback on receipt of the NPCI mapped data from LDMs through their District Heads. Departments shall inform the present position.
- Bulk Account opening Facility and Bulk Aadhaar seeding facility to be provided by all major Banks in the State.
- Banks with lead bank responsibilities to immediately provide Aadhaar look up facility to their LDMs. (SBT, Union Bank, Syndicate Bank, IOB and Indian Bank) Banks to inform the present position.
- State Govt may issue orders for including Kollam Malappuram and Kasargod Districts also under DBT.
- For Post Matric Minority Scholarship scheme implemented by Directorate of Collegiate education, at present, account opening is restricted to only 4 banks. This is against GoI guidelines on DBT and hence Directorate is requested to take up the matter with State Government for including all banks
- Aadhaar seeding is not commensurate with accounts opened.
- Government Departments need to be more proactive in conducting account opening camps for their beneficiaries by handholding with LDMs & banks'.
- It was observed that lot of issues are still remaining unresolved regarding usage of CPSMS for making payments

Forum may suggest appropriate corrective steps and strategies/ ways to improve from the current position for the successful implementation of DBT in the State

3.1.3.2. Issues related to Education Loans (Suggested by LDM, Ernakulam)

Consequent to withdrawal of service area for education loans several complaints are reported by the applicants and branches. It is observed that many of the bank branches are reluctant to sanction education loans, even to those got admission under merit. They are driving away the applicants to other branches stating that interest rate would be lower with other banks, loans would be sanctioned without delay, interest subsidy may not be available with them etc. This attitude is causing lot of inconvenience to the applicants and other nearby branches. There are cases where the student who got admission for engineering under merit surrendering the seat allotted.

Some banks (eg: Bank of India) are insisting for collateral security for all who got admission under management quota, irrespective of the amount.

Unless some clarity on the above lines and common guidelines are issued there is every possibility to have large number of complaints under the scheme in the current year.

In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, noted that such complaints are prevalent across the state and in the absence of Service area approach many banks are reluctant to grant Education loans.

The committee also noted that State Government is yet to settle the claim of BPL loanees who were identified as eligible under the interest subsidy scheme of State Govt. Branches are receiving large number of enquiries from customers regarding the receipt of the subsidy from State Government. Further the declaration of moratorium on recovery of Education loans has affected the recovery climate drastically though it is confined only to BPL loanees.

The Sub-Committee suggested that a delegation of Banks can meet Hon'be Chief Minister and Hon'ble Finance Minister of Kerala to covey the concerns of banks.

The Sub-Committee decided to place the matter in SLBC for discussion.

3.1.3.3. Education Loans- Committee Approach (Suggested by State Bank of Travancore)

During the year 2012, the Reserve Bank of India vide letter dated 09.11.2012 has advised the Scheduled Commercial Banks that service area norms are to be followed in the case of Government sponsored schemes and are not applicable to sanction of education loans. Hence, Banks were advised not to reject any educational loan application for the reasons that the residence of the borrower does not fall under the Bank's service area.

The Bank has implemented the above guidelines in letter and spirit to help the meritorious students who are in need of support. Of late, it is complained by good number of our branches that the Branches of the Scheduled Commercial Banks especially Private Sector Banks are directing the education loan applicants to SBT under one pretext or the other,

stating that the interest rates with them are higher and advising the applicants that they can avail educational loans from any Bank's branch citing the above guideline.

In this connection, we furnish hereunder the sanctions made by the various banks in Kerala State during the year 2012-13 (the data as provided by SLBC).

(Amt in Rs in crores)

Bank	No of Branches	Total business	Market share in Total business	Number Education loans outstanding	Amount Education loans outstanding	% Education Loan to Total Education loan by all SCBs in the State
SBT	758	87702	22	94237	2083	25.11
SBI	411	45161	11	50057	1156	13.94
Canara Bank	334	31137	8	40461	966	11.65
Union Bank of India	213	15281	4	26541	592	7.14
Indian Overseas Bank	171	11532	3	10985	295	3.56
Federal Bank	581	47732	12	20305	363	4.38
South Indian Bank	411	29579	7	7485	118	1.42
Catholic Syrian Bank	247	10882	3	6117	109	1.31
HDFC Bank	134	11571	3	978	11	0.13
ICICI Bank	104	6943	2	350	0.3	0.04
Total Education Loan Sanctioned by SCBs				380295	8295	

It is seen from the above data that SBT with 22 % market share in the Business of ASCB-Kerala had sanctioned 25.11% in Education Loans by all the Banks in the State, whereas, Private Banks like Federal Bank with a business share of 12% in the state has considered only 4.38% of Education Loans in the State and South Indian Bank with a market share of 7% in the business has sanctioned 1.42% of Education loans in the state. The new generation Banks like HDFC and ICICI with 238 branches and 5 % share in total business have no/ negligible exposure to Educational Loans in the state.

The above position indicates that the Banks, though enjoying a major share in business, are not taking their due share of responsibility in sanctioning Educational Loans. In the present scenario of high incidence of NPAs in Education Loan portfolio in the state for various reasons, it is quite natural that banks are hesitant to entertain education loans and hence it has become essential that certain ground rules are required to be set by the SLBC to ensure an equitable participation of all Commercial Banks operating in Kerala in the education loan sanction process and to prevent the education loan burden skewed towards Public Sector Banks especially only towards SBT.

Hence the following are suggested for discussion in the SLBC meeting.

1. All the scheduled commercial banks in the State must sanction educational loans in proportion to their market share in network /business. To ensure this task, SLBC to design a centralized committee system in every district.
2. The District Level Committee to collect the Education Loan applications from the eligible applicants and forward the same to the Banks in each district in proportion to

- their network / business. Sub-committees may also be formed to collect and forward applications at every block level.
3. The District Level Committee should be comprised of One Government Official; Lead Bank Officer; Representatives from the three major Banks (based on the network / volume of business) in the district to receive the applications and allocate to the Banks (within the proportionate share) as preferred by the student applicant. The applicant has to indicate in his application the names of at least three banks in the area of operation. In case, if any bank as preferred by the student has already been forwarded with their target of applications, the application can be forwarded to any other bank in the area of operation, even though it is not in the preferred list of the student, as decided by the District Level Committee.
 4. Sourcing of an application by the committee will not confer any rights to the applicants as the sanction of the education loan is subject to the normal sanction process and delegated authority of the Bank / its Branch.
 5. Interest rate charged by the Bank is not a subject matter and no Bank should direct the applicant to another Bank on the ground that the other bank is charging a lesser interest. In case of students belongs to Economically Weaker Sections, the interest charged will be subsidized by the Government of India. Hence, the applications sourced by the committee have to be considered only by the Bank to which it was sourced.
 6. The process covers only those applications which are normally eligible under IBA Model Education Loan Scheme. The schemes, if any, operated by the individual Banks outside the Model Scheme are not covered in the above system. (Like the Education Loan scheme under Management Quota seats etc.)

The Sub-Committee decided to place the above recommendations in SLBC for deliberation.

3.1.3.4. Additional Housing loans to State Government Employees from Commercial Banks by creation of Second Mortgage (Suggested by Planning & Economic Affairs (F) Department, Government of Kerala)

As per the extant guidelines, State Government employees are given a maximum house building advance of Rs. 10 lakhs by the Government. Further, Government employees were permitted to avail housing loans from recognized financial institutions by creating second mortgage on the property already pledged to the Government. Vide G.O.(P) No.87/2013/Fin dated 18.02.2013 of Finance (HBA) Department has stipulated that the total amount of house building advance sanctioned by the Government and the loan raised by Government servant from outside financial institutions by creating second mortgage shall not exceed the cost ceiling limit of 100 times of basic pay subject to a maximum of Rs. 25 lakhs.

NGO association has informed State Government that many public sector banks are not aware of the scheme and the above G.O. Hence it is desired by Hon'ble Chief Minister that the matter may be placed as an agenda and discussed in the SLBC meeting so as to popularize the scheme. The details of relevant Government Order is given in **Annexure – 9.48.**

3.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

3.2.1. PRIMARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.1.1	Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE - Pending since July 2012	<i>In the SLRM 2012, it was suggested that in view of the mounting NPA under Agriculture Term Loans after implementation of ADWDRS, banks were facing serious issues. It was recommended to suggest introduction of a Guarantee Scheme similar to CGTMSE, particularly for Term Loans under Agriculture.</i>	SLBC / Government of India	<p>In response to the recommendation, SLBC Cell had through various letters taken up the matter with the Government of India and their reply is awaited.</p> <p>The 109th meeting of SLBC, Kerala and the State Level Review Meeting (SLRM) 2013 of SLBC, Kerala decided to pursue the matter with Government of India.</p> <p><i>SLBC Cell, vide letter SLBC 38 190 2013 KRA dated 24.07.2013, had taken up the matter with the Ministry of Finance, Department of Financial Services, Government of India.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Ministry of Finance, Department of Financial Services, Government of India.</i></p>

3.2.2. SECONDARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.2.1	<p>Proposal to introduce penalty for delayed payment of premium for coverage under CGTMSE - Pending since March 2011</p>	<p><i>As per the existing Rule of CGTMSE the borrowers or applicants have to pay premium amount on policies taken by them within a specified time and the policies will be cancelled by the lending institutions on delayed payments. It was suggested that instead of cancelling the policy it would be advisable to charge penalty for delayed payments of premium and keep the policy in force.</i></p>	<p><i>SLBC/CGTMSE, Mumbai.</i></p>	<p>SLBC Kerala has been regularly pursuing the matter with MSME Development Centre at Mumbai since the induction of the agenda and their response is awaited.</p> <p>The 109th meeting and annual SLRM 2013 meeting of SLBC, Kerala decided to pursue the matter with CGTMSE, Mumbai.</p> <p><i>SLBC Cell, vide letter SLBC 38 192 2013 KRA dated 24.07.2013, had taken up the matter with MSME Development Centre, Mumbai and the reply in this regard is awaited.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with MSME Development Centre, Mumbai.</i></p>
3.2.2.2	<p>Providing loans under KSEDM at base rate by Banks - Pending since September 2012</p>	<p><i>Hon'ble Finance Minister of the State had requested Banks in Kerala to handhold with State Government in the implementation of KSEDM scheme by granting the loans at base rate.</i></p>	<p><i>Banks</i></p>	<p>The 108th Meeting of SLBC, Kerala held on 03.01.2013 requested the member Banks to inform the decision on charging base rate of interest for the loans sponsored under the flagship programme of the State Government – KSEDM.</p> <p>The 109th meeting of SLBC, Kerala held on 26.03.2013 noted that as per the information available with SLBC Cell, only Canara Bank, SBT and Central</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>Bank had offered to lend at base rate.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013. The forum requested the Controlling offices of Banks to take an early decision in the matter, so that there is more credit outflow under the scheme.</p> <p><i>SLBC Cell, vide letter SLBC 38 193 2013 KRA dated 24.07.2013, had taken up the matter with Controlling Offices of all Banks and the reply is awaited.</i></p> <p>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 noted that the scheme is a good lending opportunity in MSE sector and in the deregulated scenario individual banks can take a decision on rate of interest and hence recommended to drop the item.</p>
3.2.2.3	PMRY 2006–07 & 2007–08 - Non receipt of Subsidy - Pending since August 2009	<i>Subsidy on PMRY loans granted during 2006-07 and 2007-08 are yet to be released to various banks in few accounts. Such borrowers are forced to pay interest on the subsidy portion also till it is received by Banks. Also subsidy portion remaining unpaid are becoming NPA. Due to this customers are penalized as their names would be appearing in the CIBIL defaulters list.</i>	<i>Reserve Bank of India / Controlling Offices of Banks</i>	<p>RBI had vide letter RPCD (T) No.LBS/391/03.02.002/2012-13 dated 07.11.2012 informed that the claims submitted by the 24 implementing banks have been forwarded by RBI, Central Office to KVIC for reimbursement. Further, it is clarified that banks are permitted not to classify PMRY accounts, where the borrowers have repaid their portion of loan in full (only Government subsidy is outstanding), as NPA unless the</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>Government repudiates the claims of banks for release of subsidy. However, PMRY accounts where the borrowers have not paid their portion of loan, classification should be governed by extant classification norms prescribed in the Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning Norms pertaining to Advances.</p> <p>The 109th meeting & annual SLRM 2013 meeting of SLBC, Kerala decided to pursue the matter with Reserve Bank of India till logical conclusion.</p> <p>RBI Central Office vide letter dated May, 22, 2013 had requested all implementing banks to furnish, certificate issued by Statutory Auditors in the format enclosed with their letter to enable RBI to forward the same to KVIC for early release of the captioned subsidy.</p> <p>The forum noted this and requested Banks to furnish certificate as directed above by RBI.</p> <p><i>SLBC Cell, vide letter SLBC 38 194 2013 KRA dated 24.07.2013, had advised the Controlling Offices of all Banks in these lines.</i></p> <p>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with RBI.</p>

3.2.3. TERTIARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.3.1	<p>Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank - Pending since July 2012</p>	<p><i>Education Loans granted by KSCARD Bank also to be provided with interest subsidy extended by Government of India.</i></p>	<p><i>Government of India</i></p>	<p>SLBC Cell vide letter No. SLBC 35 105 2013 KRA dated 04.03.2013 had written to the Deputy Secretary, Ministry of Finance, GoI.</p> <p>The 109th meeting & annual SLRM 2013 meeting of SLBC, Kerala decided to pursue the matter with Government of India.</p> <p><i>SLBC Cell, vide letter SLBC 38 202 2013 KRA dated 24.07.2013, had taken up the matter with Ministry of Finance, Department of Financial Services, Government of India. Reply is awaited.</i></p> <p><i>The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to pursue the matter with Ministry of Finance, Department of Financial Services, Government of India.</i></p>

3.3. INFORMATION NOTES

3.3.1. Venture Capital Assistance Scheme (Suggested by SFAC)

The salient features of Venture Capital Assistance now being implemented through SFAC are as follows:-

- Agri based/Fisheries based projects are now being implemented.
- Projects above 50 lakhs alone will be considered for Venture Capital Assistance
- The entrepreneur should compulsorily avail loan from any Nationalized Bank/I.D.B.I.
- 10% of the total project cost, 26% of the equity or 75 lakhs will be the allowable VCA to Agribusiness projects.
- VCA is a soft loan provided to entrepreneurs to implement the project to build up the funding gap and this amount is interest free till the repayment of the entire term loan and thereafter VCA should be refunded to SFAC.
- Entrepreneurs are allowed to avail VCA only once to a particular project.
- VCA is granted by the Central SFAC, New Delhi for bankable and feasible projects through the lending institutions to the entrepreneurs.

The Venture Capital Assistance scheme of SFAC has been restructured and included for continuation and implementation during XII Plan with the following new features.

- The Scheme will be implemented during 2012-17 in the XII Plan with a central assistance of Rs.500 crores in the country.
- State SFACs will be delegated with the power of sanctioning of VCA for projects between Rs.10 lakhs to 50 lakhs.
- All financial Institutions notified by RBI where the ownership of the Central / State Government is more than 50% will be included.
- Project should be in agriculture and allied sector or related to agricultural services. All units which are processing farm produce, poultry & dairy units etc. are eligible for VCA.
- The cost of proposed agribusiness project would have to be Rs.15 lakh & above. However, Projects valuing Rs.10 lakh and above, proposed to be located in backward districts as notified by Planning Commission, hilly and North-Eastern States could also be considered for PDF and VCA.

- The upper cap is upto Rs.5 crore.
- SFAC will ordinarily provide Venture Capital in general which will be the lowest of the following:
 - 10% of the total Project cost assessed by the bank
 - 26% of Promoter's equity
 - Rs.50 lakhs
 and project cost should not be more than Rs.5 crore.
- Lending bank/FI will obtain prior permission from the SFAC for changes of bank/FI and reschedule/restructure of term loan. This facility can be availed by the promoter only once in the tenure of the VCA.
- Agri-business promoters may also avail VCA for second time after refund of first VCA as per original schedule. However, second time VCA will be for creation of additional capacity in the same activity or for a different activity.
- The beneficiary desirous of seeking assistance for preparation of DPR can approach the nearest empanelled consultant of the district in consultation with bank/FI along with the details/pre-feasibility of the proposed project for the recommendation of the bank/FI or SFAC at the State or Central level. The amount for preparing bankable DPR through our empanelled consultant of SFAC under PDF Scheme would be in range of Rs.25,000/- to Rs.1.00 lakh.

The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to place the matter in SLBC for information.

3.3.2. Electronic sharing of Loan data, both new loan and repayment, by Kudumbashree groups (Suggested by Kudumbashree)

Kudumbashree has been designated as the State Rural Livelihood Mission for implementing NRLM in Kerala. As per the interest subvention guidelines, the Central Government will directly reimburse the interest to those NHG groups located in Malappuram and Palakkad that repay loan regularly. In similar lines, the SRLM should refund the difference between the lending rates and 7% for the loan upto Rs. 3,00,000/- subject to the approved norms. For accurate and timely calculation of the interest subvention component, Kudumbashree needs to know the details of loan availed and their repayment. To automate this calculation, it is essential that the banks share all data pertaining to new loans issued to Self Help Groups preferably restricted to those of Kudumbashree groups, and the repayment data on a monthly basis.

As per RBI Master circular No: RBI/2012-13/559 dated 27th June 2013 (section 14: data sharing), RBI has directed all banks to enter into MoUs with SRLM (i.e. Kudumbashree in Kerala) to facilitate such data transfer (as is being done in AP). The Central Government is planning to activate the interest subvention program effective 1st October, 2013 and has

asked all SRLM to be ready at the same time. Hence, the SLBC may discuss the readiness, both administrative and technical, of banks to extract and share this data.

The SLBC may take cognizance of the referenced RBI Master Circular and take necessary steps for circulation within the banking community.

In the Sub-Committee Meeting of SLBC, Kerala held on 26.08.2013, the representative from Kudumbashree informed that the electronic sharing of loan data is successfully being done in Andhra Pradesh State.

The Sub-Committee requested Kudumbashree to obtain the model followed in Andhra Pradesh and circulate the same to banks.

The Sub-Committee decided to place the matter in SLBC for information.

3.3.3. Micro Insurance (Suggested by LIC of India)

- Micro Insurance is also an integral component of “Financial Inclusion”.
- This is primarily envisaged for the people of lower strata of society wherein the premium is structured in an affordable manner.
- Even though there are three types of plan namely Jeevan Mangal, Jeevan Madhur & Jeevan Deep, thrust can be focused on Jeevan Mangal as that will run hand in hand with the Micro-financing being implemented through NHG, SHG, Kudumbashree etc. This is so because it is a term assurance plan. Unlike other term assurance plan in vogue, the Hall-mark of Jeevan Mangal entails refund of entire premium remitted at the end of the term. The term can be from 10 to 15 years.
- For a Sum Assured of Rs. 25000, the weekly premium comes to only a paltry amount of Rs. 13.
- This plan can be focused to serve as a collateral security to the Micro-financing of the Banks.
- The plan can be marketed on a large scale through BCs and MFI institutions and the Banks themselves can take up Micro-Insurance agency separately.

The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to place the matter in SLBC for information.

3.3.4. Introduction of Challans and loan applications in Malayalam in Banks
 (Suggested by SLBC Cell & Planning & Economic Affairs (F) Department)

മലയാളസമിതി

പൊൻപുലരി, പാപ്പാട്
 നെട്ടയം പി.ഒ. തിരുവനന്തപുരം-695013
 ഫോൺ: 9447220205 9495688556 9447055166
 ഇ മെയിൽ: malayalasangamithikeralam@gmail.com

31.5.2013

ജനറൽ മാനേജർ
 (കൺവീനർ, എസ് എൽ ബി സി, കേരളം)
 കനക ബാങ്ക്
 സർക്കിൾ ഓഫീസ്
 തിരുവനന്തപുരം

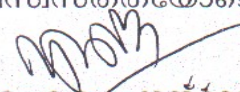
ബഹുമാന്യരേ,

ഏതു നാട്ടിലും ബാങ്കിങ് സ്ഥാപനങ്ങളുടെ പ്രവർത്തനം സുഗമമാകുന്നത് അന്നാട്ടിലെ ഭാഷയിൽക്കൂടി ഇടപാടുകൾ നടത്തുമ്പോൾ മാത്രമാണ്. എന്നാൽ കേരളത്തിൽ പ്രവർത്തിക്കുന്ന ബാങ്കുകളിൽ ഇന്നാട്ടിലെ മാതൃഭാഷയായ മലയാളത്തിൽ അച്ചടിച്ച രസീതുകൾ, അപേക്ഷകൾ എന്നിവ ഇടപാടുകാർക്ക് കിട്ടുന്നില്ല. ഇപ്പോൾ അവയെല്ലാം ഇംഗ്ലീഷിൽ മാത്രമാണ്. ഇത് സാധാരണക്കാരായ ഇടപാടുകാരെ സംബന്ധിച്ചിടത്തോളം ഏറെ വൈഷമ്യമുണ്ടാക്കുന്നു എന്ന കാര്യത്തിൽ തർക്കമില്ല. മറ്റു സംസ്ഥാനങ്ങളിൽ അതതു ദേശഭാഷകളിൽക്കൂടി ഇത്തരം ഫാറങ്ങൾ ബാങ്കുകൾ നൽകിവരുന്നുണ്ട്.

ആയതിനാൽ കേരളത്തിൽ പ്രവർത്തിക്കുന്ന എല്ലാ ബാങ്കുകളിലും ഇംഗ്ലീഷിനോടൊപ്പം മലയാളത്തിലും രസീതുകൾ, അപേക്ഷകൾ തുടങ്ങി എല്ലാവിധ ഫോറങ്ങളും വിതരണം ചെയ്യുവാൻ വേണ്ട നടപടികൾ എത്രയും വേഗം കൈക്കൊള്ളണമെന്ന് അപേക്ഷിക്കുന്നു.

മലയാളത്തിന് ക്ലാസിക പദവി കിട്ടിയ ഈ അവസരത്തിൽ കേന്ദ്ര-സംസ്ഥാന സർക്കാരുകൾ മലയാളത്തിന്റെ പ്രചാരം വർദ്ധിപ്പിക്കാനുള്ള നടപടികൾ ത്വരിതപ്പെടുത്തിയിരിക്കുകയാണല്ലോ. അതിനാൽ ഈ വിഷയത്തിൽ താങ്കളുടെ ശ്രദ്ധ അടിയന്തിരമായി പതിയണമെന്ന് ഒരിക്കൽക്കൂടി അഭ്യർഥിക്കുന്നു.

വിസ്വസ്തതയോടെ



ഡോ.എം.കെ. ചാൻദ്രാജ്

(പ്രസിഡന്റ്)

The Sub-Committee of SLBC, Kerala that met on 26.08.2013 decided to place the matter in SLBC for information of banks.

4. Review of Performance under Priority Sector Advances

4.1. Review of Priority Sector Advances (Disbursement) as at June 2013 - ACP 2013-14 Achievements (Refer Annexure 9.11 & 9.12)

The performance of banks with reference to the Annual Credit Plan 2013-14 as at June 2013 with Bank-wise and District-wise break up is furnished in the annexure. The abstract of the performance as at June 2013 under ACP 2013-14 is as follows.

(Rs. in Crores)

Bank / Banking Group	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
State Bank Group	6008	1925	32.03	1243	477	38.36	7037	1987	28.23	14288	4389	30.71
Nationalized Banks	8858	2277	25.71	2629	894	33.99	7391	1125	15.22	18878	4296	22.76
RRBs	3364	831	24.70	249	50	19.93	2224	415	18.64	5837	1296	22.19
Private Sector Banks	5324	1336	25.10	1660	557	33.57	6256	845	13.51	13240	2738	20.68
Cooperatives	11160	1960	17.56	1061	240	22.57	15579	3790	24.33	27800	5990	21.54
KFC	22	53	244.23	284	55	19.53	113	984	869.83	419	1092	260.80
Total	34736	8382	24.13	7126	2273	31.88	38600	9146	23.69	80462	19801	24.61
% to Total Disbursement		42.33			11.48			46.18			100	

4.1.1. Overall Performance under Annual Credit Plan

The banking sector of the State has disbursed **Rs. 19801 crores** to the priority sector during the fiscal 2013-14 as at June 2013. This is **24.61 %** of the annual target of **Rs.80463 crores**. There is an increase of **Rs. 4330 crores** in total disbursements over that achieved during the corresponding period of the last financial year.

Banking group wise analysis reveals that Cooperatives have disbursed the highest quantum of priority sector loans in the State during the fiscal (**Rs. 5990 crores**) followed by State Bank Group (**Rs. 4388 crores**). Disbursement to secondary sector constituted only **11.48%** of the total disbursement made by banks to the priority sector.

Bank-wise analysis reveals that **KSCARD** Bank has disbursed the highest quantum of priority sector loans (**Rs. 4382 crores**) followed by State Bank of Travancore (**Rs. 3468 crores**). Two Banks viz., State Bank of Patiala and Kotak Mahindra Bank have reported "NIL" disbursement to Priority Sector in the State during the period from 01.04.2013 to 30.06.2013, which needs immediate attention.

Among the Districts, Pathanamthitta district stood first in the quantum of priority sector loan disbursement (**Rs. 5141 crores**) followed by Kottayam district with a disbursement of **Rs. 2094 crores**. Pathanamthitta district stood first in percentage achievement of target (**118.58%**) followed by Kottayam (**31.02%**). Four Districts (Alappuzha, Malappuram, Kannur and kasargod) have recorded less than 15 % achievement under ACP and needs considerable improvement. LDMs of all lagging Districts need to identify the field level issues and take immediate steps to reverse the trend in the remaining quarters.

Here it is observed that the disbursement reported by Pathanamthitta District under ACP is abnormal and not correct. Instead of repeated requests, LDM Pathanamthitta had not submitted the correct data which had totally distorted the ACP figures of the State especially under Secondary sector. The forum may note this and advice the concerned suitably.

4.1.2. Performance under Primary Sector

The primary sector, which comprises of the agriculture sector, accounted for **42.33%** of the total disbursements in priority sector. The sector achieved **24.13 %** of the annual target as at June 2013. An amount of **Rs. 8382 crores** was disbursed to the sector as at June 2013 against the year-end target of **Rs. 34736 crores**. Compared to the disbursements during the corresponding period of the previous fiscal, the disbursement to primary sector recorded an increase of **Rs. 126 crores**.

Nationalized Banks, by disbursing **Rs. 2278 crores**, accounted for more than one-fourth (**27.18%**) of the total disbursement to the sector followed by Co-operative Sector and State Bank Group. Co-operative sector accounted for **23.38 %** of the total disbursement to the primary sector of the State by disbursing **Rs.1960 crores**. Private Sector Banks disbursed **Rs. 1336 crores**.

Among Commercial Banks, SBT, Canara Bank, SMGB, State Bank of India and the Federal Bank are the top performers with regard to quantum of loans disbursed to the sector.

Highest disbursement to primary sector was reported in Pathanamthitta (**Rs. 1785 crores**) followed by Kozhikode district (**Rs. 876 crores**) and Palakkad (**Rs. 823 crores**). *(Data distorted due to incorrect reporting by Pathanamthitta District)*

4.1.3. Performance under Secondary Sector

Under secondary sector, which includes the SME Sector, the banking sector of the State could achieve **31.88 %** of the annual target as at June 2013. Banks in the State have disbursed loans to the tune of **Rs. 2273 crores** till June 2013. Another disturbing fact is that the sector accounted for only **11.48 %** of the disbursement to priority sector in the State.

When compared to the disbursements during the corresponding period of the previous fiscal, there is a good increase in disbursements to the sector. Last fiscal during April 2012

to June 2012, the disbursement to the secondary sector was **Rs. 610 crores** whereas during the same period this year banking sector in the State could disburse **Rs.2272 crores**, registering a growth of **Rs. 1662 crores** in disbursement. *(Here again Pathanamthitta District had reported a disbursement of Rs.1059 crores which is incorrect)*

Nationalized Banks led in disbursements to the sector (**Rs.893 crores**) followed by Private sector Banks (**Rs. 557crore**) and State Bank Group (**Rs.477crores**). State Bank of Travancore led the disbursement in the secondary sector with a figure of **Rs. 283 crores** followed by Indian Bank (**Rs. 258 crores**), Federal Bank (**Rs. 216 crores**), SBI (**Rs. 194 crores**) and Canara Bank (**Rs.191 crores**). The following Banks have not reported any disbursement to the sector - State Bank of Bikaner, State Bank of Patiala, ING Vysya Bank, Lakshmi Vilas Bank, J & K Bank, Yes Bank and Kotak Mahindra Bank.

Among the districts, highest disbursement to secondary sector was reported in Pathanamthitta district (**Rs. 1060 crores**) followed by Kollam district (**Rs.718 crores**). Kannur recorded the lowest achievement of **4.16 %** followed by Malappuram with **4.33 %**, Alappuzha with **4.55 %** and Kottayam with **6.91 %**. These districts should give more focus to the secondary sector during the remaining part of the financial year. It is concerning to note that performance of eleven districts are below the State average.

4.1.4. Performance under Tertiary Sector

Tertiary sector accounted for **46.18 %** of the total disbursement to the priority sector in the State. The total disbursement to the sector during the fiscal up to June 2013 was **Rs. 9146 crores** thereby achieving **23.69 %** of the annual target. When compared to the disbursements during the corresponding period of the previous fiscal, there is an increase of **Rs. 2542 crores** in the disbursements to the sector. Last fiscal during April 2012 to June 2012, the disbursement to tertiary sector was **Rs. 6604 crores**.

Under quantum of loans disbursed during the current fiscal, Cooperatives lead other banking groups by disbursing **Rs. 3790 crores**. Nationalized Banks and Private Sector Banks need to improve their performance under this sector.

Among Commercial Banks, State Bank of Travancore leads in disbursement to the sector (**Rs. 1731 crores**) followed by Federal Bank (**Rs. 302 crores**), South Indian Bank (**Rs. 266 crores**), NMGB (**Rs. 258 crores**), Canara Bank (**Rs. 248 crores**), State Bank of India (**Rs. 245 crores**). Banks like State Bank of Patiala and Kotak Mahindra Bank have reported 'NIL' disbursement to the Tertiary sector in the State.

District wise analysis reveals that Pathanamthitta district has achieved **133.59%** of the year-end target followed by Kottayam (**47%**) and Wayanad (**25%**). Six districts have recorded less than **15 %** achievement and needs considerable improvement.

All the banks/LDMs should review their position well in advance and take corrective steps to ensure that the targets for the current year could be achieved comfortably.

4.2. Review of Priority Sector Advances (Outstanding) as at June 2013
(Refer Annexure 9.4)

4.2.1. Performance versus National goals

(Figures in percentage)

Sl. No.	Parameter	Goal %	March 2011	June 2011	March 2012	June 2012	March 2013	June 2013	Variation	
									June'12 To June'13	Mar.'13 To June'13
1	Priority Sector Advances to Total Credit	40	58.32	56.16	57.34	57.73	56.72	57.08	-0.65	0.36
2	Agriculture Advances to Total Credit	18	22.49	21.82	24.25	25.43	25.73	25.29	-0.14	-0.44
3	Weaker Section Advances to Total Credit	10	18.39	16.43	19.33	20.34	19.94	23.22	2.88	3.28
4	DRI Advances to Total Credit	1	0.02	0.02	0.02	0.03	0.03	.03	0	0
5	Credit Deposit Ratio	60	75.50	74.84	75.57	72.56	76.41	72.88	0.32	-3.53

The achievements of the commercial banking sector of the State under total Priority sector advances, Agriculture Advances, Weaker Section advances and Credit Deposit Ratio are above the national goals.

The growth in outstanding advances under sub sectors of priority sector as at June 2013 is summarized as follows.

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	March '12- June '12	March '12- March '13	June '12- June '13	March '13- June '13
Priority Sector Advances	85606	87751	99318	99515	2145	13712	11764	197
Agriculture Advances	36209	38661	45055	44088	2452	8846	5427	-967
SSI Advances/ SME	20593	19942	23563	24432	-651	2970	4490	869
Weaker Section Advances	28865	30922	34911	40474	2057	6046	9552	5563
SC Advances	2957	3045	3284	4517	88	327	1472	1233
ST Advances	606	651	729	1501	45	123	850	772
DRI Advances	33.98	40.10	43.93	46.92	6.12	9.95	6.82	2.99

4.2.1.1. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at June 2013

The performance of the banking sector inclusive of Co-operatives is summarized as follows:

Performance of Co-operative Sector under Vital Banking Statistics (Amount Outstanding)

(Rs in. Crores)

Parameter	June 2013		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	885	6216	14.24
Total Deposits	29059	268273	10.83
Total Advances	28739	203070	14.15
Total Business	57798	471343	12.26
Priority Sector Advances	15684	115199	13.61
% Priority Sector Advances	54.57	56.73	
Agriculture Advances	4244	48333	8.78
% Agriculture Advances	14.77	23.80	
SME Advances	826	25259	3.27
CD Ratio	98.90	75.70	

Including the Co-operative sector the total Banking business in the State is **Rs.471343 crores**. The Co-operative sector account for 12.26 % of the banking business in the State (**Rs. 57798 crores**). The CD ratio of the State including Co-operatives have recorded a figure of 75.70 % as at June 2013 against 72.88% recorded for commercial banks.

4.2.2. Priority Sector Advances in Total Advances – Bank Group wise (Refer Annexure 9.4)

(Rs in Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12- June '12	Mar '12- Mar '13	June '12- June '13	Mar. '13- June '13
Priority Sector Advances	85606	87751	99318	99515	2145	13712	11764	197

During the current financial year, April 2013 to June 2013, a growth of **Rs.197 crores** was recorded by the Commercial banks in the State under priority sector outstanding. Last year for the same period there was a growth of **Rs. 2145 crores**.

A year-on-year analysis reveals that there was a growth of **Rs. 11764 crores** in priority sector advances over June 2012, recording a growth of **13.41%**.

Against the mandatory norm of 40% under priority sector advances, as at June 2013, 57.08 % of the total advances of the banks in the State was to priority sector.

Banking Group wise Performance under Priority Sector Advances as at June 2013

(Rs in. Crores)

Banking Group	Total Advances			Priority Sector Advances			% PSA to Total Advances (June '13)
	March 2013	June 2013	Growth March'13-June '13	March 2013	June 2013	Growth March'13-June '13	
State Bank Group	55398	53115	-2283	33465	34003	-538	64.02
Nationalized Banks	59686	61278	1592	39393	38506	-887	62.83
Regional Rural Banks	7561	7760	199	6501	6606	105	85.12
Private Sector Banks	52442	52177	-265	19959	20400	441	39.10
Grand Total	175087	174330	-757	99318	99515	197	57.08

During the first quarter of the financial year of 2013-14, highest addition to the outstanding Priority Sector advances of the State is made by Private Sector Banks (**Rs. 441 crores**) followed by the Regional Rural Banks (**Rs.105 crores**). State Bank group and Nationalised Banks recorded negative growth. Regional Rural Banks have 85.12 %, Nationalised Banks have 62.83 %, State Bank Group has 64.02% and Private Sector Banks have 39.10 % of their total advances under priority sector. Private Sector Banks (39.10 %) were much below the average level achieved by the State (57.08 %) in terms of percentage of priority sector advances to total advances.

The entire advance of KSCARDB has been classified as priority sector advances.

4.2.3. Agriculture Advances (Refer Annexure 9.5)

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	March '12-June '12	March '12-March '13	June '12-June '13	March'13-June '13
Agriculture Advances	36209	38661	45055	44088	2452	8846	5427	-967

The outstanding advances to agriculture sector in the State have decreased by **Rs. 967 crores** during the first quarter of the current fiscal. The outstanding agriculture advances stood at **Rs.44088 crores** as at June 2013, which is 25.29 % of the total advances outstanding in the State. The percentage of Agriculture Advances to total advances has marginally decreased from a level of 25.43 % as at June 2012 to 25.29 % as at June 2013, but is much above the mandatory norm of 18% fixed by RBI.

Year-on-year there was an increase of **Rs. 5427 crores** in agriculture advances outstanding recording a growth rate of 14.04 %.

Banking Group wise Performance under Agriculture Advances as at June 2013
(Rs in. Crores)

Banking Group	Total Advances			Agriculture Advances			% Agri. Advances to Total Advances (June '13)
	March 2013	June 2013	Growth March '13 June '13	March 2013	June 2013	Growth March '13 June '13	
State Bank Group	55398	53115	-2283	13694	13402	-292	25.23
Nationalized Banks	59686	61278	1592	19091	18832	-259	30.73
RRBs	7561	7760	199	3688	3753	65	48.38
Private Sector Banks	52442	52177	-265	8582	8101	-481	15.53
Grand Total	175087	174330	-757	45055	44088	-967	25.29

RRBs contributed the highest quantum growth in agriculture advances outstanding (**Rs. 65 crores**) .State Bank Group, Nationalised Banks and Private Sector Banks had shown a negative growth of **Rs.1032 crores** put together.

48.38% of the advances outstanding with RRBs in the State was to agriculture sector. Private Sector Banks has the least outstanding under agriculture in terms of percentage agriculture advances to total advances (only **15.53 %**)

In the State Bank Group, SBT & SBI had recorded **27.43 %** and **22.91%** levels respectively under Agriculture advances to total advances. The following Public Sector banks apart from both the RRBs had crossed the mandatory norm of 18% under agriculture advances – Bank of Baroda, Bank of India, Bank of India, Canara Bank, Indian Overseas Bank, Union Bank of India, Indian Bank, UCO Bank, Central Bank of India, Corporation Bank, Syndicate Bank and Vijaya Bank. Federal Bank, Dhanlaxmi Bank and HDFC Bank are the private sector banks having agriculture advances more than 18% of their total credit.

As far as KSCARD Bank is concerned, **22.54%** of their advances was to agriculture sector. This had declined from a level of **24.45 %** as at June 2012.

4.2.4. SME Advances (Priority) (Refer Annexures 9.6 & 9.31)

Micro and Small Enterprises advances only forms the priority credit part of SME advances.

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12- June '12	Mar. '12- Mar. '13	June '12- June '13	Mar. '13- June '13
SME Advances	20593	19942	23563	24432	-651	2970	4490	869

The outstanding advance of commercial banks in the State to SME (Priority) sector has increased by **Rs.869 crores** during the first quarter of the current fiscal. In the corresponding period of previous fiscal there was a decrease of **Rs. 651 crores**.

As per the data, the performance of banks in the State is as follows:

(Rs. in Crores)

Banking Group	SME Outstanding (Priority)											
	March 2013						June 2013					
	Micro Enterprises		Small Enterprise		Retail Trade		Micro Enterprises		Small Enterprise		Retail Trade	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
State Bank Group	25620	2799	61209	2262	38528	686	25737	2853	61221	2281	38563	657
Nationalized Banks	181320	3761	32819	4442	50206	1216	176196	3819	42664	4565	46090	969
RRBs	66902	505	700	45	148509	936	44880	290	20259	242	157486	976
Private Sector Banks	95448	2546	25708	3480	22403	885	95879	2710	25599	3917	25380	1152
Grand total	369290	9611	120436	10229	259646	3723	342692	9672	149743	11005	267519	3754

From the data it is observed that there is an increase in advances outstanding under micro, Small Enterprise and Retail Trade from March 2013 levels.

4.2.5. Advances to Weaker Section (Refer Annexure 9.9)

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12- Mar. '13	Mar. '12- June '12	June'12 - June'13	Mar. '13- June '13
Weaker Section Advances	28865	30922	34911	40474	6046	2057	9552	5563

Weaker Section advances grew by **Rs.5563 crores** during the first quarter of the current fiscal as against growth of **Rs. 2057 crores** during the corresponding period of last fiscal. Year-on Year increase as at June 2013 was **Rs. 9552 crores**.

4.2.6. Advances to SC/STs (Refer Annexure 9.9)

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12- Mar. '13	Mar. '12- June '12	June'12 - June'13	Mar. '13- June '13
SC Advances	2957	3045	3284	4517	327	88	1472	1233
ST Advances	606	651	729	1501	123	45	850	772
Total SC/ST Advances	3563	3696	4013	6018	450	133	2322	2005

From the above table it is evident that the total SC/ST advances of the State had shown an increase of **Rs. 2005 crores** from March 2013. ST advances had shown an increase of **Rs. 1233 crores** and SC advances had shown increase of **Rs.772 crores** from the March 2013 level. Year on year growth from June 2012 to June 2013 under SC/ST advances shows an increase of **Rs.2322 crores**.

As evident from the table below, almost **95.20 %** of the SC advances of the State is contributed by Public Sector Banks (including RRBs), while the share of Private Sector Banks is just about **4.80 %**. In the case of ST advances **98.13 %** advances is contributed by Public Sector Banks (including RRBs) while the share of Private Sector Banks is just about **1.87 %**.

Banking Group wise Performance under SC/ST advances as at June 2013

(Rs. in crores)

Banking Group	SC Advances			ST Advances		
	Outstanding		% O/S to total	Outstanding		% O/S to total
	No.	Amount		No.	Amount	
State Bank Group	215845	3202	70.89	66510	825	54.96
Nationalized Banks	109651	1023	22.65	44374	628	41.84
RRBs	26268	75	1.66	6396	20	1.33
Private Sector Banks	13985	217	4.80	3782	28	1.87
Grand Total	365749	4517	100	121062	1501	100

All banks, especially Private Sector Banks, should give more attention for rendering assistance to these most vulnerable sections of the society. The National Commission for SC has suggested that all banks should provide separate data on SC & ST advances especially under the Government sponsored schemes, to review the position and to improve lending to SC & ST sections.

4.2.7. DRI Advances (Refer Annexure 9.10)

(Rs in. Crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12- June '12	Mar. '12- Mar. '13	June'12 - June'13	Mar. '13- June '13
DRI Advances	33.98	40.10	43.93	46.92	6.12	9.95	6.82	2.99

Against the national goal of 1% of the previous year's Gross Bank Credit, only **0.03 %** of the total credit could be given under the DRI scheme in the State by Commercial banks as at June 2013.

The table below reveals that, Public Sector Banks account for bulk of the DRI advances (**85.19 %**) in the State whereas Private Sector banks contribute only **14.81%** of the DRI advances in the State.

**Banking Group wise Performance under DRI advances
as at June 2013 (Rs. in lakhs)**

Banking Group	DRI Advances	
	O/S	% to total
State Bank Group	4.93	10.51
Nationalized Banks	34.11	72.70
Private Sector Banks	6.95	14.81
RRBs	0.93	1.98
Grand Total	46.92	100.00

5. Review of Performance under Special Focus Programmes

5.1. Swarozgar Credit Card Scheme (Refer Annexure 9.23)

The data submitted by the Controlling offices of banks reveals that Commercial banks in the State have sanctioned **907** Swarozgar Credit Cards (SCCs) during the first quarter of the fiscal 2013-14. The limits sanctioned to the tune of **Rs.5.79 crores**. Since inception of the scheme the banks have sanctioned **30188** cards in the State amounting to **Rs. 211.55 crores**. The amount outstanding as at June 2013 is **Rs. 67.25 crores** in **22416** cards. During the quarter SMGB leads the performance by sanctioning maximum number of cards followed by NMGB and Federal Bank. The Bank wise data is furnished in the annexure.

5.2. Artisans Credit Card Scheme (Refer Annexure 9.23)

Commercial banks in the State have sanctioned only **9** Artisans Credit Cards (ACCs) during the quarter ending June 2013. The total limits sanctioned are to the tune of **Rs. 2.45 lakhs**. Since inception of the scheme, the banks have sanctioned **3518** cards in the State with a limit amounting to **Rs.11.57crores**. The amount outstanding as at June 2013 is **Rs. 2.97 crores** in **673** cards.

Canara Bank leads among the commercial banks in the State under outstanding number of cards followed by Punjab National Bank, Corporation Bank, Federal Bank and IOB. The Bank wise data is furnished in the annexure.

5.3. Laghu Udhyami Credit Cards (Refer Annexure 9.23)

Commercial banks in the State have sanctioned **83** Laghu Udhyami Credit Cards (LUCC) during the first quarter of the fiscal 2013-14 making available credit limits to the tune of **Rs. 4.14 crores** to small entrepreneurs of the State. Since inception of the scheme, the banks have sanctioned **16910** LUCCs in the State sanctioning credit limits amounting to **Rs. 315.36 crores**. The amount outstanding as at June 2013 is **Rs.77.29 crores** in **2706** cards. Corporation Bank leads in the State by issuing highest number of LUC Cards followed by Canara Bank.

The performance of Private sector banks under ACC, SCC & LUCC is not at all impressive and needs lot of improvement. The Bank wise data is furnished in the annexure.

5.4. Performance under General Credit Card Scheme (Refer Annexure 9.24)

During the quarter under review (April-June 2013), banks in the State have sanctioned **14670** GCCs with limits amounting to **Rs.60.45 crores**. The outstanding under GCCs as at June 2013 is **109619** cards with a liability of **Rs. 210.79 crores**.

Canara Bank leads in issuance of GCC with **7294** GCCs issued during the quarter and with an amount of **Rs.16.78 crores**. This is followed by Union Bank of India with **2840** cards, SMGB with **1570** cards and NMGB with **1260** cards. **49.72** % of the cards issued during the quarter and nearly **58.88%** of the total GCC outstanding in the State was accounted by Canara Bank. The Bank wise data is furnished in the annexure.

5.5. Performance under Kisan Credit Card Scheme (Refer Annexure 9.18)

The data submitted by the Controlling offices of banks reveals that **106215** Kisan Credit Cards with an amount of **Rs. 1317.77 crores** have been issued during the first quarter of the current fiscal by the banking sector in the State. **3607431** KCCs were issued since inception involving a credit outlay of **Rs. 21326.71 crores**. As at June 2013, the outstanding number of loan accounts under KCC is **1720459** with **Rs. 10028.14 crores**. **540415** farmers were covered under Personal Accident Insurance Scheme (PAIS) linked to KCC. Bank-wise data is given in the annexure.

5.6. Agri-Clinics and Agri Business Centres (Refer Annexure 9.17)

The outstanding accounts under Agri clinics in the State by Commercial Banks are **17** with a credit outlay of **Rs.78.69 lakhs**.

There were **471** Agri-Business Centres opened in the State from the date of inception of the scheme with a credit outlay of **Rs.3206.39 lakhs**. As at June 2013, **122** Agri-Business centre loans exist with an outstanding amount of **Rs. 415.40 lakhs**.

5.7. Credit Flow to Minority Communities (Refer Annexures 9.30)

As per RBI directions, credit flow to minorities in specified districts should be reviewed in all SLBC meetings. At present all the districts in the State of Kerala are notified for reporting under this head. In Kerala State without giving due share to minorities, credit expansion is not at all possible. The comparative position with regard to the previous year is given below. The data reveal that there is significant increase in amount of loans granted to minorities in all these districts. It can be seen from the table given below that **56.15** % of the total priority advances has gone to the minority communities as at June 2013.

Data on Minority Sector Advances in the State of Kerala

(Rs. in Crores)

Year	Total Priority Sector Advances	Minority Sector Advances	Percentage
31.03.2010	58204	38532	66.20
31.03.2011	71145	41245	57.98
30.06.2011	70071	41054	58.59
30.09.2011	77403	39913	51.57
31.12.2011	78510	44811	57.08
31.03.2012	85606	46247	54.02
30.06.2012	87751	52877	60.26
30.09.2012	91253	48177	52.79
31.12.2012	92844	51466	55.43
31.03.2013	99318	55248	55.63
30.06.2013	99515	55874	56.15

5.8. Performance under Micro-credit (Annexures 9.19 to 9.22)

SLBC had compiled the data obtained from all banks on the cumulative performance under micro credit in the State as at June 2013. The bank-wise performance is given in annexures.

On a review of the performance, it is seen that about **444029** SHGs are maintaining savings account with commercial banks as at June 2013 in the State.

The banking group-wise data is as follows.

(Rs in. Crores)

Banking Group	SHGs maintaining Savings a/c		Of which No. of SHGs under	
	No.	Amt.	Government Sponsored	Exclusive Women
State Bank Group	297629	318.04	118561	276626
Nationalized Banks	65721	1949.73	25657	56857
RRBs	47959	40.14	15159	40444
Private Sector Banks	32720	199.18	3544	19391
Total - Kerala State	444029	2507.09	162921	393318

As evident from the above **88.57 %** of the SHGs are exclusive women SHGs and **36.69 %** are formed under various Government sponsored schemes.

There are 3 modes for credit linkage of SHGs under the SHG-Bank linkage programme. Credit linkage through

1. Financing SHGs directly by banks
2. Financing SHGs directly with the facilitation of NGOs
3. Financing SHGs through the medium of NGOs

The performance of the banking sector in the State under the above 3 modes of linkage is as follows.

(Rs. in crores)

Mode of Linkage	SHGs formed during the Quarter	No of SHG loans Disbursed During the Quarter		Outstanding Amount under SHG Finance		Beneficiaries Assisted
		A/c	Amt	A/c	Amt	
Financing SHGs directly by banks	5790	5526	137.11	81981	1084.58	572194
Financing SHGs directly with the facilitation of NGOs	824	1300	25.49	22608	201.9	243612
Financing SHGs through the medium of NGOs		145	6.55	2346	154.03	340422
Total No. of SHGs linked	6614	6971	169.15	106935	1440.51	1156228

As could be seen from the above table, **6971** SHGs have been credit linked in the State during the first quarter of the fiscal under the SHG-Bank linkage programme. The total amount outstanding under all the three modes of financing put together is **Rs.1440.51 crores**.

5.9. Small and Medium Enterprises (SME) Advances (Refer Annexures 9.6 & 9.31)

Consequent on the promulgation of MSMED Act, 2006 the advances classified under SME comes under priority (Micro & Small Enterprises) as well as Non-Priority (Medium Enterprises). The total advances under SME priority as at June 2013 come to **Rs. 24432 crores** for the commercial banks in the State. Out of this, Micro and Small Enterprises constitute **Rs.11362 crores** and **Rs.13070 crores** respectively for Commercial banks, which forms part of Priority Credit. The non-priority part of SME credit component that includes Medium Enterprises has shown an outstanding level of **Rs. 4822 crores** covering **5326** loan accounts with commercial banks. The bank wise details are given in the annexure.

5.10. Compliance on recommendations of the Prime Minister's Task Force on MSE advances

The major recommendations of the task force are given below:

- Achieve a 20% year-on-year growth in credit to micro and small enterprises to ensure enhanced credit flow.

- The allocation of 60% of the MSE advances to the micro enterprises to be achieved in stages; viz. 50% in the year 2010-11; 55% in the year 2011-12 & 60% in the year 2012-13; and
- Achieve a 10% annual growth in number of micro enterprise accounts.

Performance of the State under above parameters is as follows:

Sl. No.	Parameter	June 2012	June 2013	Increase	% Increase	Target
1	No of Loan accounts under Micro Enterprise	479810	547395	67585	14.09	10%
2	Credit under Micro and Small Enterprise (Rs.in Crores)	19942	24432	4490	22.52	20%
3	Share of Micro Enterprise to total MSE Credit (%)	50.61	46.50	-4.11		60%

In the matter of outstanding credit to Micro and Small Enterprise, state could post a growth rate of **22.52 %** against the mandated 20%. In the case of growth in number of loan accounts under Micro Enterprise, the State could achieve **14.09 %** against the target of 10%. The share of Micro Enterprise only accounted for only **46.50%** against the mandated level of 60% as at March 2013.

5.11. Performance of other Institutions under SME financing (Outstanding) as at June 2013

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	75	81	14	15	75	81	14	15	18	64	18	88
KFC	867	261	700	210	73	38	26	32	940	299	726	242	1	12	0	0
SIDBI	0	0	0	00	177	73	17	13	177	73	17	13	0	0	0	0
TOTAL	867	261	700	210	325	192	57	60	1192	453	757	270	19	76	18	88

Total SME Priority outstanding in these three financial institutions as at June 2013 works out to an amount of **Rs. 723 crores** in **1949** loan accounts. Including medium enterprises financed (Non Priority) the total outstanding as at June 2013 is to the tune of **Rs. 887 crores**.

5.12. Performance of other Institutions under SME financing (Disbursement) as at June 2013

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	8	8.54	1	0.60	8	8.54	1	0.60	0	0	2	18.79
KFC	62	18.29	69	30.74	10	4.25	1	0.16	72	22.54	70	30.90	0	0	0	0
SIDBI	0	0	00	0	3	0.11	2	0.02	3	0.11	2	0.02	0	0	0	0
TOTAL	62	18.29	69	30.74	21	12.90	4	0.78	83	31.19	73	31.52	0	0	2	18.79

Total SME Priority disbursement through these three financial institutions as at June 2013 works out to an amount of **Rs. 62.71 crores** in **156** loan accounts. Including medium enterprises financed (Non Priority) the total disbursement for the first quarter of current fiscal is to the tune of **Rs. 81.50 crores**.

5.13. Coverage under CGMSE scheme from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

On a review of the performance, it is seen that during the first quarter of the financial year 2013-14 banks in Kerala sanctioned an amount of **Rs. 233.21 crores (8564 proposals)** under CGTMSE coverage. Bank-wise analysis reveals that SBT has sanctioned highest quantum of loans (**Rs. 42.61 crores**) followed by Canara Bank (**Rs. 26.14 crores**) during the first quarter. District-wise analysis reveals that during the first quarter Ernakulam District has sanctioned the highest quantum of loans (**Rs. 45.71 crores**) followed by Trivandrum District (**Rs. 28.83 crores**). Trivandrum ranks first in the number of loan accounts covered during the first quarter (**1347**) followed by Ernakulam (**944**). Bank-wise/District-wise details are shown as Annexures 9.36 & 9.37.

6. Review of Performance under Government Sponsored Schemes

6.1. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) as at June 2013

(Refer Annexures 9.13 to 9.16)

The performance of the State under SJSRY up to June 2013 is summarized hereunder:

(Rs. in lakhs)

Sub component	No. of Applications					Amount of Subsidy Released	Total Loan	
	Forwarded	Rejected	Sanctioned	Disbursed	Pending		Sanctioned	Disbursed
USEP	530	79	234	229	217	85.67	302.79	288.59
UWSP	85	1	39	11	45	19.22	66.94	40.74
Total	615	80	273	240	262	104.89	369.73	329.33

The banks have sanctioned **234** loans to individual beneficiaries (for micro enterprises under USEP scheme) as at June 2013 involving loan amount of **Rs. 302.79 lakhs**. Under UWSP (Urban Women Self-help Programme), **39** groups were sanctioned with loans to the tune of **Rs. 66.94 lakhs**.

Banking Group wise performance under SJSRY as at June 2013

(Rs. in lakhs)

Sl. No.	Bank	USEP		UWSP		Total SJSRY	
		Sanctions		Sanctions		Sanctions	
		No	Amount	No	Amount	No	Amount
1	Public Sector Banks	211	273.86	19	48.44	230	322.30
2	Private Sector Banks	10	9.50	0	0.00	10	9.50
3	Others	13	19.43	20	18.50	33	37.93
	TOTAL	234	302.79	39	66.94	273	369.73

Analysis of the Bank wise performance reveals that Public Sector Banks (including RRBs) accounted for **84.24 %** the loans sanctioned (Number) and **87.17 %** of loan amount sanctioned. There is a need for greater participation by Private Sector Banks in the implementation of the scheme. There is no involvement by some of the Private Sector banks in the implementation of the scheme which may be corrected by their respective Controlling offices. Further all banks are also requested to clear the pending loan applications under the scheme immediately. Bank wise and district wise performance details are given in the Annexures.

7. Review of Performance of the Banking Sector

7.1. Banking Statistics as at June 2013 (Refer Annexure 9.1 to 9.3)

The detailed banking statistics for the State as at June 2013 is furnished in the Annexure. A comparative analysis of the data over the previous fiscal is presented below.

(Rs. in crores)

Parameter	Outstanding				Variation			
	March 2012	June 2012	March 2013	June 2013	Mar. '12-Mar. '13	Mar. '12-June '12	June '12-June '13	Mar. '13-June '13
No. of Branches	4911	5004	5279	5331	368	93	327	52
Total Deposits	197557	209490	229148	239214	31591	11933	29724	10066
Domestic Deposits	149103	153827	162958	163331	13855	4724	9504	373
NR Deposits	48454	55663	66190	75883	17736	7209	20220	9693
Total Advances	149293	151999	175087	174331	25794	2706	22332	-756
Investments	5033	7392	5652	7843	619	2359	451	2191
Adv. + Investment.	154204	159391	180739	182174	26535	5187	22783	1435
C: D Ratio	75.57	72.56	76.41	72.88	0.84	-3.01	0.32	-3.53
C+I: D Ratio	78.06	76.09	78.87	76.16	0.81	-1.97	0.07	-2.71

7.2. Branch Network

As at the end of June 2013, the total number of branches of Commercial Banks in the State was **5331**.

The population group wise break up of the branch network is presented below.

Banking Group	Number of Branches				Percentage distribution			
	Rural	Semi Urban	Urban	Total	Rural	Semi Urban	Urban	Total
Public Sector Banks	266	2453	799	3518	7.56	69.73	22.71	100
Private Sector Banks	238	1216	359	1813	13.13	67.07	19.8	100
Total	504	3669	1158	5331	9.45	68.83	21.72	100

Of the total Commercial banks in the State, Public Sector Banks account for **65.99 %** of the branch network in the State. Public sector banks are having the highest number of rural branches (266 branches). Of the total branch network of Commercial banks in the State, only **9.45%** is in rural areas whereas Semi-urban areas have **68.83%** of the bank branches in the State. Urban branches constitute **21.73%** of branch network.

On a comparison with March 2013 position, it is found that Public sector banks have increased their tally of branches by **28** branches whereas that of Private Sector Banks increased by **24** branches as at June 2013.

7.3. Deposit growth

During the first quarter of the fiscal 2013-14, there was a growth of **Rs. 10066 crores** in Deposits of the State and the outstanding total deposits reached a level of **Rs.239214 crores** in the Commercial banking sector of the State. During the corresponding period of the previous fiscal, the total deposit of the State was **Rs.209490 crores**. Quantum wise, the total deposits have grown from **Rs. 209490 crores** in June 2012 to **Rs.239214 crores** in June 2013, a year-on-year growth of **14.19 %**.

Another significant feature in the deposits growth is that the share of domestic deposits in total deposits is decreasing since March 2011. As at June 2012, the share of domestic deposits in the total deposits was **73.43 %**, which has now decreased to **68.28%** as at June 2013.

Sectoral Growth of Deposit over the Years

(Rs. in Crores)

Type of deposit	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	June 2012	March 2013	June 2013	Variation	
										Mar.'13- June'13	June'12- June'13
Total Deposits	91697	105488	130350	143404	161562	197557	209490	229148	239214	10066	29724
Domestic Deposits	58394	75599	93331	106518	123872	149103	153827	162958	163331	373	9504
N R Deposits	33303	29889	37019	36886	37690	48454	55663	66190	75883	9693	20220
% Share of Domestic deposits	63.68	71.67	71.60	74.28	76.67	75.47	73.43	71.11	68.28	-2.83	-5.15

A. Banking Group wise Growth in Deposits

As evident from the following table, Private Sector Banks (**34.93 %**) followed by State Bank Group (**34.8 %**), has the highest share in growth of deposits among the Commercial Banks in the State during the first quarter of the current fiscal.

Banking Group wise Growth in Deposits

(Rs. in crores)

Sl. No.	Banking group	Total Deposits			% Share in Total Deposits (June'13)	Variation		% Share in Growth	
		June 2012	March 2013	June 2013		Mar.'13 to June'13	June'12 to June'13	Mar.'13 to June'13	June'12 to June'13
1	State Bank Group	73740	78579	83235	34.80	4656	9495	46.25	31.94
2	Nationalized Banks	59663	63986	65578	27.41	1592	5915	15.82	19.90
3	RRBs	5767	6830	6849	2.86	19	1082	0.19	3.64
4	Private Sector Banks	70320	79753	83552	34.93	3799	13232	37.74	44.52
	Total	209490	229148	239214	100	10066	29724	100	100

Banking Group wise comparison reveals that **34.8 %** of the deposits in the State is with State Bank group, which has got a **22.36 %** share in branch network. The corresponding figures for Private Sector Banks are **34.01 %** share in branch network and **34.93 %** share in deposits. Nationalized Banks, which have **34.14 %** of the branch network in the State, have only a share of **27.41 %** in total deposits. RRBs, in spite of having a share of **9.49 %** of the branch network has only **2.86%** share in total deposits of the State.

B. Population Group wise/Banking Group wise Distribution of Deposits

Population Group wise Distribution of deposits

(Rs. in Crores)

Banking Group	Total deposits				Percentage Distribution				Share of Banking Group in Total Deposits
	Rural	Semi Urban	Urban	Total	Rural	Semi Urban	Urban	Total	
State Bank Group	2799	48854	31582	83235	3.36	58.70	37.94	100	34.8
Nationalized Banks	2108	34015	29455	65578	3.21	51.87	44.92	100	27.41
RRBs	1038	4452	1359	6849	15.16	65.00	19.84	100	2.86
Private Sector Banks	8529	46450	28573	83552	10.20	55.60	34.20	100	34.93
Total	14474	133771	90969	239214	6.05	55.92	38.03	100	100

As evident from the above table, **55.92%** of the total deposits of the State is from semi-urban areas where **68.82 %** of the branch network exists. Urban areas accounted for **38.03 %** of the deposits and rural areas **6.05 %**. On a comparison with March 2013 position, it is found that the share of urban and rural branches in total deposits is showing gradual increasing trend.

7.4. NR Deposits (Refer Annexure 9.2)

The NR Deposits have registered an increase of **Rs. 9693 crores** from the March 2013 level. The NR deposits of the State that stood at **Rs. 55663 crores** as at June 2012 increased to a level of **Rs. 75883 crores** as at June 2013. The year-on-year growth was **Rs.20220 crores** in NR Deposits as at June 2013 recording a whopping growth rate of **36.33%**.

Population Group wise/Banking Group wise Distribution of NR Deposits

(Rs. in crores)

Banking Group	N R Deposits				Percentage Distribution				Share of Banking Group in Total NR Deposits
	Rural	Semi Urban	Urban	Total	Rural	Semi Urban	Urban	Total	
State Bank Group	817	19150	9033	29000	2.82	66.03	31.15	100	38.22
Nationalized Banks	455	10411	5652	16518	2.75	63.03	34.22	100	21.77
RRBs	61	160	14	235	25.95	68.09	5.96	100	0.31
Private Sector Banks	3320	18579	8231	30130	11.02	61.66	27.32	100	39.70
Total	4653	48300	22930	75883	6.13	63.65	30.22	100	100

Private Sector Banks has the highest share (**39.70%**) in the NR deposits in the State followed by State Bank Group (**38.22%**) and Nationalized Banks (**21.77%**). Of the total Non-Resident deposits, **63.65 %** deposits were from semi urban areas while urban areas accounted for **30.22%** and rural areas, **6.13 %**.

7.5. Domestic Deposits

There is an increase in domestic deposits during the first quarter of the fiscal 2013-14 only to the tune of Rs. **373 crores**.

Share of Domestic Deposits in Total Deposits (%)

March 2012	June 2012	March 2013	June 2013
75.47	73.43	71.11	68.28

As at June 2013, domestic deposits accounted for **68.28 %** of the total deposits and this ratio had shown decreasing trend since Mar 2012. The table above indicates that the share under domestic deposits had come down significantly since March 2012.

7.6. Credit Expansion (Refer Annexure 9.2)

Growth in Advances of the Banking sector in the State

(Rs. in crores)

Parameter	Total Advances Outstanding over the Years							Variation	
	March 2009	March 2010	March 2011	March 2012	June 2012	March 2013	June 2013	March'13 June'13	June'12 June'13
Total Advances	82819	96987	121980	149293	151999	175087	174331	-756	22332
% Growth over the previous fiscal	9.07	17.11	25.77	22.39	21.82	17.28	14.69		

During the first quarter of the current fiscal, the total advances declined by **Rs. 756 crores** to reach **Rs.174331 crores** as at June 2013.

On a year-on-year basis from June 2012-June 2013 period there was a growth of **Rs. 22332 crores** in advances, recording a growth rate of **14.69 %**.

Share of Banking Groups in Total Advances of the State

Nationalized Bank has the highest share (**35.15 %**) in the total advances outstanding in the State followed by the State Bank Group (**30.47%**). Private Sector Banks accounted for **29.93 %** of the total advances against a **34.01%** share in total branch network.

(Rs. in crores)

Banking Group	Total Advances				Percentage Distribution				Share (%) in Total Advances
	Rural	Semi Urban	Urban	Total	Rural	Semi Urban	Urban	Total	
State Bank Group	3933	28912	20270	53115	7.40	54.44	38.16	100	30.47
Nationalized Banks	1882	26245	33151	61278	3.07	42.83	54.10	100	35.15
RRBs	1428	5616	716	7760	18.40	72.37	9.23	100	4.45
Private Sector Banks	4260	22234	25684	52178	8.16	42.62	49.22	100	29.93
Total	11503	83007	79821	174331	6.60	47.62	45.78	100	100

Further, **45.78 %** of the total advances in the State is to urban areas where **21.72 %** of the branch network exists. Semi Urban areas had **47.62 %** share in total advances against a share of **68.82 %** in branch network. Rural areas had a share of **6.60 %** only in the total advances deployed in the State where as they hold a share of **9.49 %** in total commercial branch network.

7.7. Credit-Deposit Ratio [C D Ratio] (Refer Annexure 9.3)

The Credit-Deposit ratio of the Commercial Banking sector of the State has declined by **3.53 %** from March 2013 level to reach **72.88 %** as at June 2013.

Banking Group wise C D ratio as at June 2013

Banking Group	C D Ratio Percentage Distribution as at June 2013			
	Rural	Semi-Urban	Urban	Total
State Bank Group	140.54	59.18	64.18	63.81
Nationalized Banks	89.3	77.16	112.55	93.44
RRBs	137.68	126.14	52.65	113.3
Private Sector Banks	49.94	47.87	89.89	62.45
Total	79.48	62.05	87.74	72.88

The C D Ratio of Rural & Urban areas of the State is more than the mandatory norm of 60%. Further, the urban areas have a high CD ratio of **87.74 %** whereas CD ratio in Semi urban area is marginally above the benchmark level of 60% and is presently at **62.05 %**. For the State as a whole the CD Ratio is **72.88 %**.

The C D ratio of RRBs is the highest at 113.3 %. Further, the CD ratios of all the banking groups are above the desired level of 60% in the State. In rural areas, the public sector banks have shown a better C D Ratio of **121.87 %** well above the RBI stipulated 60 %. Private sector banks have shown a C D Ratio of **49.94 %** and **47.87 %** in rural and semi-urban centres respectively which needs further improvement.

7.8. Credit + Investment: Deposit ratio (C+I: D ratio) (Refer Annexure 9.3)

The C+I D ratio of the Commercial Banking Sector of the State as at June 2013 stood at **76.16 %**. There is a decline of **271** basis points from the March 2013 level of **78.87%**.

Incremental CD Ratio

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio	Incremental CD Ratio
March 2009	130350	82818	63.54	30.22
March 2010	143404	96987	67.63	108.53
March 2011	161562	121981	75.50	137.65
June 2011	166706	124769	74.84	54.20
September 2011	175949	134635	76.52	87.95
December 2011	186285	139347	74.80	70.24
March 2012	197557	149293	75.57	75.87
June 2012	209490	151999	72.56	63.65
September 2012	213518	158836	74.39	64.42
December 2012	220489	167333	75.89	78.67
March 2013	229148	175087	76.41	81.65
June 2013	239214	174331	72.88	75.13

From the above table it is evident that compared to the yester years, the incremental CD ratio was on a higher side as at June 2013. This is also higher than the CD ratio of the State. This means that the Credit growth is more than the rate of growth of deposits or there is a temporary mismatch in credit and deposit growth. In the current financial year, the incremental Credit-Deposit (CD) ratio for the quarter ending June 2013 stood at **75.13 %** for the banking system of the State meaning the growth in deposits has over paced the growth in credit. It may be recalled that the Reserve Bank of India had expressed its concerns about the high incremental CD ratio during its quarterly review of the monetary policy.

7.9. District-wise Credit Deposit Ratio in the State

As per the recommendations of the Expert Group, headed by Sri. Y.S.P. Thorat, which studied the nature and magnitude of the problem of low CD Ratio across States/Regions and suggested steps to overcome the problem, the Government of India examined and accepted their recommendations with certain modifications. Accordingly it has been decided that districts having CD Ratio less than **40 %** should be monitored by a special sub-committee of District Level Co-ordination Committee (DLCC).

District-wise C D Ratio in the State as on 30.06.2013

(Rs. in lakhs)

Sl. No.	District	Deposits	Advances	CD Ratio (%)
1	TRIVANDRUM	4146696	2994160	72.21
2	KOLLAM	1487284	1130996	76.04
3	ALAPPUZHA	1604830	1020850	63.61
4	PATHANAMTHITTA	291990	179330	61.42
5	KOTTAYAM	1984730	1333207	67.17
6	IDUKKI	364790	519447	142.40
7	ERNAKULAM	5159758	5174894	100.29
8	THRISSUR	3575281	2508211	70.15
9	PALAKKAD	1675591	1355895	80.92
10	MALAPPURAM	1221951	904454	74.02
11	CALICUT	1901552	1454119	76.47
12	WAYANAD	240067	315136	131.27
13	KANNUR	1465499	1005292	68.60
14	KASARGOD	645770	605081	93.7
Total for State		25765789	20501072	79.57

The above data shows that in Kerala, all the Districts are having CD ratio of more than 60%. But we note that there is data aberration with regard to Pathanamthitta District. The CD ratio of the District was hovering around 40% only till the last quarter and the district was constantly under monitoring. For the June 2013 quarter, Pathanamthitta had reported a CD ratio of 61.42 %. LDM, Pathanamthitta to examine the huge variation reported. (The above CD ratio is compiled from the banking Statistics furnished by the LDMs of respective Districts which includes the business figures of District Co-operative Banks and PACS & hence shows a higher CD ratio of **79.57 %** for the state.)

7.10. Progress under Reverse Mortgage Loan Scheme of National Housing Bank

On a review of the performance of Banks in Kerala, as at the first quarter of 2013-14, it is noted that banks had sanctioned an amount of **Rs. 302.87 lakhs** (7 accounts) and the balance outstanding under the scheme is **Rs. 38.55 crores** (398 accounts). Details are shown in Annexure 9.25.

8. Any other matter with the permission of the chair