119th MEETING OF STATE LEVEL BANKERS' COMMITTEE, KERALA
AGENDA AND BACKGROUND NOTES

Date	:	30th September, 2016 (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 of SLBC, Kerala held on 27th & 28th June, 2016 has already been forwarded to the members vide Convener's letter SLBC 38 199 2016 GN dated 12th August, 2016.

The House may adopt the said minutes.

2. PENDING ISSUES

2.1. PRIMARY SECTOR

2.1.1. Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE (*Pending since July 2012*)

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 decided to recommend to the Government of India for the introduction of a Guarantee Scheme similar to CGTMSE, particularly for Term Loans under Agriculture.

In response to the decision, recommendation, SLBC Cell has taken up with the GOI.

In the State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016, Sri. Ashok Kumar Singh IAS, Director (FI & IT), DFS, Ministry of Finance assured the forum to check up the matter. The forum decided to pursue the matter with DFS, Government of India.

Vide letter SLBC 38 204 2016 GN dated 23.08.2016, SLBC Cell has taken up the matter with Joint Secretary, DFS,MOF, Government of India requesting to examine the matter.

2.1.2. Legal and institutional support mechanism needed for promoting and sustaining the group farming ventures of JLG group and other farmer collectives

Leaving large area of farm lands fallow by the land owners has been the prevalent trending the farming sector of Kerala. In the recent past, the large scale entry of women collectives in hired land farming as part of their group level income generation activities has resulted in bringing at least some portion of such fallow lands under cultivation, especially in the case of wet lands. Though various development programmes introduced in Kerala in the recent past such as JLG Scheme from NABARD, Kudumbasree Mission's group farming initiative under MKSP programme, Fallow Land Rice Cultivation from the Dept. of Agriculture, etc. are promoting the cultivation in hired land, the guidelines for hired land farming in the state do not exist. Since leasing of land for farming purpose is legally banned in the state, these women groups are getting the land on informal hiring for very short periods and are often without proper documents to claim farming support and services from related development agencies. Though the JLG scheme has helped these women groups to avail bank finance other developmental support services offered by Agriculture department, subsidies, insurance support and compensation receivable from government in case of crop loss/ damage are not being received by these collectives. The major constraints faced by women farming groups brought out in the study are:

- *Low productivity (due to lack of farming experience, technical guidance, organic way of farming and farming in unsuitable lands)*
- *Low profitability (due to insufficient operational area per member or lack of scale of production, poor accessibility of subsidies and farming support, low level of use of machine power, high level use of manual labour and hired labour, high land rent cost, low accessibility of produce procurement programmes, low value addition efforts etc.)*
- *Low level of inclusion in farmer institutions like Farmer Producer companies etc.*
- *Operational constraints observed in the case of hired land farming such as the reluctance of land owners to hire out land, unreasonable rental practices in availing hired land , lack of land records and difficulty in making available more fallow land for women's group on long term basis etc.*
- *Cumbersome JLG loan procedures and delay in JLG loan sanctioning. Absence of crop specific / JLG specific scale of finance and repayment period.*
- *The bankers have expressed the need for introducing measures for preventing multiple financing from JLG loan among beneficiaries, field level inspection for ensuring genuine functioning of the enterprises of the JLGs and compulsory registration of the JLGs with local agricultural office.*

Development of a self-sustainable model of lease land farming by JLGs groups and other farmer collectives in very critical in Kerala to overcome challenges posed by small unviable land holdings and fallowing of farm land by land owners.

The matter came up for discussion in the State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016. The forum opinioned that legalize lease land farming by JLGs by making amendments in the Land Reforms Act by Government of Kerala so that the benefits available to the owner cultivator can be passed on to tenant cultivators also.

The forum opinioned that it may take up with Government as a onetime measure suggestion to consider providing a legal backing for transfer of usage right of land to lessees belonging to JLG category and farm collectives for lease land farming while protecting the ownership rights of the lesser.

Vide letter SLBC /SLRM 2016 / 200/ GN /2016 dated 17.08.2016, SLBC Cell has taken up the matter with Chief Secretary, Government of Kerala requesting to examine the matter as a onetime follow up measure.

2.2. SECONDARY SECTOR

2.2.1. Issues involved in the implementation of PMEGP Scheme
(*Pending since March 2014*)

Panchayats are issuing licenses only after installation of machinery and banks insists for Panchayat licenses/NOC before disbursement of loans. Citing this reason many PMEGP applications are getting returned.

A common direction is necessary for minimizing beneficiary grievances in this front.

In the 115th Meeting of SLBC, Kerala held on 16.03.2015 at Trivandrum, Sri. James Varghese, IAS, Principal Secretary, Local Self Government Department informed the following 3 stage process for issue of license for running an industry.

(i) Building permit
(ii) License to install
(iii) Running permit/licence

He informed that building permit is given once building is ready. License to install is immediately given on production of various NOCs of various statutory agencies and once it is installed running permit is given. Running license can be given only after installing the equipments concerned and this can be given only in the final stage. He informed that once the license to install is given the banks can make the disbursement. Responding to a query, he informed that provisional licensing system is not there and that may not be possible because Department is the final authority to see all the conditions are fulfilled.

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 recommended that:

- *Licensing to be simplified by routing all the applications through single window system of DIC so that delay in getting licenses from line department could be reduced.*
- *Issue of license to install machinery and running permit to be clubbed into one step.*

Sri. C. Saravanan, Deputy General Manager, RBI said that most of the Kerala based banks have framed credit policies for supporting the restructuring of MSMEs, However, the RBI Empowered committee on MSME which is going to be conducted the next day would discuss it further with banks to take forward the rehabilitation wherever it is found feasible. He added that SLBC recommendations should be circulated to all the LDMs for improving the ease of doing business.

Forum decided to pursue the agenda with the Government.

Vide letter SLBC /SLRM 2016 / 191/ GN /2016 dated 06.08.2016, SLBC Cell has submitted a speaking note to Chief Secretary. The substance of the note is:

- *The present three stage licensing, may be merged into a single comprehensive license which may be issued at the beginning itself listing out the conditions to be satisfied.*
- *The Licensing authority can always inspect the factory at any stage and verify the violations of the license terms and take appropriate action.*
- *The financing banker can also ensure that at each stage, the project is implemented on the licensed terms Government may also think of a single window clearance system similar to states like Tamil Nadu, Karnataka and Gujarat.*

2.2.2. PMRY 2006–07 & 2007–08 - Non receipt of Subsidy

(*Pending since August 2009*)

Subsidy on PMRY loans granted during 2006-07 and 2007-08 are yet to be released to various banks in few accounts.

The RBI has informed that the matter is pending with the Government and RBI is closely following up. The RBI has asked for reporting to it the pending details from the banks.

In the 117th Meeting of SLBC, Kerala held on 18.12.2015, Sri. I. Jawahar, State Director, KVIC suggested that LDMs to collect district wise data in this regard and submit to SLBC Cell for consolidation. Responding to RBI, DGM he clarified that the money is available with Ministry of MSME and that would be provided by routing through DIC.

The forum decided that banks to submit the consolidated data on subsidy outstanding to SLBC Cell and SLBC in turn take up the matter further.

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 noted the decision of the 118th Meeting of SLBC, Kerala held on 14.03.2016 that banks have to claim the pending subsidy within 30.09.2016 and beyond the time limit no claims will be entertained. Claims received within the time limit will be pursued for further action. If no claims are received within the time limit, the agenda may be treated as closed.

The Secondary Sector Group suggested that concrete steps to be taken to release pending PMRY subsidy.

2.3. TERTIARY SECTOR

2.3.1. Land Allotment for construction of RSETI Buildings

(Pending since July 2012)

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 noted the present position of the land allotment which was informed by Sri. P. K. Mohanan, Joint Development Commissioner during the Group Discussion Session. The Joint Commissioner requested that wherever the land and funds are allotted, the Bank has to proceed with construction of building without further delay.

District	***Present position***
Kozhikode	*50 Cents land allotted in Vadakara Block*
Palakkad	*Land identified at Parli Grama Panchayath. PD, PAU and RSETI Director sent the report to the Government. Awaiting GO*
Kollam	*Land earmarked ETC Kottarakkara/KIP site. LDM and RSETI Director to finalise.*
Pathanamthitta	*Grama Nyayalam & RSETI can share site. BDO to explore the possibilities*

LDM, Kozhikode informed that he had attended the Block Panchayat meeting at Vadakara Block wherein he had explained the RSETI scheme and they have consented for giving 50 cents of land in Vadakara Block Panchayat Compound, which was approved by the Block committee.

LDM, Palakkad informed that Parali Panchayat is willing to give land to RSETI. The Project Director, PAU and RSETI Director have sent favourable reports to Government and Government Order is awaited. Once the GO is received the land can be handed over to RSETI.

LDM, Kollam informed that at present RSETI is functioning in Kottiyam, the centre of Kollam area. But site has been identified at Kottarakkara that too 5-6 km outside the town, at the ETC campus owned by the Rural Development Department. Constructing RSETI inside that ETC campus would not help in the smooth functioning of the RSETI. So the RSETI Director has represented again that the land may be allotted in Kottiyam where KIP land is available.

Responding to this, Sri. P. K. Mohanan, Joint Development Commissioner informed that large formalities have to be faced for allotting the KIP land. But ETC is their own land and Commissioner of Rural Development is the owner. He suggested that it is the better option and that that ETC, training centre is running very long time there. He added that during the RSETI meeting held on 08.06.2016, LDM Kollam was absent. He requested the LDM Kollam to come to the office of Commissionerate of Rural Development as per the convenience of Commissioner so as to sort out the matter together.

The forum requested LDM, Pathanamthitta to take active involvement in getting land for RSETI at Pathanamthitta.

Responding to the Convenor SLBC, Sri. P. K. Mohanan, Joint Development Commissioner assured the forum that LDM, Pathanamthitta, Director, RSETI, Coordinator, RSETI and Officials from Commissionerate of Rural Development would do a combined visit on the site in Pathanamthitta and would take a decision.

Sri. Kishore Kumar K, State Director, RSETI Kerala informed that for moving forward this movement, the banks which have received the land allotment , but have not constructed land have to take a firm decision whether to construct or not. He was sure that this project would move with the active involvement of Commissioner for Rural Development and other officials.

Sri. A. Aravind, General Manager, State Bank of Travancore informed that though the funds have been allotted in Wayanad and Alappuzha, the cost of construction as estimated by CPWD, is Rs.1.07 crores for 3627 sq.feet. As per the RSETI norm it should be 8000 Sq. feet and any amount above Rs. 1 crore has to be contributed by the respective bank. Under the circumstances, he expressed that fund available under CSR activity after apportioning to their various other activities have to be shelved to meet the additional cost. Each RSETI could cost around Rs. 1 crore to Rs. 1.5 crore over and above the allotment given by the Government. Bank had requested to be allowed to limit the construction to 3800 Sq. feet as a covered area or to increase the allotment to them which was neither agreed by the Government of India. It is insisted that it should be around 8000 Sq.feet and no more additional contribution from the Government of India would be available. Because of that construction in respect of Alappuzha and Wayanad is pending.

Sri. Kishore Kumar K, State Director, RSETI Kerala said that the issue is genuine and there is a reason for not constructing. But the fact of the matter is that the land allotted by the Government is idle for the last 5 years. And new ideas are coming to the local people. They are laying foundation stone without knowledge of anybody in the same property.. So Bank has to take a decision whether they would go forward or not otherwise the bank has to withdraw from the project.

Sri. A. Aravind, General Manager, State Bank of Travancore informed that they have written to Joint Secretary, Ministry of Rural Development, Government of India on 17.12.2015 advising all these factors and now Government vide letter 22nd May, 2015 asked SBT to return the funds or use the funds for any other RSETIs. This is the present position.

Responding to this, Sri. P. K. Mohanan, Joint Development Commissioner informed that the next day the Department is having a discussion with MoRD on RSETIs. This matter would be placed for discussion.

Sri. C. Saravanan, Deputy General Manager, RBI observed that SBT had informed the forum that it is working on the letter received from MoRD in May 2015 and a decision is to be taken. This needs to be expedited so that the issue can be taken forward.

Vide letter SLBC /SLRM 2016 / 195/ GN /2016 dated 24.08.2016, SLBC Cell has submitted a speaking note to Chief Secretary on the matters related to

- *Allotment of land (in respect of 4 districts).*
- *Construction of building on the land allotted (in respect of 5 districts).*

2.3.2. Computerization of Land Records & & Creation of a Central Registry titled National Mortgage Repository (*Pending since June 2006*)

(a) To computerise land records in the State of Kerala – This will enable financing banks to make online noting, regarding their lien and help to bring down the transaction cost for getting various certificates from village office.

(b) To establish a National Mortgage Repository (NMR) in the State that will function in a similar manner as vehicle registration where 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.

This is aimed at bringing in more transparency and prevention of frauds on property transactions.

*In the State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016, **r**epresentative from Revenue Department informed that 583 out of 1572 villages have completed the computerization and the process is going on.*

The forum requested the Revenue Department to complete the computerization process as early as possible and decided to pursue the matter.

2.3.3. Denial of E-Tender access facilities to customers of all banks except SBT (*Pending since March 2014*)

Few bank branches have complained that E-Tender access is deprived to their customers as the access is restricted for SBT only. Presently SBT alone is permitted to handle E-Tender business of Government of Kerala. Because of this other bank customers are forced to open accounts with SBT and is causing lot of inconveniences to them.

E-payment access for all banks is accepted by an apex committee of the Government. The GO is awaited. Planning & Economic Affairs Department may inform the developments.

The 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum noted that Planning & Economic Affairs Department has taken up the matter with IT Department for getting their opinion. The forum decided to pursue the matter.

In the 117th Meeting of SLBC, Kerala held on 18.12.2015, Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala requested the Convenor, SLBC to inform details in writing, and assured to take up the matter with the respective Secretary.

SLBC Cell, vide letter No. SLBC 117 394 GN 2015 dated 24.12.2015 has taken up the matter with Principal Secretary, Information Technology Department, Government of Kerala requesting to examine the matter.

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 felt the same as a glaring disparity and the facility may be extended to all the customers across all the Banks. The forum decided to pursue the matter with Government.

Banks may report to SLBC cell if the issue persists with respect to them

2.3.4. Noting of Equitable Mortgage created in favour of the banks in Revenue Records *(Pending since March 2014)*

(i) At present there is no practice of noting/recording the Equitable Mortgage (EM) transactions (ie. Mortgage by deposit of title deeds) in the revenue records of the State Government. Also there are no provisions for the same in the revenue regulations of the State of Kerala.

In a recent judgment of the Hon'ble Supreme Court of India in State of Haryana v. Narvir Singh & another, reported in (2014) 1 Supreme Court Cases 105, wherein it has been held that banks and financial institutions who accept a mortgage by deposit of title deeds can request the Revenue Authorities to enter the factum of such mortgage in the revenue records. In the facts of the aforesaid case, the Revenue Authorities had taken the stand that only a registered mortgage can be noticed in the revenue records. The view taken by the Revenue Authorities has been held to be unsustainable.

Now that the law has been settled by the Hon'ble Supreme Court, it is requested that when the bank accepts mortgage by deposit of title deeds (Equitable Mortgage), provision shall be enabled for the bank to request the Revenue Authorities to note the same in the revenue records.

The Revenue department has to inform the progress.

The 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum proposes that the Government may introduce a reasonable fee for this facility and suggested the following fee tariff:

Loan up to Rs. 10 lakhs	*: Rs. 500*
Loans above Rs. 10 lakhs up to 25 lakhs	*: Rs.1000*
Loans above Rs. 25 lakhs	*: Rs.2500*
Fee for releasing the charge	*: Rs. 200*

(ii) As of now, there is no legal obligation on the part of the Village authorities to do so. If noting in Thandaper Register is made legally mandatory, it will help to prevent fraudulent transactions.

In the absence of representatives from Revenue Department, the 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum decided to pursue the matter with Revenue Department.

The 117th Meeting of SLBC, Kerala that met on 18.12.2015 decided to pursue the matter with Revenue Department.

SLBC Cell, vide letter No. SLBC 117 392 GN 2015 dated 24.12.2015 has taken up the matter with Principal Secretary, Revenue Department, Government of Kerala requesting to examine the matter.

The Revenue Department clarified its stand on the matter vide its *letter No.1848/G1/2015/RD dated 20.05.2016 as follows:*

a) For the loans granted by the Banks could not be possible.
b) But, noting of the lien may be made only when revenue recovery proceedings are taken

Vide letter SLBC /SLRM 2016 / 189/ GN /2016 dated 06.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary. The substance of the note is:

- *The original agenda proposal contained two parts*
- *Noting of EM in Revenue Records*
- *Noting of lien of bank loan in Thandaper Register*
- *In view of clarification given by Govt , we are not pursuing the part 2 of the agenda. But we strongly recommend for adopting the part 1 of the agenda ie. noting of mortgage in the revenue records*

Specific request/recommendation from the SLBC

- *Provisions may be made in the Kerala Land Registry Rules – 1996 to note the mortgages created in favour of SCBs & other financial institutions in Thandaper Register covering all types of Mortgages (Registered & Equitable)*
- *Government may fix a suitable charge for the same. The following tariff is recommended*
    - *Loan up to Rs. 10 lakhs : Rs. 500*
    - *Loans above Rs. 10 lakhs up to 25 lakhs : Rs.1000*
    - *Loans above Rs. 25 lakhs : Rs.2500*
    - *Fee for releasing the charge : Rs. 200*

2.3.5. Registration Act, 1908 – State amendment of Section 17 (1) (f)

Government of Kerala has amended certain provisions of the Registration Act, 1908, vide the Registration (Kerala Amendment) Act, 2012, which came into effect from 13.09.2013. Pursuant to the amendment, Sub clauses (g), has been inserted in Section 17 of the Registration Act, 1908, making compulsorily registrable, the "Power of attorney creating any power or right of management, administration, development, transfer or any other transaction relating to immovable property of the value of one hundred rupees and upwards other than those executed in favour of father, mother, wife, husband, son, adopted son, daughter, adopted daughter, brother, sister, son-in-law or daughter-in-law of the executant". This requirement has adversely affected lots of NRI customers.

They are necessitated to come to India for registering the power of attorney if it is executed in the name of the any person other than the relatives mentioned above. We are of the view that we may seek exclusion of NRIs from the purview of registration of Power of Attorneys as above. Moreover, in-laws, ie father-in-law, mother-in-law, brother-in-law and sister-in-laws can also be suggested to be included in the list of the relatives mentioned above.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative from Registration Department informed that registration act is central act and state amendment can be made by State Government but the process would need Presidential sanction. Department is ready to submit a proposal to Central Government.

The State Level Review Meeting of SLBC, Kerala held on 15th & 22nd June, 2015 concurred with the above and decided to pursue the matter with Registration Department, Government of Kerala.

In the 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum, Dr. W. R. Reddy, IAS, Principal Secretary, Taxes Department, Government of Kerala informed that Taxes Department had noticed the matter and requested SLBC to submit a formal request with full details as to what exactly the requirement was, so that the Department can take a decision. If it is feasible, then there is no problem for including the in-laws also in the list of relatives mentioned in the clause.

SLBC Cell, vide letter No. SLBC 117 391 GN 2015 dated 24.12.2015 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum noted the decision of the agenda came up for discussion in the meeting chaired by the Principal Secretary, Taxes Department held on 13.01.2016 given below.

"The IGR will furnish a concrete proposal on this item, within a week, and Government shall examine the same and take a decision shortly".

The forum decided to pursue the matter with Taxes Department.

Vide letter SLBC /SLRM 2016 / 195/ GN /2016 dated 09.08.2016, SLBC Cell has submitted a speaking note to Chief Secretary. Substance of the note is:

- *At present, a power of attorney executed for any transaction relating to an immovable property ,executed in favour of father, mother, wife, husband, son, adopted son, daughter, adopted daughter, brother, sister, son-in-law or daughter-in-law of the executant is exempted from compulsory registration vide Section 17 , sub section (1), clause (g) of Registration act 1908 as amended through the Registration (Kerala Amendment) Act ,2012*
- *We recommend that father-in-law, mother-in-law, brother-in-law and sister-in-law of the executants may also be added to this list of exemption*

2.3.6. Issues relating to Stamp duty on Branch & ATM lease deeds

The Kerala Finance Act of 2014 amended certain provisions in the Kerala Stamp Act of 1959. One such is insertion of a new clause (e) in the Schedule Sl no 5 Agreement or Memorandum of Agreement

As per this clause stamp duty payable on an agreement or memorandum of agreement if relating to installation of an ATM between a bank and the land owner or renewal thereof shall be Rs.2500/- per year.

Grievance of the Banks is that, where a bank takes a building on lease as premises for the Branch office and if we are placing an ATM Machine within this premises, the Sub-Registrars are asking to pay the stamp duty @ Rs.2500 p.a for the ATM space separately.

It is requested that in such cases this additional stamp duty should not be charged.

Representative of the Registration Department informed that the Department shall propose necessary amendment to the article 5 (E) schedule to Kerala Stamp Act 1959.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative of the Registration Department informed that the Department shall propose necessary amendment to the article 5 (E) schedule to Kerala Stamp Act 1959. He requested support from banks for making a draft proposal for submitting to Government.

In the 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum, Dr. W. R. Reddy, IAS, Principal Secretary, Taxes Department, Government of Kerala informed that Taxes Department had examined the issue and the system based on AGs observations while they are doing the audit of local bodies accounts. The issue would be examined and sorted out.
In the absence of representatives from Taxes Department, the 117th Meeting of SLBC, Kerala that met on 18.12.2015 decided to pursue the matter with Taxes Department.

SLBC Cell, vide letter No. SLBC 117 391 GN 2015 dated 24.12.2015 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum noted the decision of the agenda came up for discussion in the meeting chaired by the Principal Secretary, Taxes Department held on 13.01.2016 given below.

“The secretary noted that apparently the intention of the provision is not to charge twice, once for the lease deed and a second time for ATM. The IGR may examine this issue and submit within a week for a decision by the Government”.

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 decided to pursue the matter with Taxes Department.

Vide letter SLBC /SLRM 2016 / 194/ GN /2016 dated 10.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary. The substance of the note is:

Now that the matter has received the due attention of the Government and has found a place in the revised budget speech of the Hon'ble Finance Minister for 2016-17 dated 2016 July 8th, we expect that the issue would be resolved soon. The excerpt from the budget speech is reproduced below.

295. The ambiguity prevailing in levying Stamp duty for documents relating to installation of Bank ATMs and Mobile Towers will be rectified by making necessary amendments to the Kerala Stamp Act and Rules.

2.3.7. Waiving of stamp duty on loan sanctioned against pension to Senior Citizens

Banks are now providing finance as term loans with higher limits to suit to the urgent needs of various pensioners. For availing such loans, pensioners have to bear the cost of stamps for executing the loan agreements.

Nowadays pensioners or senior citizens are extended many benefits from the Government as Social Security measures. Hence, in this spirit, to avoid penalizing of such expenses from the pensioners' hand, it is proposed the agenda that *Stamp duty can be waived on Loan agreements when the loan is sanctioned against pensions to senior citizens*.

SLBC Cell, vide letter No. SLBC 117 391 GN 2015 dated 24.12.2015 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum noted the decision of the agenda came up for discussion in the meeting chaired by the Principal Secretary, Taxes Department held on 13.01.2016 given below.

"The IGR will furnish a proposal in this regard within a week and Government shall take a suitable decision on the matter in consultation with the Finance Department".

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 decided to pursue the matter with Taxes Department.

Vide letter SLBC /SLRM 2016 / 196/ GN /2016 dated 11.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary on this matter.

2.3.8. Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank & Non availability of Central & State Governments Interest Subsidy to Education Loans availed from District Co-operative Banks & PACS *(Pending since July 2012)*

(i) Education Loans granted by KSCARD Bank also to be provided with interest subsidy extended

The 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum noted that the Steering Committee of SLBC Kerala that met on 10.09.2015 noted that the Government of Kerala has written to the Ministry of Human Resources and the reply is awaited. The bank/Co-operative Department may follow up further. In the Steering Committee Meeting, the representative from Planning & Economic Affairs Department informed that the Government of India has requested IIM Bangalore to conduct a study and give report.

The forum decided to pursue the matter.

(ii) In the District Development Council (DDC) Meeting of Kasaragod District held on 30.09.2013, Sri. N. A. Nellikunnu M.L.A. Kasaragod raised the issue of non availability of Central Govt / State Govt Interest Subsidy to Education Loans granted by Co-op. Banks in the District.

It was informed in the DDC that, this issue of Cooperative Banks not coming under the purview of the Interest Subsidy Scheme on Education Loans of the Central Government & State Government has been deliberated time and again in the Block Level Banker's Committee and the District Level Consultative Committee. This matter, as per the decision in the DLRC/BLBC, was also referred to the SLBC, for taking up with Central Government & State Government. It was also informed that SLBC had already taken up the matter with the Government, but there is no favourable response so far.

In the above circumstances, it is requested to take up the matter again with Central/State Government for including District Cooperative Banks & PACS also under the purview of interest subsidy in addition to State Co-operative bank and other scheduled Commercial banks. This will support DCBs and PACS which are extending credit to this sector in a big way and also prevent discrimination of Education Loan borrowers in the matter of interest subsidy.

The 115th Meeting of SLBC, Kerala held on 16.03.2015 at Trivandrum decided that SLBC Cell to collect data from other cooperative banks and make a representation to the Government with Ministry of Finance, Government of India and Planning Department, Government of Kerala.

Vide letter No.6042/F(RO)/2015/Plg dated 01.06.2015 of Planning & Economic Affairs (F) Department, Government of Kerala informed that *"the matter regarding Inclusion of District Cooperative Banks and Primary Agriculture Credit Societies under the Education Loan Interest Subsidy Scheme of State Government has been examined by the State Government thoroughly. In the current financial situation, the State Government is not in a position to take on such huge financial liability. Hence it is not possible for the State Government to include District Cooperative Banks and Primary Agriculture Credit Societies under the Education Loan Interest Subsidy Scheme of the State Government".*

The 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum noted that vide letter No.6042/F(RO)/2015/Plg dated 01.06.2015 of Planning & Economic Affairs (F) Department, Govt. of Kerala informed that "the matter regarding Inclusion of District Cooperative Banks and Primary Agriculture Credit Societies under the Education Loan Interest Subsidy Scheme of State Government has been examined by the State Government thoroughly. In the current financial situation, the State Government is not in a position to take on such huge financial liability. Hence it is not possible for the State Government to include District Cooperative Banks and Primary Agriculture Credit Societies under the Education Loan Interest Subsidy Scheme of the State Government".

The forum decided to pursue the matter.

In the 117th Meeting of SLBC, Kerala held on 18.12.2015, Sri. Ashok Kumar Singh IAS, Additional Mission Director, PMJDY, Ministry of Finance, informed that Government of India has to take policy decision in this regard.

Sri. V. Prabhakaran Nair, General Manager, Kerala State Cooperative Bank clarified that Government of India had included Kerala State Cooperative Bank under scheduled banks, as such subsidy arrears for 3 years have been cleared. Since Government of India is able to give subsidy to scheduled cooperative banks only, District Cooperative Banks are not getting the subsidy.

Smt. Aparna Prathap, General Manager, KSCARD Bank informed that they are having 20% of the business of the State and they are not getting the Government of India Interest subsidy on Education loans due to the reason that KSCARD Bank is a non-scheduled bank. Government of India has to take favourable decision as early as possible.

The forum requested the KSCARD Bank to take up the matter with Ministry of Finance, Government of India.

SLBC Cell, vide letter No. SLBC 117 393 GN 2015 dated 25.12.2015 has taken up the matter with Additional Chief Secretary, Planning & Economic Affairs Department, Government of Kerala requesting to following up with the Human Resources Ministry of the Government of India to get a favorable decision in the matter.

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 decided to pursue the matter with Planning & Economic Affairs Department, Government of Kerala.

2.3.9. Loan Waiver Scheme of Scheduled Tribes Development Department

As per the GO (P) No.71/2015/SCSTDD dated 01.10.2015, Government have accorded administrative sanction to implement the Loan Waiver Scheme for the scheduled tribe beneficiaries of Kerala. The project has been designed to write off the debts of the members of scheduled tribes availed from Co-operative institutions, Government Departments, Nationalized Banks, Kudumbashree units amounting up to Rs. 1,00,000/- (Including principal amount, interest, penal interest and other charges) of which the repayment period had expired on 31.03.2014. As per the GO (Ms) No.54/2015/SCSTDD dated 14.07.2015 Kerala State SC/ST Development Corporation Ltd. has been entrusted as the disbursing agency for the implementation of loan waiver scheme.

It is very urgent to implement the project within this financial year and hence it is requested to include “Loan Waiver Scheme of Scheduled Tribes Development Department” as an agenda for the next SLBC meeting in November 2015. It is requested to discuss the procedure to be adopted for the following particulars, for this purpose, in the meeting.

(i) Consolidation and handing over of loan details of Scheduled Tribes (loans as per the conditions applicable) from nationalized banks to SC/ST Development Corporation.

(ii) Mode of transfer of money by SC/ST Development Corporation to banks.

The 117th Meeting of SLBC, Kerala that met on 18.12.2015 noted the following Government Orders provided in the annexure of agenda & background notes.

(i) GO (P) No.71/2015/SCSTDD dated 01.10.2015 - Government have accorded administrative sanction to implement the Loan Waiver Scheme for the scheduled tribe beneficiaries of Kerala. The project has been designed to write off the debts of the members of scheduled tribes availed from Co-operative institutions, Government Departments, Nationalized Banks, Kudumbashree units amounting up to Rs. 1,00,000/- (Including principal amount, interest, penal interest and other charges) of which the repayment period had expired on 31.03.2014.
(ii) GO (Ms) No.54/2015/SCSTDD dated 14.07.2015- Kerala State SC/ST Development Corporation Ltd. has been entrusted as the disbursing agency for the implementation of loan waiver scheme.

The forum noted that the Steering Committee that met on 01.12.2015 deliberated the matter and placed the following suggestions to Scheduled Tribes Development Department.

(i) NPA loan account holders also may be considered
(ii) In case of liability exceeding Rs 1 lakh , if the bank/ financing institution is willing to give a one time settlement/ waiver for the surplus amount , such case should be accepted in the waiver scheme. A letter from the Bank/Financial Institution to that effect may be accepted. The waiver amount shall be transferred to the account subject to the liability being brought down to Rs 1 lakh per the terms of the One time settlement /bank waiver
(iii) The definition of family may be given clarity
(iv) Income Tax payees need not be considered for benefits under the scheme
(v) All Scheduled Commercial Banks may be included

In connection with the operational part of the scheme the Steering Committee has made the following recommendations.

- To adopt the strategy applied in Fishermen debt relief scheme
- The Corporation may invite applications from the concerned borrower
- The loan details may be got certified by the financing institution (Banks- branch Manager, Co-operative societies - The secretary, Government department - the head of the office, Kudumbasree - District Mission Co-ordinator)

- The department may convert the data into an electronically sortable form such as MS excel/spread sheet
- The multiple applications from same family /same applicant may be weeded out
- The claims may be scrutinized and relief amount arrived as on the applicable date
- The finalized list may be circulated to the banks to confirm the correctness of the bank particulars loan account ,
- Banks shall confirm to the Corporation within a reasonable period
- The bank/ financing institution shall also take a suitable decision on the interest and other charges arising in the account after the applicable date
- Each bank/Institution shall also designate a nodal branch to receive the claim from the Corporation and inform the details
- The corporation shall transfer the amount to the designated branch/office , which in turn shall credit it to the individual accounts within a time frame

The forum noted that Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala already detailed the matter in his opening remarks. The prime objective of the Government is to clear all the loan liabilities of the tribal people. The matter has been discussed with the officials from SLBC and Department. A format for collecting the data has been worked out and will be sent to banks by Department.

The forum requested all banks to submit the details on receipt of the format.

The Steering Committee that met on 03.03.2016 noted that the format for data collection was circulated to all institutions. The Department informs that claims have been received from the following Banks/Institutions.

1. Canara Bank
2. Kerala Gramin Bank
3. State Bank of Travancore
4. Federal Bank
5. State Bank of India
6. Vellamunda Farmers Service Cooperative Bank
7. Central Bank of India
8. SC/ST Corporation
9. Indian Overseas Bank
10. Kudumbashree Mission

Total of number of accounts covered by these claims is 1878, of which 80% pertains to Wayanad District.

In the meeting, Dr. P. Pugazhendi IFS, Director of ST Development Department informed that an amount of Rs. 2.71 crore was disbursed to 806 beneficiaries belonging to 81 branches of 8 banks. Department has received so far Rs. 9 crores worth claims for 2605 beneficiaries belonging to 97 branches of different banking institution. Rs. 39.52 crores has been allotted by the Government for this particular scheme. He requested to expedite this process and requested all institutions to verify their records and ensure that all eligible accounts are including in the claims submitted. He requested that as per population wise, areas of Wayanad, Idukki, Palakkad districts can be focused little more. He informed that format for collecting the claim amount has been already circulated to all banks. He assured to circulate the panchayat level map to the concerned for taking necessary action.

The steering committee recommended the following:

(i) *Banks may provide list of NPA accounts (including accounts under collection and or such of those accounts removed from balance sheet owing to technical reasons. ie. off balance sheet accounts) which belongs to the targeted group in their perception to the Directorate with copy to Tribal Extension Officers of respective Panchayat latest by March 20, 2016.*
(ii) *The department may circulate the list of the Tribal Extension Officers with contact details for better co ordination at field level*

The State Level Review Meeting of SLBC, Kerala held on 27th & 28th June, 2016 noted that many Banks are yet to submit the final claim. Controlling office of banks may consolidate the claim and submit at the earliest and LDM has to monitor the same.

Dr. P. Pugazhendi IFS, Director of ST Development Department informed that the matter was discussed in the earlier SLBC meeting and Steering Committee Meeting. Rs. 39.52 crore funds earmarked for the particular scheme by Government. Department has disbursed an amount of Rs. 2.71 crores for the liabilities lying with 8 banks constituting 51 branches in Wayanad District only. If a similar special focus is given in other predominantly tribal inhabited districts like Idukki, Palakkad, Malappuram and parts of Trivandrum, it would benefit a lot of people. He requested SLBC to look into the matter and requested all banks to come up with data pertaining to STs who have availed loans.

He added that the ST Development Department is ready to organise district level officers meeting / mela whatever kind of awareness that would be suggested by banks.

Responding to LDM, Wayanad, Dr. P. Pugazhendi IFS, Director of ST Development Department informed that in Wayanad first instalment of Rs. 2.71 crores disbursed to 806 beneficiaries. A total of 2631 beneficiaries with a cumulative amount of Rs. 9.1 crores is pending. He informed that the second instalment would be disbursed at the earliest. Verification process is completed and the same would be released soon.

LDM, Wayanad made an advice to other districts that, LDMs of each districts have to coordinate along with tribal department in this regard, otherwise the cross verification does not happened.

Sri. K. I. Varghese, Chief General Manager, Federal Bank pointed out that waiver is not applicable to private sector banks because the bank have so many claims eligible under the scheme. He requested the ST Development Department to extend the benefit to the private sector banks also.
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Responding to this, Dr. P. Pugazhendi IFS, Director of ST Development Department informed that Department have received claims from two branches pertaining to 4 beneficiaries with an amount of Rs.1.49 lakhs which was under processing.

While referring to the low response from cooperative sector towards the scheme, Sri. V. Prabhakaran Nair, General Manager, Kerala State Cooperative Bank informed that they have already informed the concerned branches to put their claims and the message would be reiterated further.

In the steering committee that met on 2016 September 5th, the Department informed that the scheme was in the implementing stage but the list of scheduled tribe beneficiaries who have availed loan from the banks under the control of Registrar of Co-operative Societies/Co-operative Departments have not been received. Administrative sanction of the scheme was obtained from October 2015 and till date the benefits given only to 955 beneficiaries where as the beneficiaries expected is about 11000. 1/3 of the claims are pending with Service Co-operative Banks. She added that Department have to finish the work at least by December 2016.

SLBC Convenor informed that his office has requested the Secretary Co-operation, to call a joint meeting of the Registrar of Co-operatives, STDD and SLBC to sort out the matter. He also informed that the LDMs of Palakkad, Idukki and Thiruvananthapuram have been instructed to conduct a campaign in the pattern adopted by Wayanad LDM.

The committee requested the ST Development Department to provide the bank branch wise settlement list to SLBC Cell and decided to place it in the SLBC forum for discussion.

3. FRESH ISSUES

3.1. PRIMARY SECTOR

3.1.1. Review of Pledge Financing against Negotiable Ware House Receipts (Suggested by RBI)

SLBC Convenor Banks were advised vide circular FIDD.CO.LBS.No.843 / 02.13.001/2015-16 to review the progress of pledge financing against NWRs in the SLBC meetings and provide district wise data to lead banks for review in DCC/DLRC meetings. Banks were advised to furnish quarterly data on pledge financing against NWRs from the centralized database as per prescribed format to the SLBC Convenor banks with a copy to respective ROs of Reserve Bank of India within 20 days from the end of the quarter. Steering committee of SLRM 2016 had advised SLBC to write to banks in this regard. The format is given below.

Pledge financing against NWRs to farmers as on June 2016					
accounts in actual & Amt in Rs 000's					
Sl.No.	Name of Bank	Disbursement during the quarter		Outstanding as at end of quarter	
		No of Accounts	Amount	No of Accounts	Amount
1	SBI	0	0.00	7	5511.00
2	CORPORATION BANK	11	5058.00	21	10094.00
3	IDBI	1	2800.00	0	0.00
4	UBI	0	0.00	14	792.00
5	FEDERAL BANK	6	6242.00	10	15339.00
6	ICICI	11	45027.54	11	45027.54
Total		**29**	**59127.54**	**63**	**76763.54**

Pledge financing against NWRs to farmers as on June 2016					
accounts in actuals & Amt in Rs 000's					
Sl.No.	**Name of District**	**Disbursement during the quarter**		**Outstanding as at end of quarter**	
		No of Accounts	**Amount**	**No of Accounts**	**Amount**
1	TRIVANDRUM	1	2800.00	4	6534.00
2	KOLLAM	3	17128.10	4	17151.10
3	PATHANAMTHITTA	0	0.00	3	54.00
4	ALAPPUZHA	0	0.00	0	23.00
5	KOTTAYAM	12	5415.66	23	10525.66
6	IDUKKI	5	6586.40	13	10421.40
7	ERNAKULAM	6	9681.28	7	9757.28
8	THRISSUR	1	15585.60	2	15608.60
9	PALAKKAD	0	0.00	4	4357.00
10	MALAPPURAM	0	0.00	0	0.00
11	KOZHIKODE	0	0.00	0	0.00
12	WAYANAD	1	1930.50	3	2331.50
13	KANNUR	0	0.00	0	0.00
14	KASARGODE	0	0.00	0	0.00
Total		**29**	**59127.54**	**63**	**76763.54**

The Steering Committee that met on 05.09.2016 noted the progress.

3.1.2. Regarding Commercial Dairy Milk and Milk shed Development Programme [MSDP] (Suggested by Directorate of Dairy Development)

The MSDP implemented under the State Plan (2016-17) of GOK, is intended to assist the dairy farmers of state for purchase of milch animals, heifers, construction / renovation of modern cattle shed, mechanisation of dairy farms (like milking machine), establishing bio gas plant etc.
The programme is mainly intended for improving the herd strength and thereby attaining self sufficiency as far as milk production is concerned.

The main schemes that are included in the MSDP programme are

01. Godhanam (One Cow unit) – additional single cow to beneficiaries who rear one milch animal
02. Two Cow Unit
03. Five Cow Unit
04. Ten Cow Unit
05. Gokulam Dairy Units under Integrated Dairy Development Programme – applicable to Ernakulam and Kollam district
06. Five Heifer Unit
07. Ten Heifer Unit
08. Assistance for construction of Cattle Shed
09. Assistance for purchase of Milking Machine
10. Need based assistance to farmers

Out of the total cost, almost 33 % is given as plan fund assistance / subsidy to the selected beneficiaries. As per the approved Detailed Project Report, to the maximum extent possible, the above 10 scheme components shall be ***loan linked*** and the expenditure for completion of the scheme components over and above the subsidy component shall be availed as loan from banks.

The financial outlays of scheme components are as below

DAIRY DEVELOPMENT DEPARTMENT MILK SHED DEVELOPMENT PROGRAMME : 2016-17 FINANCIAL DETAILS				
SI.NO	Scheme Components	UNIT UNIT		
		TOTAL COST	UNIT SUBSIDY	BENEF. CONTRIBUTION (AS BANK LOAN)
		Rs	Rs	Rs
1	Godhanam (Single Cow)	95000	32000	63000
2	2 Cow Unit	190000	64000	126000
3	5 Cow Unit	503000	175000	328000
4	10 Cow Unit	1046000	350000	696000
5	5 Heifer unit	226250	90500	135750
6	10 Heifer unit	453000	181200	271800
7	GOKULAM Dairy Units	504000	180000	324000
7	Assistance to Progressive Dairy farmers	100000	50000	50000
8	Assistance for purchase of Milking Machines	50000	25000	25000
9	Construction of cattle shed	100000	50000	50000

As far as milch animal units are concerned, existing NABARD guidelines are being followed by the department.

Decision may kindly be taken to extend loan (for meeting the beneficiary contribution) to the selected beneficiaries under the MSDP programme (Item No 1 to 09 detailed above) coming under the state plan scheme 2016-17. The eligible list of beneficiaries will be handed over by Dairy Extension Officer of concerned Dairy Extension Service Unit

After releasing the full cost amount as loan, the Dairy Extension Officer of the concerned office shall credit the subsidy amount directly to the bank. At present, complaints have been received that certain banks are treating the subsidy amount in a back end manner as a result the beneficiary is forced to pay interest to the full loan amount extended. Decision may kindly be taken to treat the subsidy credited as Front End Subsidy, thus enabling the beneficiaries to pay interest for the Net loan amount after deducting the subsidy amount credited by the Officer on behalf of the beneficiary (i.e Total Loan amount – Subsidy Amount)

Many banks are at present reluctant to give loans to the beneficiaries of Heifer Rearing Units on the ground that the animals are non-productive in nature. But it may be noted that the future of the dairying sector is depending mainly on the quality heifer stock of the state. In view of the same, decisions may kindly be taken to extend loans to farmers who are beneficiaries of 5 heifer and 10 heifer units.

Component wise breakup of the milch animal / heifer unit components are given in ***Annexure- 8.44***.

The Steering Committee that met on 05.09.2016 observed that:

1. *Banks do have existing schemes for dairy farms with unit cost accepted by the Unit Cost Committee headed by NABARD (both for milch animal units and for Raising of Cross Breed Heifers)*

2. *The Department may converge its schemes to these existing dairy loan scheme s of banks*

3.1.3. Recommendations to include Dairy as Agri activity and to extend loans to the rates as applicable to Agricultural farmers (Suggested by Directorate of Dairy Development)

At present, for dairying activities the interest on loan availed is as high as 12-14%. This is causing a great set back to the sector and the farmers are finding it difficult to repay the amount.

At SLBC level, recommendations may kindly be taken to include Dairying as Agriculture activity instead of agriculture allied activity and steps may be taken to extend loans for dairying activity at a rate on par with the rates applicable to conventional agriculture farmer.

The Steering Committee that met on 05.09.2016 noted that Dairy is a direct agriculture activity. Rate of Interest is that of agriculture. But if Department suggests to have subvented rates as in Crop loans, a suitable interest subvention scheme may be launched by the State Government. One option is to convert the present Capital subsidy to an interest subvention.

3.1.4. Extending loans for Commercial Fodder Development activities taken up by individuals / Dairy Co-operatives / SHG / Women Gopalika Group (Suggested by Directorate of Dairy Development)

Dairy Development Department is the nodal agency for Fodder Development in the State. The Department is taking all necessary steps to narrow the gap between fodder requirement and fodder availability in the step. The Department is implementing commercial fodder development activities. The cost per hectre is calculated to be Rs. 54,500 whereas Rs. 20,000 is given as subsidy portion.

Hence action may be taken to extend loan for meeting the beneficiary contribution for commercial fodder development programme. The eligible list of beneficiaries will be handed over by Dairy Extension Officer of concerned Dairy Extension Service Unit.

The Steering Committee that met on 05.09.2016 observed that:

1. *Banks have existing scheme for fodder cultivation.*
2. *Where fodder cultivation is undertaken as integral part of a dairy farm for captive supply, there is provision in the Dairy loan scheme to include the cost of cultivation of fodder in the project.*
3. *Where fodder cultivation is undertaken as a standalone activity for sale of fodder to dairy units, the agro-forestry /farm forestry schemes of the banks are designed to finance for the same.*
4. *Therefore the Department may converge their schemes to these existing schemes in banks.*

The committee also noted that the current norms under the Kerala Panchayat Raj Licensing of Livestock farming Rules 2012 is acting as a bottle neck to growth of investment credit in agriculture (Dairy units with more than 5 animals require licenses from the Local Self Govt. The SLBC cell has submitted a speaking note to the Chief Secretary vide its letter No. Kerala SLBC/SLRM 2016/193/GN/2016 dated 2016 August 9th for revising these limits in tune with the latest pollution control norms.

3.1.5. To accord financial support for innovative aquaculture promotion activities as par with agriculture and green channelizing this project for speedy sanction (Suggested by Office of the Director of Fisheries)

The fish catch from capture fisheries is diminishing due to overexploitation. The scope for further enhancement in fish production exists only through aquaculture. But the quantity of fish produced through aquaculture is less when compared to the growing demand. In Kerala State for the last three decades, chiefly composite culture of carps is promoted. As the demand for fish is increasing, diversification of species in aquaculture by including more species for increasing production level has become necessary. The culture of marine fishes like Seabass, Red snapper, Cobia, Pompano, fresh water cat fishes like Pangasius, Clarius, Heteropneustes, Channa etc. and genetically improved fishes like GIFT Tilapia, JayanthiRohu has to be promoted. The Central Fisheries Research Institutes have developed innovative technology for the culture of such species. Most of the practices seem to be promising in other States like Andhra Pradesh, Tamil Nadu etc. As a first step, demonstration farming practices of the above species had been done in the Government Fish Farm, Ayiramthengu and Government Fish Farm, Poyya and it is found to be economically viable. As a Second step in popularizing this technology fish farmers level units has to be established. In this context, Government of Kerala proposes some new components with 50% financial support from this year onwards and the rest 50% of unit cost has to be borne by the beneficiary itself or by availing bank loan. We expect the wholehearted support from the member banks of SLBC for promotion of this productive sector activity by green channelizing the sanction of loan amount to the beneficiaries, who were recommended by the deputy directors and assistant directors of concerned district for sanctioning loan to the selected eligible beneficiaries. And also consider aquaculture as a productive sector activity as par with agriculture in respect of interest. The unit cost approved by Government is enclosed herewith for ready reference.

Sl. No.	Name of the Component	Unit Area	Unit Cost (Rs. in lakhs)	Subsidy (Rs. in lakhs)	Beneficiary/ Loan (Rs. in lakhs)
1	Construction of new ponds	1 ha	7.00	3.50	3.50
2	Reclamation/Renovation of Ponds	1 ha	3.50	1.75	1.75
3	Polyculture of brackish water fish in pond	1 ha	4.30	2.15	2.15
4	Cage Farming in Brackish water	60 m^3	3.50	1.75	1.75
5	Farming of air breathing fish in pond	0.3 ha	4.00	2.00	2.00
6	Cage Farming in reservoirs	640 m^3	30.00	15.00	15.00
7	Specific Pathogen Free Tiger Shrimp farming (SPF Tiger) in pond	1 ha	4.24	2.12	2.12
8	White shrimp farming in pond	1 ha	4.00	2.00	2.00
9	Fresh water Prawn farming	0.4 ha	2.40	1.20	1.20
10	Fish Culture in Re- circulatory Aquaculture System	40 m^3	4.70	2.35	2.35
11	GIFT culture in Pond	0.2 ha	3.70	1.85	1.85
12	Mussel / Pearl Oyster farming in Ocean		2.50	1.25	1.25

The Steering Committee that met on 05.09.2016 noted that under the Scheme for fish farmers level aquaculture units, 50% financial support from Government and 50% own contribution or bank loan. The Committee noted the unit cost given above and noted that Beneficiary identification will be done by Fisheries Department.

1. *The committee requested the Department to provide a detailed scheme with cash flow and other financials , for further examination by a sub-committee of SLBC*
2. *Referring the request of considering interest rate of aquaculture at par with agriculture the Committee recommended the following.*

Aquaculture is a direct agriculture activity. Rate of Interest is that of agriculture. But if Department suggests to have subvented rates as in Crop loans, a suitable interest subvention scheme may be launched by the State Government. One option is to convert the proposed Capital subsidy to an interest subvention.

3.2. SECONDARY SECTOR

3.2.1. Review on the Progress of Online Registration of MSME Loan Applications by the Bank (Suggested by RBI)

On a quick survey of various websites, it was found that certain banks have not made online status tracking of loan applications available for its customers. SLBC may add review on the progress of online registration of MSME loan applications as an Agenda item. Steering committee of SLRM 2016 had advised SLBC to write to banks in this regard.

Progress of Online Registration of MSME Loan Applications by Banks is given in ***Annexure-8.45.***

While reviewing the progress, the Steering Committee that met on 05.09.2016 noted that:

- *34 banks have websites.*
- *9 do not have websites.*
- *Of the 34, 17 operational*

3.2.2. Implementation of Coir Udyami Yojana (Suggested by Coir Board)

Coir Board under the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India is implementing the Central Sector Scheme, viz, Coir Udyami Yojana (CUY), from the XI Plan Period onwards. The Ministry has conveyed approval for continuation of the Scheme during the XII Plan period with certain modifications at an outlay of Rs.80.00 crores. The Scheme envisages to set up 2750 coir units in the country during the XII Plan period. The maximum admissible cost of the project under the Scheme is Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The bank shall consider composite loan instead of term loan to cater to the working capital requirements. The working capital shall not be considered for subsidy. The quantum and nature of financial assistance under the scheme will be 40% of the project cost as Government of India subsidy, 55% Bank credit and 5% beneficiary contribution. The loan for working capital shall be sanctioned and released only after setting up of the unit. The scheme is opened to individuals, Companies, Self Help Groups, Non Governmental Organizations, Institutions registered under Societies' Registration Act 1860, Production Co-operative Societies, Joint Liability Groups and Charitable Trusts.

<u>Review of implementation of Coir Udyami Yojana during 2016-17</u>

During the current fiscal an outlay of Rs.20.00 Crores has been allocated for setting up of 618 coir units under Coir Udyami Yojana. Out of which a target of 140 units at an outlay of Rs.2.90 Crores has been fixed for Kerala State. So far the Coir Board could utilize only an amount of Rs.39.86 lakhs out of the outlay allocated for the State towards establishing 59 coir units under the Scheme. The details of subsidy released to the Banks under the Scheme during the current year are as follows:

Sl. No.	**Financing Bank**	**No. of units**	**Subsidy released** (Rs.in lakhs)
1	Federal Bank, Mararikulam	1	2.94
2	SBT, Danapady	1	4.00
3	Federal Bank, Cherthala South	1	4.00
4	SBT, Muhamma	1	0.40
5	Union Bank of India, Karthikapally	17	6.40
6	Punjab National Bank, Haripad	2	1.00
7	Corporation Bank, Muthukualam	11	4.40
8	Corporation Bank, Pathiyoor	16	6.40
9	Union Bank of India, Cherthala	1	0.40
10	Central Bank of India, Karunagapally	1	3.52
11	Federal Bank, Chittumala	1	4.00
12	Corporation Bank, Pavumba	6	2.40
	TOTAL	**59**	**39.86**

It is noted in the CUY portal that 70 applications are pending with various banks in Kerala for considering loan sanction under the Scheme. *The details are given in* ***<u>Annexure-8.46.</u>***

The Committee may give necessary directions to the Banks for considering the applications pending with them for sanctioning loan and release of first installment of loan and to extend their support and cooperation to consider and process the Coir Udyami Yojana applications and to achieve the target fixed for Kerala for the current year.

The Steering Committee that met on 05.09.2016 noted that pendency has substantially reduced. Banks expect Coir Board to reciprocate with direct support in Recovering NPAs in schemes sponsored by them, especially REMOT.

3.3. TERTIARY SECTOR

3.3.1. Creating Banking environment for the visually challenged (Suggested by RBI)

RBI, Central office has issued clear guidelines with a view to create enabling environment for visually challenged people to access banking facilities. The circular DBOD No. Legal BC No. 113/09.07.005/2013-14 dated May 21, 2014 directs all banks to make all new ATMS installed after July 01, 2014 as talking ATMs with Braille key pads. Banks have also been advised to lay down a road map for converting all existing ATMs as talking ATMs, the progress of which may be reviewed by Customer Service Committee of bank's Board. The progress made by banks in this regard with respect to the state of Kerala may be reviewed by SLBC. A format regarding the same was provided in SLRM 2016 and banks were advised to submit the report in the format from quarter ending June, 2016. SLBC may review the progress in this regard.

Data on ATMs made accessible to persons with disabilities as on 30.06.2016 is given in ***<u>Annexure-8.47.</u>***

The Steering Committee that met on 05.09.2016 observed that as per RBI Circular DBOD No. Legal BC No.113/ 09.07.005 / 2013-14

(i) New ATMs installed on/after July 01, 2014 are to be talking ATMs with Braille key pads

(ii) Banks to have road map to convert other ATMs also.

The committee noted the Progress in this regard in Kerala

- *Total ATMs : 9063 of which, New 1298*
- *ATMs with Braille Key pad : 2524*
- *Talking ATMS : 195 (Leader ICICI : 176)*
- *Nil Braille pad : 5 banks (State Bank of Bikaner & Jaipur, Allahabad Bank, Bank of Maharashtra, Punjab & Sind Bank, Yes Bank)*

3.3.2. Review of progress under Road Map for opening Brick & Mortar branches in villages with population more than 5000 without a bank branch (Suggested by RBI)

RBI had advised SLBC convenor banks vide circular FIDD .CO.LBS.BC.No.82/02.01.001/2015-16dated December 30, 2015 to focus on villages with population above 5000 without a bank branch of a scheduled commercial bank in their State. The identified villages may be allotted among scheduled commercial banks (including Regional Rural Banks) for opening of branches. Accordingly six villages were identified and the villages were allotted among various banks. In SLRM 2016 it was reported that KGB had opened branch in Iravan village. The progress of opening branches in other villages may be reviewed by SLBC. The Steering Committee meeting recommended to entrust the responsibility to SBT for opening Akshaya kiosks in Parambikulam &Achencoil and to set up the same before the SLBC review for June 2016. SLBC may review the progress in this regard given below.

District	Sub-Dist Name	Village Name	Population	Bank allotted
Wayanad	Mananthavady	Thirunelly	12,878	KGB
Wayanad	Vythiri	Thrikkaipatta (Pt)	8,551	SBT
Wayanad	Vythiri	Vellarimala	7,548	KGB opened in July 2016
Kozhikode	Kozhikode	Neeleswaram	17,286	KGB
Thrissur	Talappilly	Vadakkethara	10,261	KGB
Pathanamthitta	Kozhenchery	Iravan	9,999	KGB opened

Roadmap - Progress in opening brick and mortar branches in villages with population more than 5000

Statement of Progress during the Quarter ended 30th June 2016

Sl. No.	Name of District	Name of Scheduled Commercial Banks selected to open brick and mortar branches in villages with population more than 5000 without a bank branch of a scheduled commercial bank	Number of allotted villages	No. of villages where brick and mortar branches opened	
				Brick and mortar branches opened during the quarter ended June 2016	Total brick and mortar opened upto the end of the quarter (30.06.2016)
1	PATHANAMTHITTA	KERALA GRAMIN BANK	1	0	1
2	THRISSUR	KERALA GRAMIN BANK	1	0	0
3	KOZHIKODE	KERALA GRAMIN BANK	1	0	0
4	WAYANAD	STATE BANK OF TRAVANCORE	1	0	0
5	WAYANAD	KERALA GRAMIN BANK	2	0	1
Total			**6**	**0**	**2**

The Steering Committee that met on 05.09.2016 noted the progress.

Referring Thrikkaipatta Village in Wayanad District, representative from SBT informed that the matter was placed before the Board for approval.

Representative from ST Development Department reiterated the request for opening BCs in tribal areas like Parambikulam and Achencoil which was discussed in earlier SLBC meetings.

The committee requested SBT to look into the matter for setting up Akshaya kiosks / BC model in Parambikulam & Achencovil as decided in the SLRM 2016.

3.3.3. Revenue Recovery Online Platform (Suggested by Office of the Commissioner of Land Revenue)

The following points related to Revenue Recovery for further necessary action.

(1) After forwarding RRC, the Banks received arrears from the defaulters directly which leads to loss of collection charges, and fee for demand notice to Revenue Department. It is requested to avoid this.

(2) It is requested to make necessary instructions to all Banks to conduct Talukwise RR Adalaths OTS in association with Revenue authorities especially the Tahsildar concerned. This may be scheduled preferably on August-September or prior to December of every year.

(3) It is requested to give instructions to all Banks to provide correct address of the defaulter including phone number or identity card number if any.

(4) It is requested to inform the details of outsourcing the recovery process to any other agency after submitting Requisition.

(5) RR Online platform – Revenue and Taxes Department has decided to implement RR online with the support of NIC which prepare the software. The pilot project is implemented in Thiruvananthapuram district by August 2016. The training of the nodal officers of various banks has already done. This project may please inform all the members of SLBC.

The Steering Committee that met on 05.09.2016 requested that the following drawbacks in the present RR package may be addressed while launching the new online platform:

1. *District wise standalone data base*
2. *Login id is branch & district specific. So border branches have to apply to each district separately*
3. *Single level data entry & authentication*
4. *No provision for online updation (for OTS , Withdrawal etc)*
5. *No option for administrative offices to monitor progress*

The member banks of the committee expressed certain operational difficulties in strictly abiding with the first point of agenda, ie, not to accept recoveries directly after referring to RR

The forum decided that the banks shall flag these issues to SLBC convenor and he shall take up the same with the Revenue Department.

3.3.4. Institutional Support for Financial Literacy Centers (Suggested by Federal Bank)

Federal Bank has 19 Financial Literacy Centres functioning in the various blocks of the state. The counselors of these centres are conducting literacy classes for SHG/ JLG members, residence association members, farmers, school students and other various sections of the society. Apart from the literacy sessions they are also undertaking financial counseling sessions to needy people. The Bank is getting continuous feedback/suggestions from the counselors on the following matters.

(1) The school authorities, especially the Government/Aided school authorities are much reluctant in giving permission to the counselors when they approach for seeking permission to conduct literacy classes for the students. Even after repeated requests, the counselors are not being permitted to hold the classes stating that the school authorities are unaware of such financial literacy centres functioning in the area and there are no instructions from the Government permitting the counselors to take classes for the students. To tide over this situation we suggest that from the SLBC level, the matter may be taken up with the Department of Education, Government of Kerala for passing on suitable information to the district level education department offices permitting the financial literacy centre counselors sponsored by commercial banks for taking financial literacy classes for students in Government /Aided schools.

(2) To improve the public utility and visibility of the Financial Literacy Centres, it is suggested to display the information at bank premises about the presence and functioning of FLCs in their areas/block/village with full contact details of FLC counselors.

(3) The counselors of the financial literacy centres may be enlisted as the authorized resource person for handling the financial literacy activities and counseling sessions undertaken by various local government units like Kudumbasree mission.

The Steering Committee that met on 05.09.2016 decided to take up the matter with Government.

3.3.5. Special drive for Financial inclusion initiatives from 15.9.2016 to 31.10.2016 (Suggested by SLBC Cell on directive from DFS)

There is a need to step up our efforts in respect of the six flagship schemes of DFS to take forward the task of financial inclusion. A 45 days campaign from 15th September 2016 to 31st October 2016 is accordingly envisaged *with atleast 3 events per district during the period.* To achieve the desired results a two pronged strategy will be adopted which is detailed as under:

TRACK 1

Strategic Targets

1. Aadhaar and Mobile Seeding of accounts
2. RuPay Card activation and distribution
3. Pin distribution and activation.

4. Aadhaar enrolment
5. Counselling of Bank Mitrs/BCs.
6. Financial Literacy.
7. Grievance redressal.
8. Increasing awareness on the 6 flagship schemes of DFS

Strategy 1: Field Unit Events

Three events per district to be organized during the special drive

- First Event during the Special Drive(15^{th} September'16 to 31^{st} October'16)

Components to tackle

- Aadhaar seeding in various categories of Bank accounts like Central Government Pensioners by 31^{st} October 2016, beneficiary accounts of DBT in U.Ts by 30^{th} September 2016, all operative SB accounts by 31^{st} March 2017, MNREGA accounts etc.
- Mobile seeding in bank accounts
- UIDAI/ State Govt. to be requested to arrange for Aadhaar enrolment counter to facilitate customers, yet to be enrolled for aadhaar.
- RuPay card distribution, Pins and activation with Provision of activation devices (Micro ATMs) may be also undertaken
- Orientation, counselling and sensitization of BCs/Bank Mitrs to increase their level of activity.
- Grievance redressal of public.
- Involvement of Financial Literacy Centers in educating the beneficiaries about the benefits of Aadhaar seeding, RuPay Card usage, claims processing, on sanction & availing overdraft, importance of savings etc. through videos of financial literacy
- Awareness about consumer induced transaction under the RuPay Insurance Program 2016-17
- Creating awareness on the 6 flagship schemes of DFS

Strategy 2: Publicity and communication to the account holders.

- *Media publicity* and widespread awareness *in advance* through various channels like

a. newspaper advertisement,
b. Television ,Cinema
c. Radio
d. display of banners/posters,
e. distribution of pamphlets at branches,
f. SMS, telephonic contacts etc.

- *Sensitization of Branch staff* and Pop up message on the computer screen Sharing of District wise/branch wise pending list of pensioners with branches to target individual pensioners and other customers for Aadhaar Seeding

Strategy 3 : Incentivisation

i. *Use of* Services of marketing officers, BCAs and staff members of the branch to be utilized with incentivisation of Bank Mitr

Strategy 4: Enabling and simplifying multiple channels for aadhaar and mobile seeding

i. Branches
ii. ATMs
iii. Internet Banking
iv. Micro ATMs,
v. SMS

TRACK 2

1. Strategic Target:

- Handholding of customers for credit linkage with a special focus on Pradhan Mantri Mudra Yojana and Stand Up India through SIDBI ,NABARD ,RSETIs, DLCs and linking borrowers to connect centres under SUPI.
- Maximizing enrolments under social security schemes ie. PMSBY, PMJJBY & APY.

Strategy 1: Field Unit Events

Two events per district to be organized during the Special Drive period (15th September 2016 to 31st October 2016)

Activity envisaged

- Creating awareness on the salient features of PMMY & SUPI i.e. benefits of timely loan repayment, applicable rate of interest, collaterals etc.
- Ensuring availability of application forms for availing credit under PMMY, SUPI and for enrolment under PMSBY, PMJJBY & APY.
- Deployment of experienced staff for guiding customers and providing the necessary support and handholding for credit linkage, insurance and pension.
- Involvement of district Industries Centres (DICs), rural self-employment institutes (RSETIs) and skilling centres for handholding.
- Display of videos of success stories of PMMY/SUPI borrowers and experience sharing.
- Developing package deals on FI products.
- Demonstration of features of Stand UP Mitra portal (https://www.standupmitra.in)
- Convergence with State Schemes and Central Schemes

Strategy 2: Publicity and communication

Media publicity on PMMY, Stand Up India and social security schemes like PMJJBY, PMSBY and APY and widespread awareness *in advance* through various channels like

a. Display of banners in and around branches
b. newspaper advertisement,
c. Television , Cinema
d. Radio
e. distribution of pamphlets at branches,
f. SMS, telephonic contacts etc.

Strategy 3 : Incentivisation and Sensitization

- Use of Services of marketing officers, BCAs and staff members of the branch to be utilized with incentivisation of Bank Mitr
- Sensitization of field level staff for motivation and active participation.
- Coordination with SIDBI, NABARD, BCs (Bank Mitrs) for every branch.

Strategy 4: Coordination with traders association, vyapar mandals, Cluster Associations etc. of the area to reach out to maximum number of potential PMMY and SUPI beneficiaries.

- Organizing customer relation meets.
- Town hall meetings

Focus on activities involved in the first event will continue to be a part of the subsequent two events as well.
Preparatory activities on behalf of the various stakeholders will include the following:

a. Holding Special meetings of SLBCs ,District Level Credit Committees(DLCCs)
b. Focus on cluster lending, organizing meetings and conclaves
c. Promotion/Publicity, advertisements in advance through local media, e.g. cable T.V, pamphlets and banners in and around every branch in local language, press conferences radio/talk shows, social media.
d. Visit by DFS officials, Senior Bank Executives and State Mission Directors to field units (campaign zones)
e. Handholding support to Stand UP India trainee borrowers through SIDBI, NABARD, FLCs, Skill Centres ,DLCs ,RSETIs
f. Login of all identified branches under SUPI.
g. Roll out of central Government schemes on SUPI and PMMY by all banks.

3.4. INFORMATION NOTES

3.4.1. Swachh Bharat Mission-Gramin- encouraging credit for Water and Sanitation
(Information Note by RBI)

As per revised priority sector lending guidelines, loans for social infrastructure is a separate category under priority sector. Bank loans up to a limit of 5 crore per borrower for building social infrastructure for activities namely schools, health care facilities, drinking water facilities, sanitation facilities, construction/refurbishment of household toilets and household level water improvements in Tier II to Tier VI centres are classified under social infrastructure. Further, for the purpose of priority sector, ‘Social Infrastructure’ also includes bank credit to Micro Finance Institutions (MFIs) extending on-lending to individuals and also to members of SHGs/JLGs for water and sanitation facilities, subject to certain conditions. In this connection, Government of India has expressed concern about the low uptake in credit disbursed for the construction of toilets. Banks may take efforts to intensify lending for water and sanitation activities, to support the goal set by Swachh Bharat Mission- Gramin to make India Open defecation free by October 2, 2019.

3.4.2. Implementation of Supreme Court Orders in Writ Petition by Swaraj Abhiyan against Union of India and Others- Guidelines on Relief measures by banks in areas affected by Natural Calamities (Information Note by RBI)

During the hearing of the captioned Writ Petition, the Hon'ble Supreme Court has directed the concerned authorities in the Union of India, the State Governments and the Reserve Bank of India and other banks to religiously implement their policies since they are ultimately intended for the benefit of the people of our country and not for the benefit of any stranger.

In view of the above, all the Scheduled Commercial Banks (excluding RRBs) are advised vide our circular no. FIDD.FSD.BC.No.25/05.10.001/2015-16 dated June 2, 2016 to ensure implementation of our guidelines on Relief Measures by banks in areas affected by Natural Calamities contained in our Master Circular dated July 1, 2015. In terms of para 6.13 of the Master Circular FIDD.No.FSD.BC.01/05.10.001/2015-16 dated July 1, 2015, while restructuring the loans in the areas affected by natural calamities, banks are required to adjust the insurance proceeds, if any, receivable from the Insurance Company to 'restructured accounts' in cases where they have granted fresh loans to the borrowers. In view of the difficulties faced by farmers in areas affected by natural calamities, banks are advised to act with empathy and consider restructuring and granting fresh loans without waiting for the receipt of the insurance claims, in cases where there is reasonable certainty of receipt of the claim.

3.4.3. Priority Sector Lending Certificates (Information Note by RBI)

Government of India vide Notification dated February 04, 2016 has specified "Dealing in Priority Sector Lending Certificates (PSLCs) in accordance with the Guidelines issued by Reserve Bank of India" as a form of business under Section 6 (1)(o) of the Banking Regulation Act, 1949. Accordingly, instructions on trading in PSLCs have been issued. To facilitate trading in PSLCs, a trading platform is being provided through the CBS portal (e-Kuber). The detailed user manual/ instructions for trading on the platform are available through the portal.

3.4.4. Progress of NULM/NRLM Initiatives (Information Note by RBI)

Progress of NRLM and NULM initiatives in the state and data flow regarding the concerned activities may be considered for discussion by SLBC as an Agenda Item.

Performance under DAY- NULM SEP- component (District wise cumulative) (FROM 01.04.2016 TO 30.06.2016) (Rs. in lakhs)

Sl. No	District	No. of applications					Amount of subsidy released	Total loan	
		Forwarded	Rejected	Sanctioned	Disbursed	Pending		Sanctioned	Disbursed
1	Malappuram	6	0	0	0	6	0	0.00	0.00
2	Palakkad	12	0	11	11	1	0	12.00	9.45
3	Thrissur	3	0	3	3	0	0	8.00	7.75
4	Ernakulam	2	0	2	2	0	0	17.12	16.62
	Total	**23**	**0**	**16**	**16**	**7**	**0**	**37.12**	**33.82**

Performance under DAY- NULM SEP component(Bank wise cumulative) (FROM 01.04.2016 TO 30.06.2016) (Rs. in lakhs)									
Sl. No	Name of Bank	No. of applications					Amount of subsidy released	Total loan	
		Forwarded	Rejected	Sanctioned	Disbursed	Pending		Sanctioned	Disbursed
1	Punjab National Bank, Kalpathy	5	0	5	5	0	0	5.00	4.75
2	Indian Bank, Thorapalayam	5	0	5	5	0	0	5.00	3.00
3	Canara Bank, Sulthanpet	2	0	1	1	1	0	2.00	1.70
4	Canara Bank,Thrissur	2	0	2	2	0	0	3.00	3.00
5	Nedumpuzha Co-operative Bank	1	0	1	1	0	0	5.00	4.75
6	Union Bank, Palarivattom	1	0	1	1	0	0	9.50	9.00
7	Union Bank, kadavanthara	1	0	1	1	0	0	7.62	7.62
8	Punjab National Bank, Malappuram	5	0	0	0	5	0	0.00	0.00
9	Kerala Grameen Bank, Malappuram	1	0	0	0	1	0	0.00	0.00
	TOTAL	**23**	**0**	**16**	**16**	**7**	**0**	**37.12**	**33.82**

NULM

As per report given by state urban mission, there are 16 sanctions in 4 districts to the tune of Rs. 37 lakhs. Banks have reported an outstanding of 1236 accounts and Rs.11 crores

NRLM

8496 SHGs have been credit linked and extended credit of Rs. 464 crores. The outstanding is 31428 accounts and Rs.559 crores

3.4.5. Review of Progress under Start up India Programme (Information Note by RBI)

Banks were advised by RBI vide circular FIDD.MSME & NFS No.2263/06.02.31/2015-06 dated October 10, 2016 to take appropriate action for extending credit to tribal/Dalit/women entrepreneurs through each of their branches. SLBC was entrusted to monitor the progress made by banks and submit a report to ROs in the format given below.

Sl. No	Name of the bank	Total no. of branches in the State / UT	Number of branches which have given loan under 'Start up India' to SC / ST and Women	Loans given to		Loan Outstanding under the Scheme (Rs. in lakh)	
				No. of SC / ST	No. of Women	SC / ST	Women

The Progress on Start up India Programme as at June 2016 is given in ***Annexure-8.41***.

3.4.6. National Rural livelihoods Mission (NRLM) – Aajeevika - Interest Subvention Scheme (Information Note by RBI)

In partial modification of the Scheme, Ministry of Rural Development, Government of India, vide their letter dated May 23, 2016, has advised that in para I. xii (Annexure – III to V) of the circular FIDD.GSSD.CO.BC.No.19/09.01.03/2015-16 on National Rural livelihoods Mission (NRLM) – Aajeevika -Interest Subvention Scheme, the clause "there is no human intervention" of the Scheme may be replaced by the clause "with minimal human intervention" in the Interest Subvention claim certificates.

Data Received from SRLM

Achievement Status - FY 2016-17 (up to July 2016)			
District Name	**Linked NHGS**	**Linkage Amount**	**Linkage Amount in Crore**
Alappuzha	562	191258121	19
Ernakulam	269	26900000	3
Idukki	361	228494904	23
Kannur	640	167376420	17
Kasargode	310	2082090272	208
Kollam	603	276155871	28
Kottayam	842	260026938	26
Kozhikkode	472	107031060	11
Malappuram	1335	400500000	40
Palakkad	1486	358160380	36
Pathanamthitta	366	154375200	15
Thiruvananthapuram	436	166716824	17
Thrissur	386	184055000	18
Wayanad	428	38950000	4
TOTAL	**8496**	**4642090990**	**464**

Data submitted by banks as at June 2016 is given in ***Annexure-8.10.***

NRLM

8496 SHGs have been credit linked and extended credit of Rs. 464 crores. The outstanding is 31428 accounts and Rs.559 crores.

3.4.7. Review of Progress under Financial Inclusion Plan 2016-19 (Information Note by RBI)

All banks were requested by RBI vide DO.FIDD CO. FID. No. /12.01.011/2015-16 dated March 17, 2016 to initiate the process of preparation of Board Approved Financial Inclusion plans for the next three year period from April 2016 to March 2019.The FIP template was changed to collect granular data and to cover a wide range of products and services. The new template is given in ***Annexure-8.48***. As *review of progress made under FIP* is mandated to be an agenda item in SLBC meetings and DCC meetings vide Master Circular of LBS, It is being brought to the notice of the forum that the said review from now on would be based on progress as per the new format.

3.4.8. **Review of Stand Up India Scheme** (As per directions of DFS)

- Stand up India scheme is to support SC/ST/Women's green field projects through banks
- Bank loans Rs.10 lakhs to Rs. 1 crore
- One SC/ST borrower & One woman borrower per bank branch of all Scheduled Commercial Banks
- Any green field enterprise is eligible (first time venture of a beneficiary in Manufacturing/Services/Trading sector)
- Individual/non individual enterprises (If Non individual – 51 % share by SC/ST/Woman)
- There is disparity between the data appearing in Standup India portal and data reported by banks
- The data reported to us by banks indicate 411 sanctions by June 2016
- But as per data from portal (courtesy: SIDBI) total sanctions are below 70 while
- It reveals that branches are not uploading the particulars in the Standup India portal in time
- For all purposes only the data from the portal will be reckoned

The Progress on Stand Up India Programme as at June 2016 is given in **Annexure-8.40.**

Number of bank branches not logged in Stand up India portal

Bank	No of branches	Bank	No of branches
Allahabad Bank	13	IndusInd Bank	23
Axis Bank	69	Jammu & Kashmir Bank Ltd	2
Bandhan Bank Ltd.	2	Lakshmi Vilas Bank	10
Bank of India	84	Oriental Bank of Commerce	16
Bank of Maharashtra	3	Punjab National Bank	91
Bhartiya Mahila Bank	1	State Bank of Bikaner & Jaipur	2
Canara Bank	10	State Bank of Hyderabad	7
Central Bank of India	112	State Bank of India	291
Corporation Bank	32	State Bank of Patiala	1
DCB Bank	1	State Bank of Travancore	119
HDFC Bank	52	Syndicate Bank	3
ICICI Bank	147	United Bank of India	10
IDBI Bank Ltd.	41	Vijaya Bank	1
Indian Bank	114	Yes Bank	11
Indian Overseas Bank	170	Total	1438

Stand Up Sanctions (as on 2016 August 18th)

Bank	No of loans	Amt (Rs Lakhs)
Andhra Bank	1	40
Bank of Baroda	2	21
Canara Bank	2	65
Central Bank of India	3	30
ICICI Bank	1	30
IDBI Bank Ltd.	1	38
Punjab National Bank	12	367
State Bank of India	15	214
State Bank of Travancore	8	223
Syndicate Bank	10	143
UCO Bank	4	101
Union Bank of India	1	15
Vijaya Bank	2	90
TOTAL	62	1377

Stand up -Pending online applications

District	Application No.	Enterprise Name	Address	Size of Loan	Preferred Bank
Kannur	ST/2016/Aug/0000707	JMJ ORGANIC PESTICIDES		1000000	Bank of India
Thrissur	ST/2016/Aug/0000654	REEDHOOK	KODUNGALLUR,	1200000	Canara Bank
Wayanad	ST/2016/Jul/0000496	love birds industries	mundakkutty	8000000	Canara Bank
Kottayam	ST/2016/May/0000067	Ferrotechnologies (opc) pvt ltd	Changanacherry,	10000000	IDBI Bank
Alappuzha	ST/2016/Jul/0000629	SREELAKSHMI JEWELLERY	THATTARAMBALAM,	2500000	IOB
Wayanad	ST/2016/Aug/0000758	WAYFARM	Kalpetta	4000280	PNB
Pathanamthitta	ST/2016/Aug/0000700	G.L.3 Curry Powder	Konni	4200000	SBT

- *The data reported to SLBC by banks indicate 411 sanctions till June 2016*
- *But as per data from portal (courtesy: SIDBI) total sanctions are below 70*
- *It reveals that branches are not uploading the particulars in the Standup India portal in time*
- *For all purposes only the data from the portal will be reckoned*
- *The forum was also informed about a review on Stand up conducted by the DFS nominee to SLBC, Sri. Ashok Kumar Singh IAS, Deputy Secretary, on 2016 August 20th at Trivandrum*

- *In the said meeting, the gap I sanctions and data in portal was discussed. It was suggested that in the case of or applications directly accepted at branches , the fields to be uploaded in the stand up portal may be brought down to the bare essentials . Bankers had pointed out that the enormity of the data to be fed into the package for each loan was the major reason for branches not uploading*
- *The Deputy Secretary also felt the need for each SLBC to have a login id in the stand up portal for monitoring the progress of the scheme*

3.4.9. Review of PMAY –CLSS Scheme (Continuation of existing agenda)

The scheme is yet to take off as expected.

Here too disparity is observed in the data.

- The data reported to us directly by banks show the sanctions at 137 accounts as on 2016 June 30th while, the data received from the CNIs (NHB & HUDCO) as on 2016 August 24th show 118 claims only.

The Progress on Pradhan Mantri Awas Yojana as at June 2016 is given in ***Annexure-8.42*****.**

Claim statistics as on 2016 August 24th from CNIs (NHB & HUDCO)

Bank	No of claims	CNI
Canara Bank	18	NHB
Corporation Bank	2	NHB
DHFL Vysya Housing Finance Ltd.	14	NHB
ICICI Bank Ltd.	14	NHB
LIC Housing Finance Ltd.	2	NHB
Oriental Bank of Commerce	4	NHB
Punjab National Bank	35	NHB
State Bank of India	3	NHB
State Bank of Travancore	5	NHB
Dhanlaxmi Bank	1	HUDCO
South Indian Bank	20	HUDCO
Total	**118**	

It indicates a disparity in claiming the subsidy from CNIs. The reasons could include:

1. Code not allotted to all Municipalities (23 yet to find place in web package)
2. Uploading issues: eg. Column 13 pertaining to building number is mandatory. But in Kerala building number is allotted only after completion of house
3. Delay in uploading from branches

In the Steering Committee meeting held on 05.09.2016, DGM, HUDCO informed that PMAY is a flag ship programme of Government of India and CLSS is the vertical for credit linked subsidy. The eligible beneficiary who can avail Housing Loan from bank would be getting interest subsidy of 6.5 %.

In order to implement the scheme Government of India has formulated two nodal agencies viz. HUDCO and National Housing Bank. All the banks have to sign MoU with either HUDCO or National Housing Bank.

Even though the scheme was launched in 2015 July, the progress under the scheme in Kerala State is not much expected level. Marginally around 118 claims sanctioned under the scheme.

Lot of workshops and training programmes has been organized, under the aegis of SLBC level and district level to make awareness and sensitize the programme. But still we were unable to achieve the desired target under the scheme.

HUDCO officials had some informal discussion with State Government representative during the last week as how to push this scheme further forward. He then made the following suggestions/problems pertaining to the implementation of the PMAY scheme.

- *(i) At the ground / branch level we have to make some more awareness on the scheme. Include this as one of the agenda items in Quarterly Regional Review Meetings of banks*
- *(ii) In order to facilitate the beneficiary and assist the bank, urban local bodies are identified as facilitators which would basically act between bank and beneficiary. They would assist the bank in interacting with the beneficiary. Meeting between facilitators and bank representatives at each district level would be conducted. LDMs to try to organize these meetings in each district which leads reducing the workload of the bank.*
- *(iii) To provide Banners, displays, pamphlets etc. at branch level through which some information will be made available to the beneficiaries.*
- *(iv) It is found that some of the banks insists minimum 3 cents / 2 cents of land for extending housing loan. As per the circular issued by Government, stating that even if you have one cent of land, Corporation will give building approval permits to these beneficiaries.*
- *(v) Some of the banks are insisting IT returns that has to be rectified.*
- *(vi) Some of the banks say that road access / vehicular access is essential that has to be looked into.*

The forum recommended that the SLBC may examine these proposals in details and give appropriate directions.

3.4.10. Review of PMFBY

The State Government declared only one vertical of PMFBY ie, Restructured WBCIS for the Kharif Season, 2016. It covered 12 Districts. Alapuzha & Pathanamthitta were not covered under WBCIS because the nature of calamities in the low lying Kuttanad region is more complex. We had requested the Government to declare a suitable scheme for these two Districts. The RWBCIS Kharif covered loans granted upto 2016 August 15th. The date of submitting claim was 2016 August 31st.

The Steering Committee that met on 05.09.2016 noted the following:

Crop Insurance Login Branches - Provisional Figure as on 30th August 2016

BANK	NO OF BRANCHES LOGGED	BANK	NO OF BRANCHES LOGGED
Andhra Bank	1	Indian Overseas Bank	28
Axis Bank	1	Kerala Gramin Bank	77
Bank of Baroda	19	Oriental Bank of Commerce	8
Bank of India	10	Punjab National Bank	42
Canara Bank	45	State Bank of India	62
Central Bank of India	33	State Bank of Travancore	76
Corporation Bank	10	Syndicate Bank	105
Dhanlaxmi Bank	7	South Indian Bank	25
Federal Bank	41	Union Bank of India	12
IDBI Bank	19	Vijaya Bank	21
		TOTAL	**642**

The representative from the Department of agriculture informed that the two Districts Alapuzha and Pathanamthitta were covered under the in-house crop insurance scheme of the department.

The forum recommended that in the ensuing Rabi season, all the districts in the state may be covered under suitable crop schemes.

4. Review of Performance under Priority Sector Advances

4.1. Review of Priority Sector Advances (Disbursement) as at June 2016 - ACP 2016-17 Achievements (Refer Annexures 8.11 & 8.12)

The performance of banks with reference to the Annual Credit Plan 2016-17 as at June 2016 with Bank-wise and District-wise break up is furnished in the annexures. The abstract of the performance as at June 2016 under ACP 2016-17 is as follows.

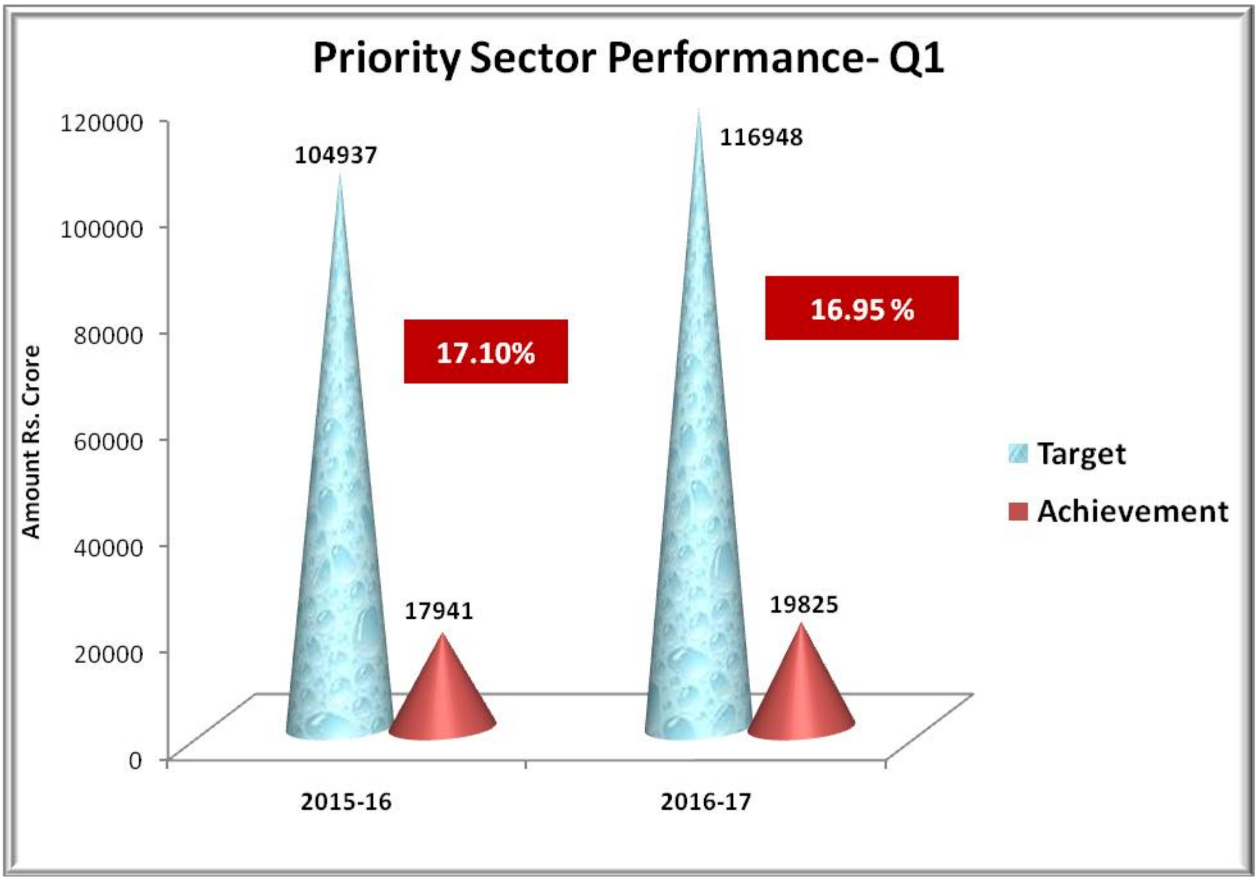
(Rs. in Crores)

Bank/Banking Group	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target 2016-17	Ach. Q1	% Ach.	Target 2016-17	Ach. Q1	% Ach.	Target 2016-17	Ach. Q1	% Ach.	Target 2016-17	Ach. Q1	% Ach.
State Bank Group	9729	1528	16%	4489	466	10%	5020	1146	23%	**19238**	**3140**	**16%**
Nationalized Banks	13271	3218	24%	6905	715	10%	6929	754	11%	**27105**	**4686**	**17%**
RRB	4935	1988	40%	1926	187	10%	1726	172	10%	**8588**	**2347**	**27%**
Private Sector Banks	8815	1649	19%	6147	782	13%	5409	948	18%	**20371**	**3378**	**17%**
Cooperatives	17516	2285	13%	6999	1143	16%	16591	2741	17%	**41106**	**6169**	**15%**
KFC	0	0	0%	455	76	17%	86	30	35%	**541**	**106**	**20%**
Total	**54266**	**10668**	**20%**	**26921**	**3367**	**13%**	**35762**	**5790**	**16%**	**116948**	**19825**	**17%**
% to Total Disbursement	xx	54%	xx	xx	17%	xx	xx	29%	xx	xx	100%	xx

4.1.1. Overall Performance under Priority Sector

(Rs. in Crores)

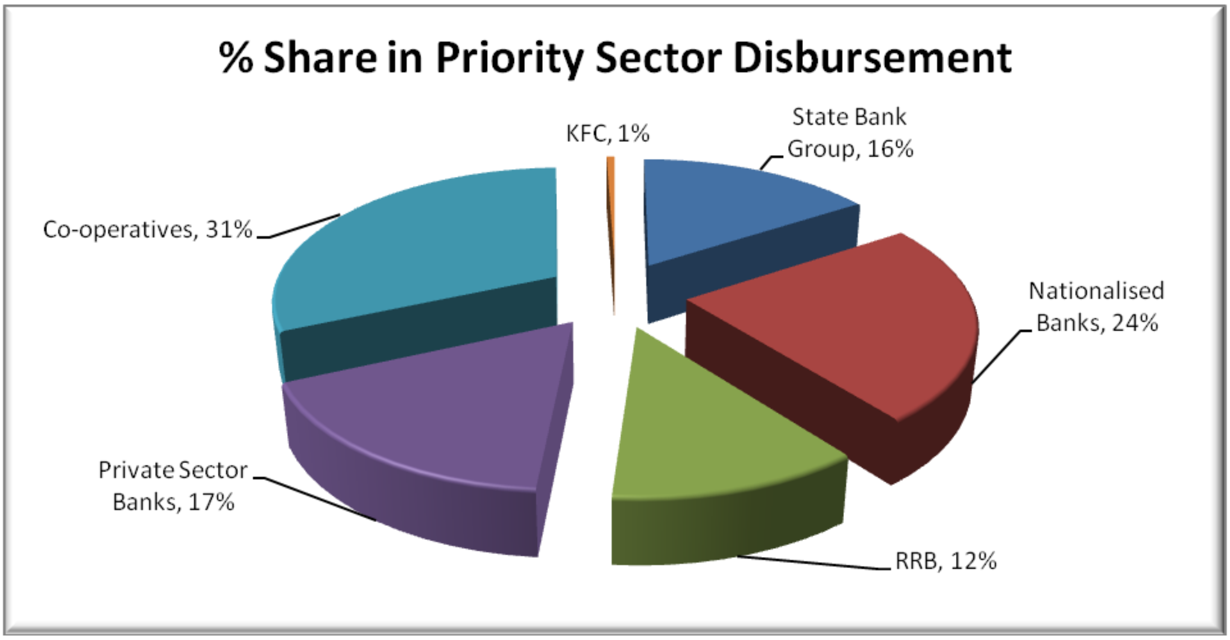
Priority Sector	2015-16	2016-17
Target for the whole year	104937	116948
Achievement of Q1	17941	19825
% of achievement for Q1	17.10%	16.95%



4.1.1.1. Banking GroupWise Performance under Priority Sector

(Rs. in Crores)

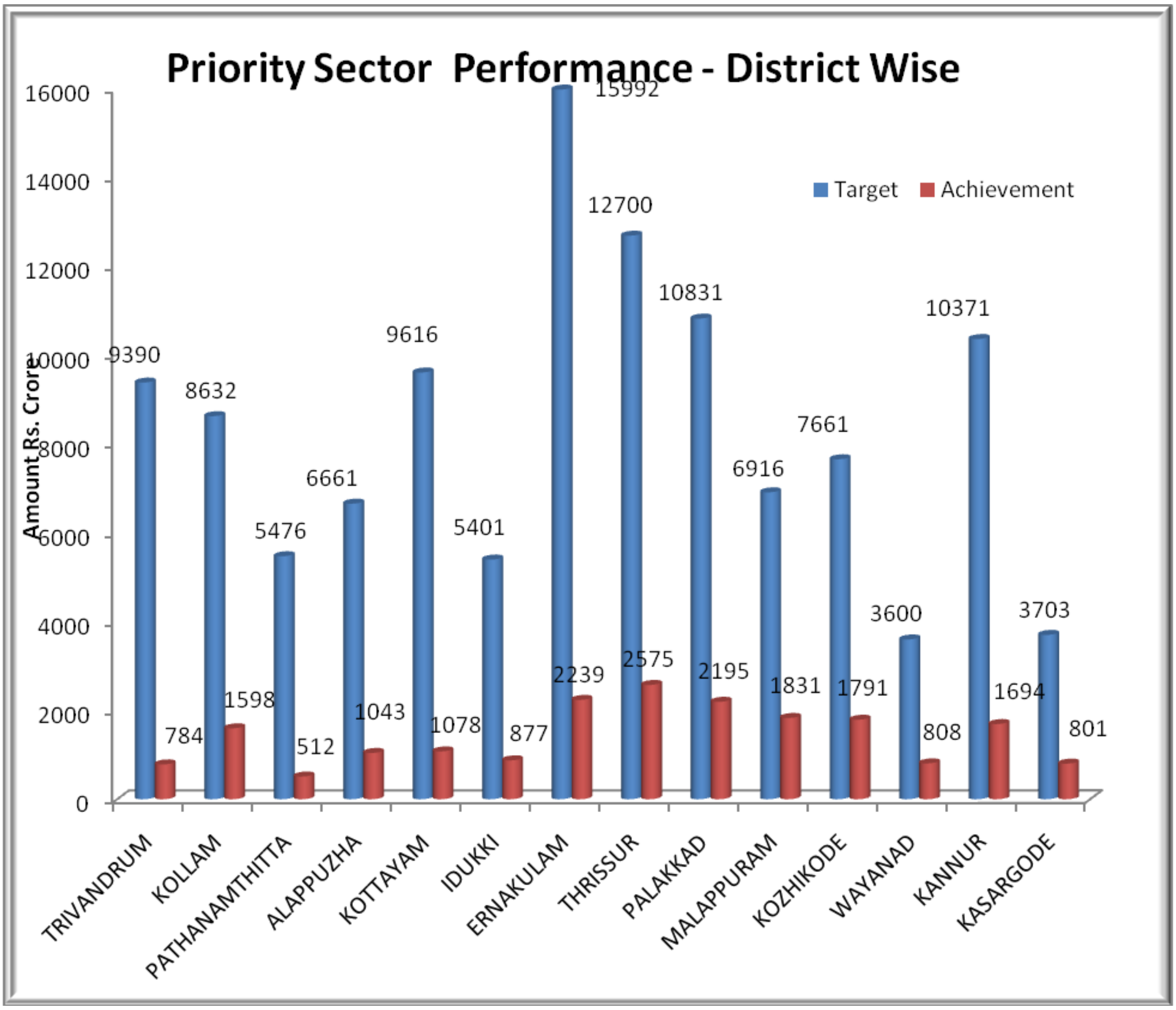
Banking Group	Priority Sector Disbursement for Q1	% Share in Priority Sector Disbursement	% Achievement of the target
State Bank Group	3140	16	16.32
Nationalized Banks	4686	24	17.30
RRB	2347	12	27.33
Private Sector Banks	3378	17	16.58
Co-operatives	6169	31	15.01
KFC	106	1	19.52
STATE TOTAL	**19825**	**100**	**16.95**



4.1.1.2. District wise Performance under Priority Sector

(Rs. in Crores)

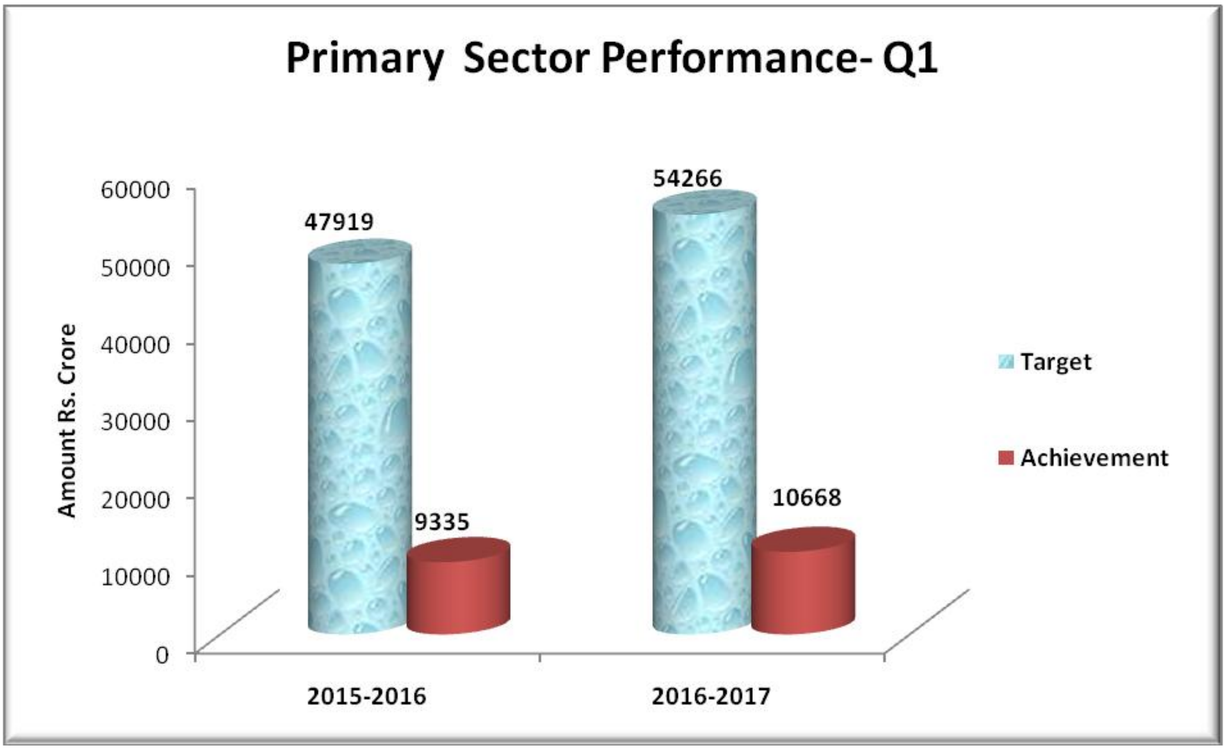
Sl. No.	District	Target for 2016-17	Achievement of Q1	% Achievement
1	TRIVANDRUM	9390	784	8
2	KOLLAM	8632	1598	19
3	PATHANAMTHITTA	5476	512	9
4	ALAPPUZHA	6661	1043	16
5	KOTTAYAM	9616	1078	11
6	IDUKKI	5401	877	16
7	ERNAKULAM	15992	2239	14
8	THRISSUR	12700	2575	20
9	PALAKKAD	10831	2195	20
10	MALAPPURAM	6916	1831	26
11	KOZHIKODE	7661	1791	23
12	WAYANAD	3600	808	22
13	KANNUR	10371	1694	16
14	KASARGODE	3703	801	22
TOTAL		**116948**	**19825**	**17**



4.1.2. Performance under Primary Sector

(Rs. in Crores)

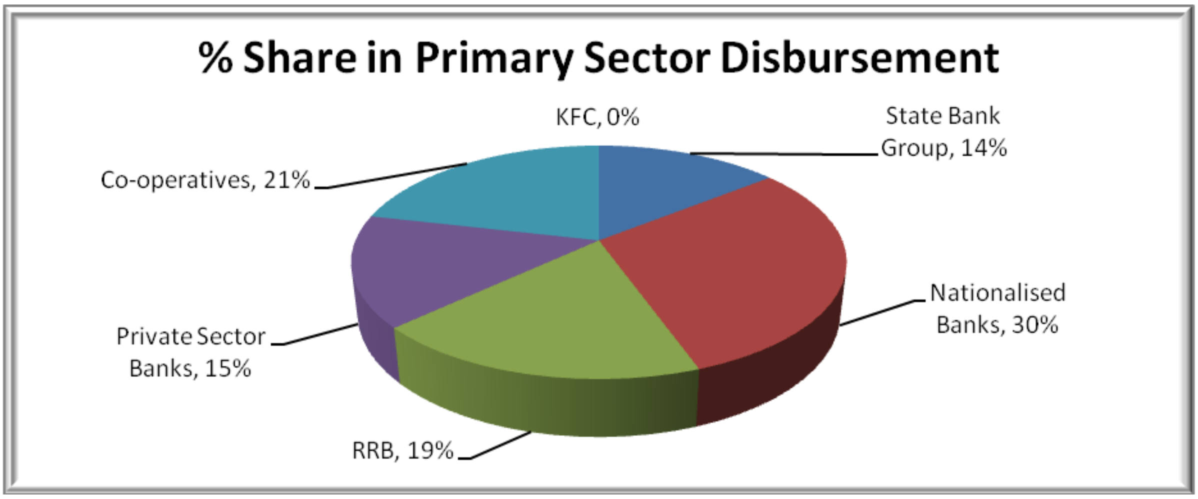
Parameter	2015-2016	2016-2017
Target for the whole year	47919	54266
Achievement of Q1	9335	10668
% of achievement for Q1	19.48%	19.66%



4.1.2.1. Banking GroupWise Performance under Primary Sector

(Rs. in Crores)

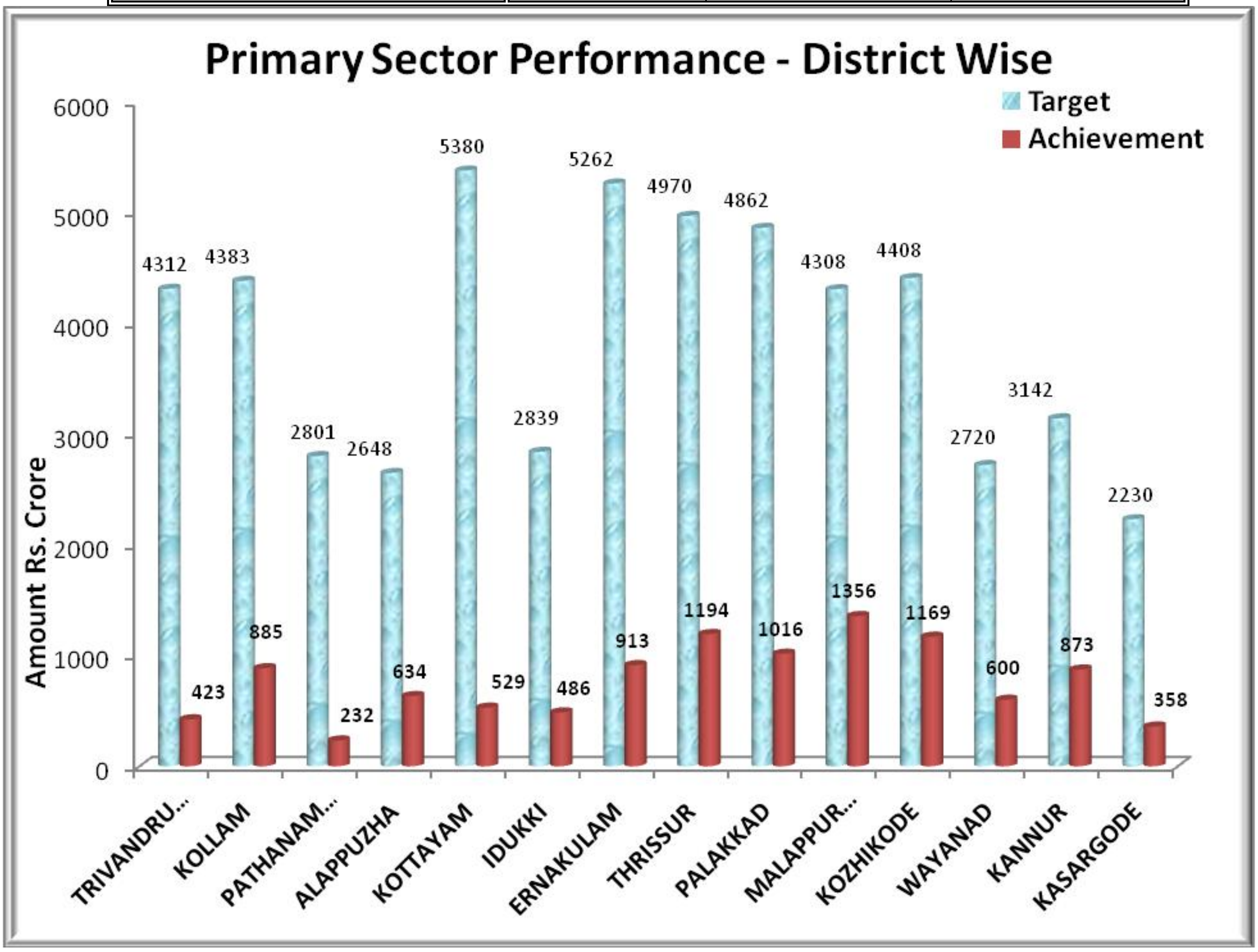
Banking Group	Disbursement for Q1	% Share in Total Disbursement	% Achievement of the target
State Bank Group	1528	14	16
Nationalized Banks	3218	30	24
RRB	1988	19	40
Private Sector Banks	1649	15	19
Co-operatives	2285	21	13
KFC	0	0	0
STATE TOTAL	**10668**	**100**	**20**



4.1.2.2. District wise Performance under Primary Sector

(Rs. in Crores)

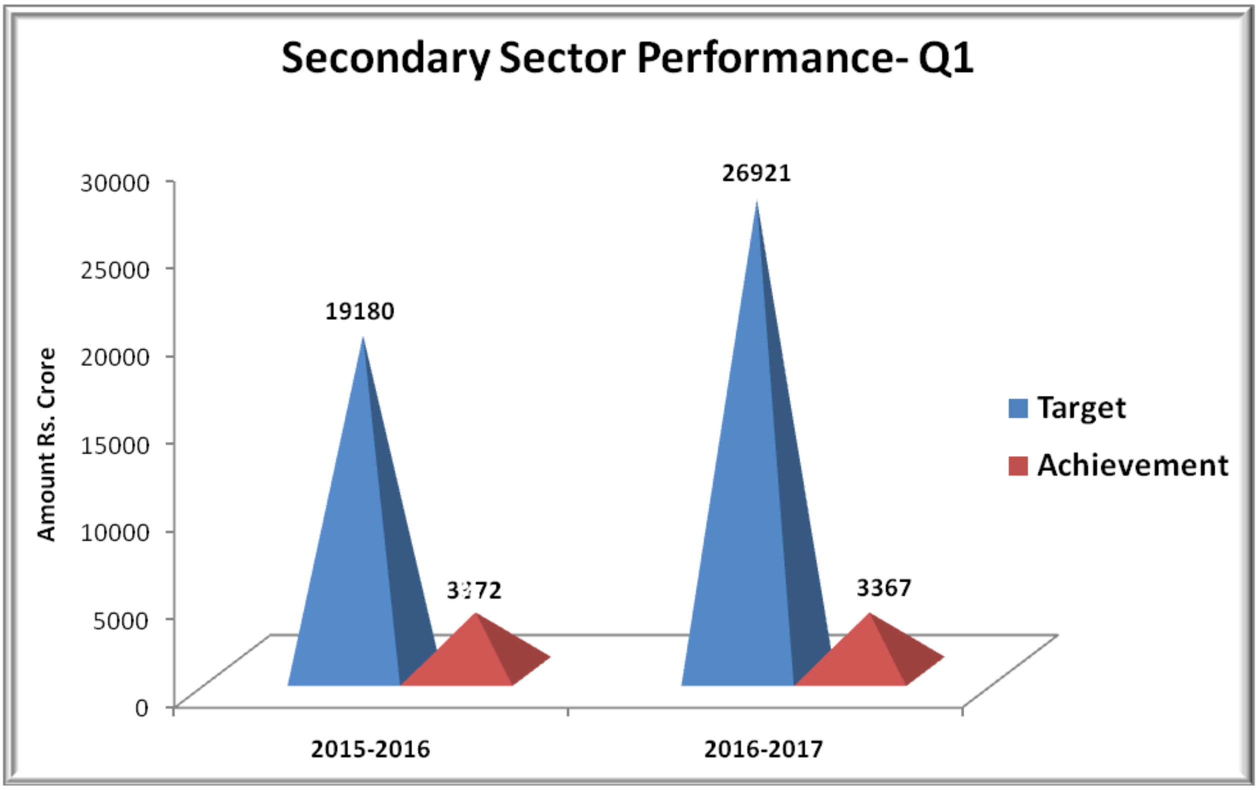
Sl. No.	District	Target for 2016-17	Achievement of Q1	% Achievement
1	TRIVANDRUM	4312	423	10
2	KOLLAM	4383	885	20
3	PATHANAMTHITTA	2801	232	8
4	ALAPPUZHA	2648	634	24
5	KOTTAYAM	5380	529	10
6	IDUKKI	2839	486	17
7	ERNAKULAM	5262	913	17
8	THRISSUR	4970	1194	24
9	PALAKKAD	4862	1016	21
10	MALAPPURAM	4308	1356	31
11	KOZHIKODE	4408	1169	27
12	WAYANAD	2720	600	22
13	KANNUR	3142	873	28
14	KASARGODE	2230	358	16
	TOTAL	**54266**	**10668**	**20**



4.1.3. Performance under Secondary Sector

(Rs. in Crores)

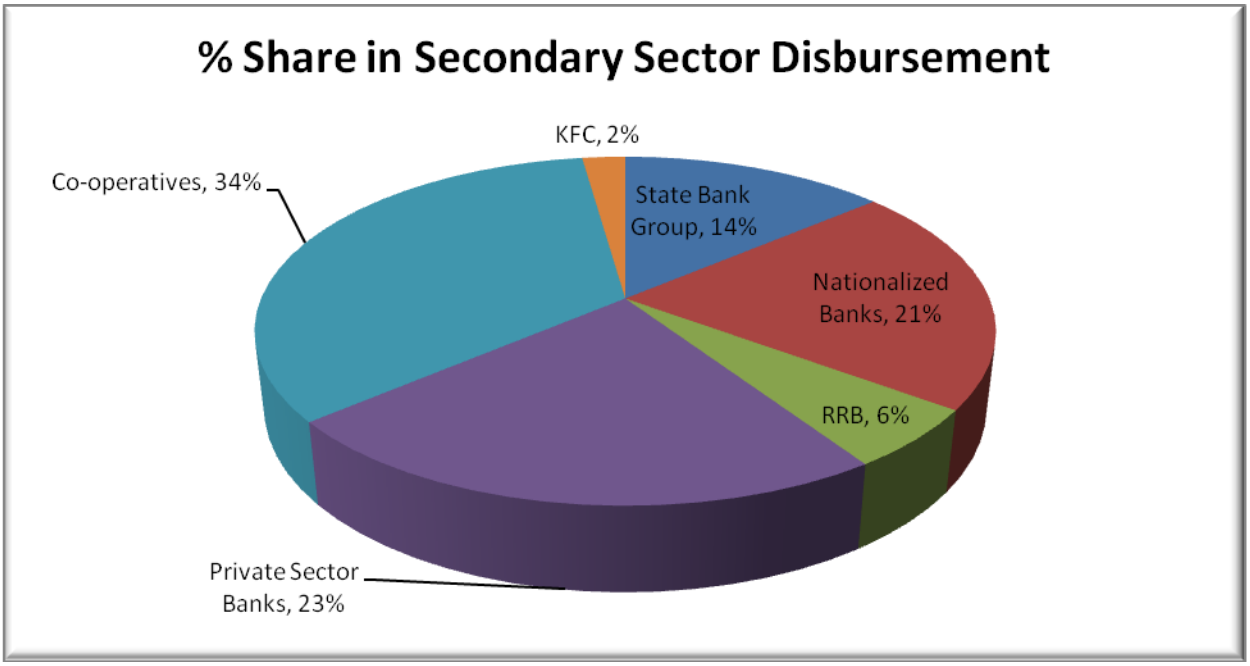
Parameter	2015-2016	2016-2017
Target for the whole year	19180	26921
Achievement of Q1	3372	3367
% of achievement for Q1	17.58%	12.51%



4.1.3.1. Banking GroupWise Performance under Secondary Sector

(Rs. in Crores)

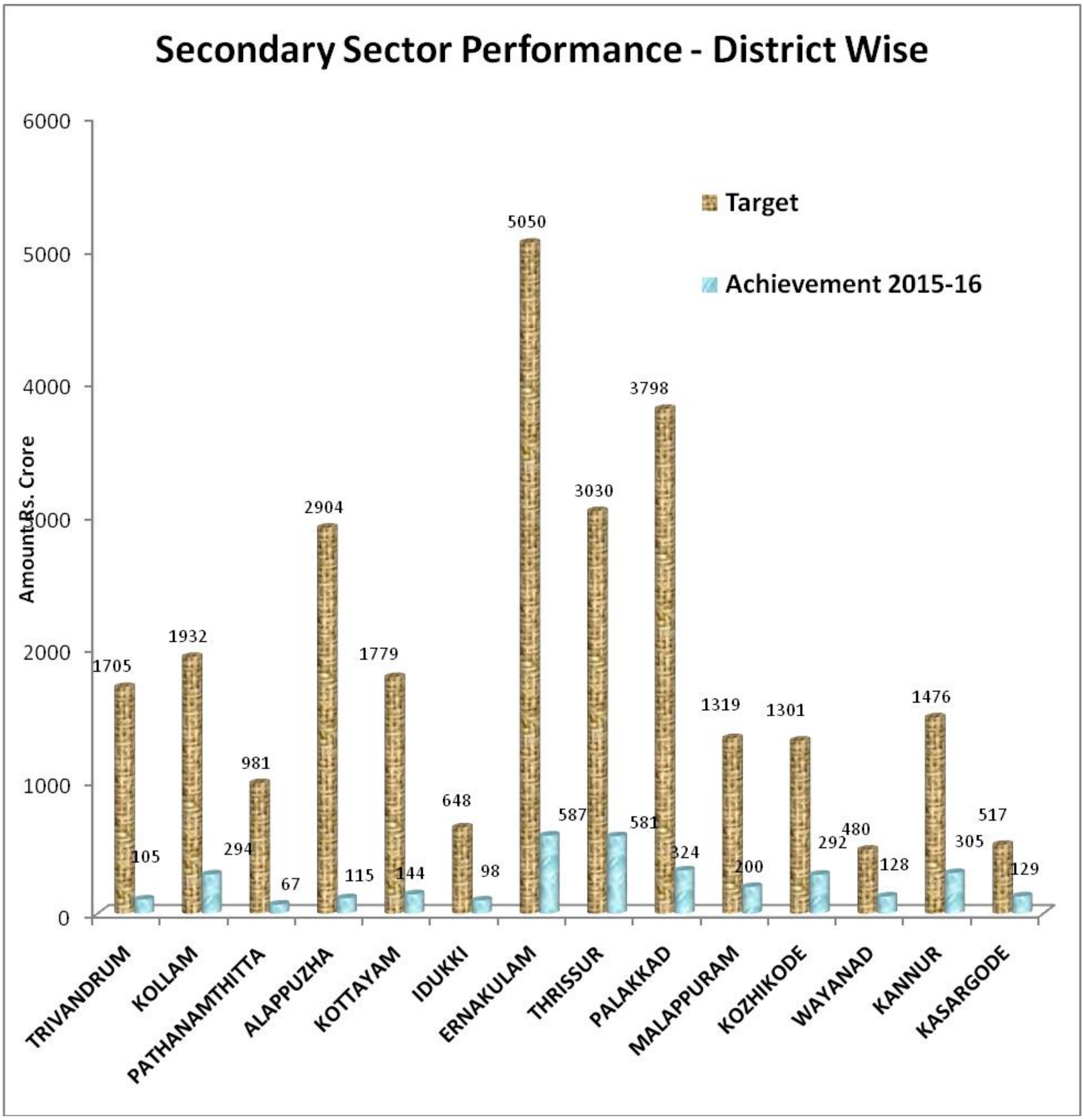
Bank	Disbursement to Secondary sector			% Achievement to the total
	2015-16	2016-17	Achievement of Q1	
State Bank Group	4489	466	10.38	14%
Nationalized Banks	6905	715	10.35	21%
RRB	1926	187	9.69	6%
Private Sector Banks	6147	782	12.71	23%
Co-operatives	6999	1143	16.33	34%
KFC	455	76	16.62	2%
STATE TOTAL	**26921**	**3367**	**12.51**	**100%**



4.1.3.2. District wise Performance under Secondary Sector

(Rs. in Crores)

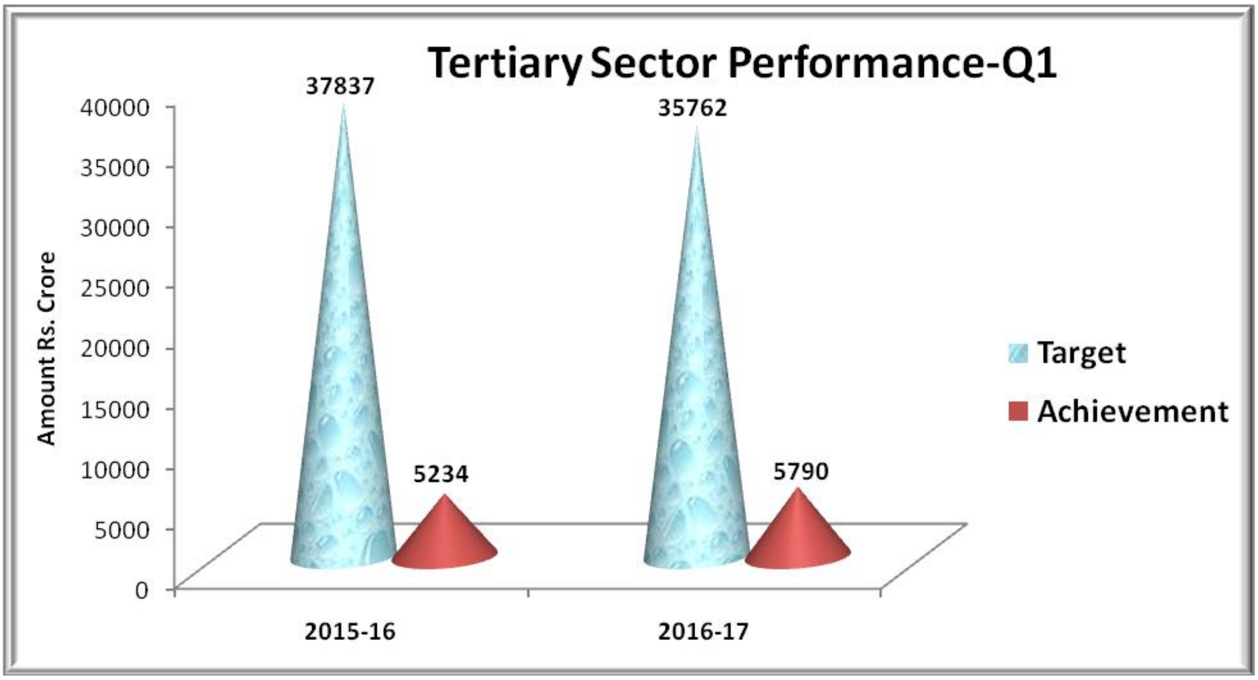
Sl. No.	District	Target for 2016-17	Achievement of Q1	% Achievement
1	TRIVANDRUM	1705	105	6
2	KOLLAM	1932	294	15
3	PATHANAMTHITTA	981	67	7
4	ALAPPUZHA	2904	115	4
5	KOTTAYAM	1779	144	8
6	IDUKKI	648	98	15
7	ERNAKULAM	5050	587	12
8	THRISSUR	3030	581	19
9	PALAKKAD	3798	324	9
10	MALAPPURAM	1319	200	15
11	KOZHIKODE	1301	292	22
12	WAYANAD	480	128	27
13	KANNUR	1476	305	21
14	KASARGODE	517	129	25
TOTAL		**26921**	**3367**	**13**



4.1.4. Performance under Tertiary Sector

(Rs. in Crores)

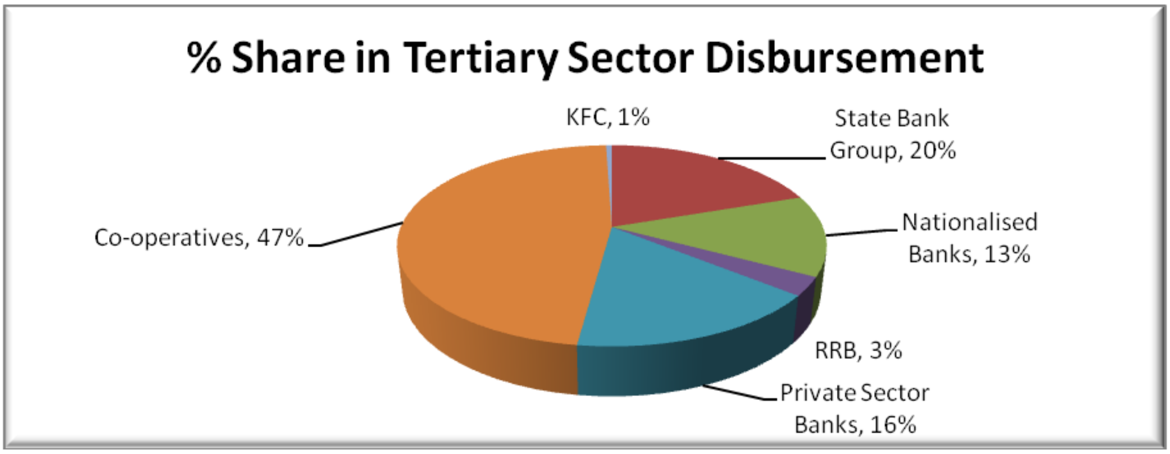
Parameter	2015-16	2016-17
Target for the whole year	37837	35762
Achievement for Q1	5234	5790
% of achievement for Q1	13.83%	16.19%



4.1.4.1. Banking GroupWise Performance under Tertiary Sector

(Rs. in Crores)

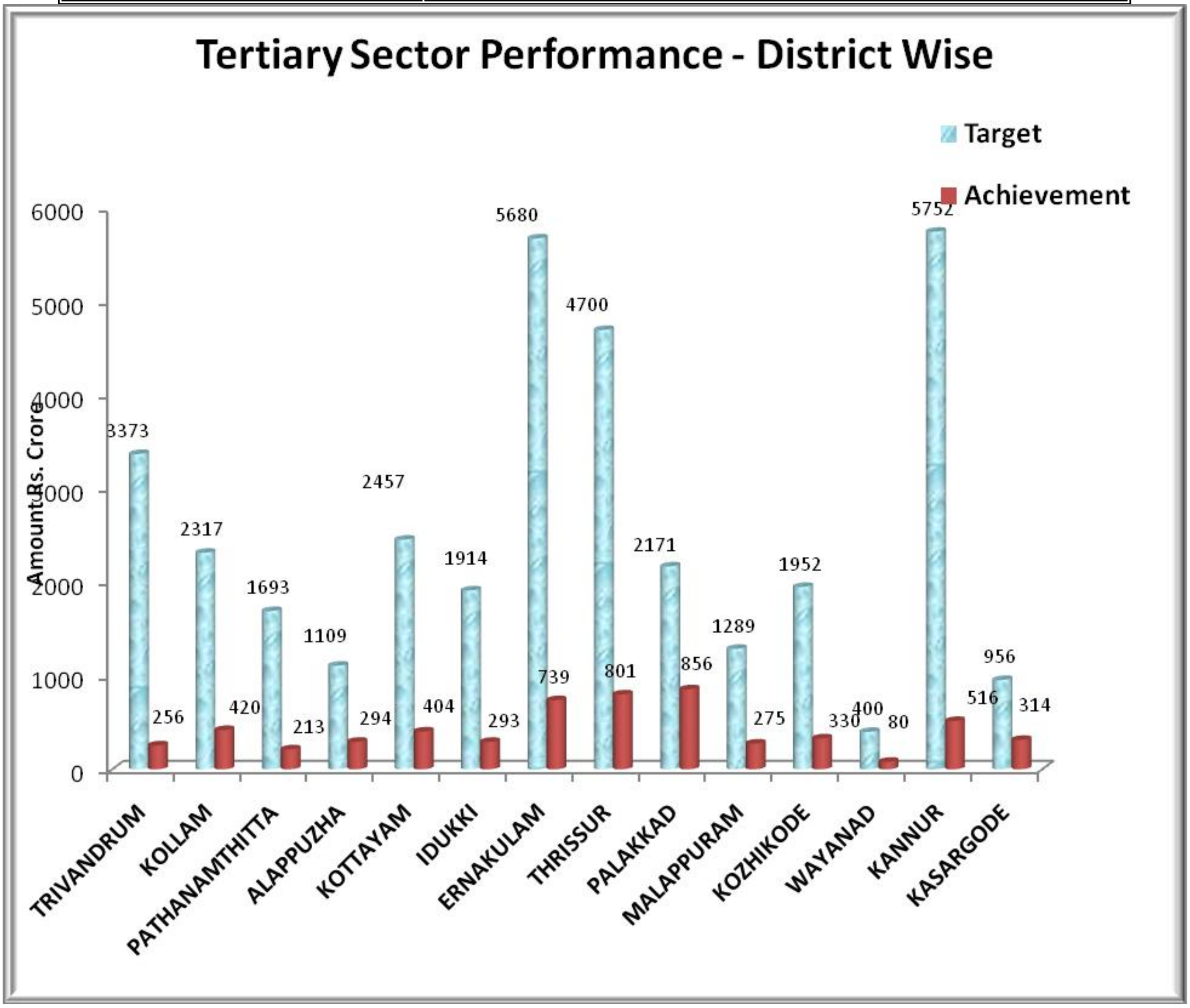
Bank	Tertiary Sector			
	2016-17 Target	Q1 Achievement	% Achievement	% Share in Disbursement
State Bank Group	5020	1146	22.82	20%
Nationalized Banks	6929	754	10.88	13%
RRB	1726	172	9.95	3%
Private Sector Banks	5409	948	17.53	16%
Co-operatives	16591	2741	16.52	47%
KFC	86	30	34.97	1%
State Total	**35762**	**5790**	**16.19**	**100%**



4.1.4.2. District wise Performance under Tertiary Sector

(Rs. in Crores)

Sl.No.	District	Target for 2016-17	Achievement of Q1	% Achievement
1	TRIVANDRUM	3373	256	7.58
2	KOLLAM	2317	420	18.11
3	PATHANAMTHITTA	1693	213	12.58
4	ALAPPUZHA	1109	294	26.54
5	KOTTAYAM	2457	404	16.45
6	IDUKKI	1914	293	15.30
7	ERNAKULAM	5680	739	13.01
8	THRISSUR	4700	801	17.03
9	PALAKKAD	2171	856	39.42
10	MALAPPURAM	1289	275	21.32
11	KOZHIKODE	1952	330	16.93
12	WAYANAD	400	80	19.96
13	KANNUR	5752	516	8.97
14	KASARGODE	956	314	32.88
TOTAL		**35762**	**5790**	**16.19**



4.2. Review of Priority Sector Advances (Outstanding) as at June 2016
(Refer Annexure 8.4)

The growth in outstanding advances of commercial banks under sub sectors of priority sector as at June 2016 is summarized as follows.

(Rs in. Crores)

Parameter	Outstanding				Variation			
	Mar-15	Jun-15	Mar-16	Jun-16	March ’15-June ’15	March ’15-March ’16	June ’15-June’16	March ’16-June ’16
Priority Sector Advances	128655	132733	132256	135888	4078	3601	3155	3632
Agriculture Advances	57656	54523	54888	55944	-3133	-2768	1421	1056
MSME Advances - Priority	35730	35281	39463	40603	-449	3733	5322	1140
Weaker Section Advances	47092	46450	54243	56634	-642	7151	10184	2391
SC Advances	4390	4361	4437	4312	-29	47	-49	-125
ST Advances	1164	966	1049	1128	-198	-115	162	79
DRI Advances	49.43	47.3	43.3	40	-2.13	-6.13	-7	-3

4.2.1. Performance versus National goals

(Figures in percentage)

Sl. No.	Parameter	Goal %	Mar-14	Jun-14	Mar-15	Jun-15	Mar-16	Jun-16	Variation	
									June 2015-June 2016	March 2016-June 2016
1	Priority Sector Advances to Total Credit	40	59.14	59.85	58.83	60.68	56.9	57.2	-3.48	0.3
2	Agriculture Advances to Total Credit	18	25.42	26.06	26.36	24.93	23.6	23.55	-1.38	-0.05
3	Weaker Section Advances to Total Credit	10	21.72	21.13	21.53	21.24	23.3	23.84	2.6	0.54
4	DRI Advances to Total Credit	1	0.03	0.03	0.02	0.02	0.02	0.02	0	0
5	Credit Deposit Ratio	60	68.66	67.82	68.37	66.53	64.28	64.13	-2.4	-0.15

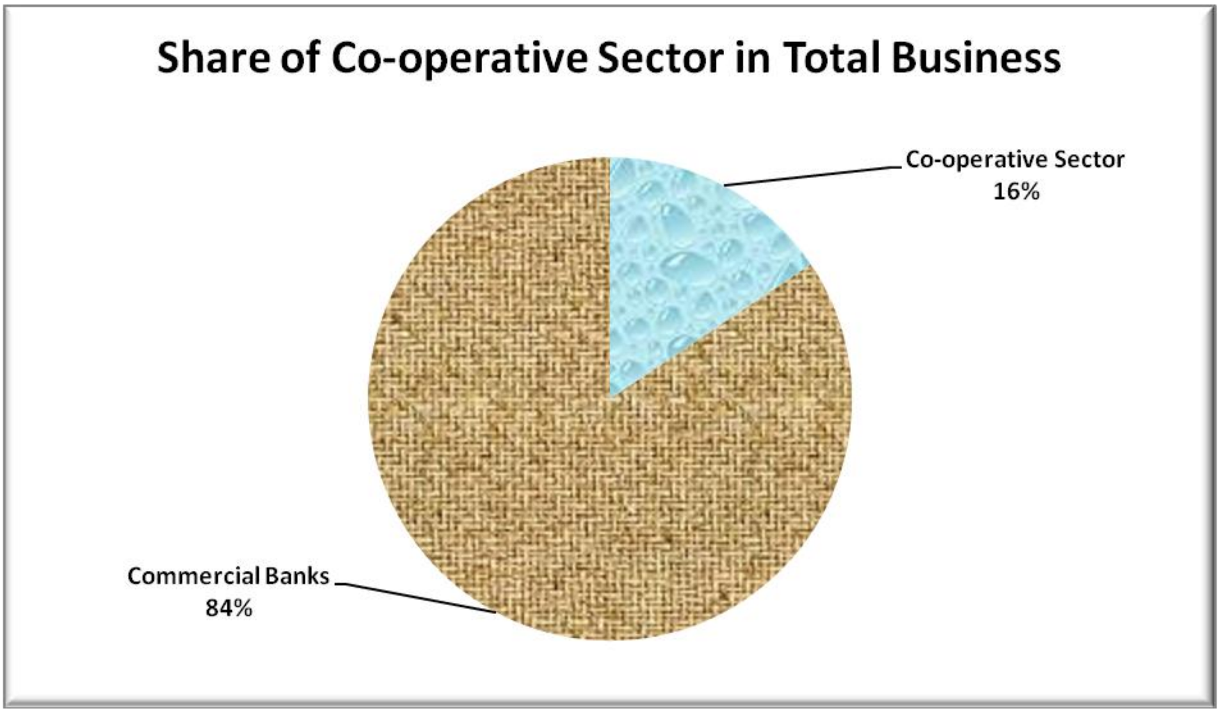
4.2.1.1. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at June 2016

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

Performance of Co-operative Sector under Vital Banking Statistics

(Rs in. Crores)

Parameter	June 2016		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	973	7186	13.5%
Total Deposits	67534	437946	15.4%
Total Advances	45004	282556	15.9%
Total Business	112539	720502	15.6%
Priority Sector Advances	23115	159004	14.5%
% Priority Sector Advances	51%	56%	xx
Agriculture Advances	5893	61837	9.5%
% Agriculture Advances	13%	22%	xx
SME Advances	1000	41603	2.4%

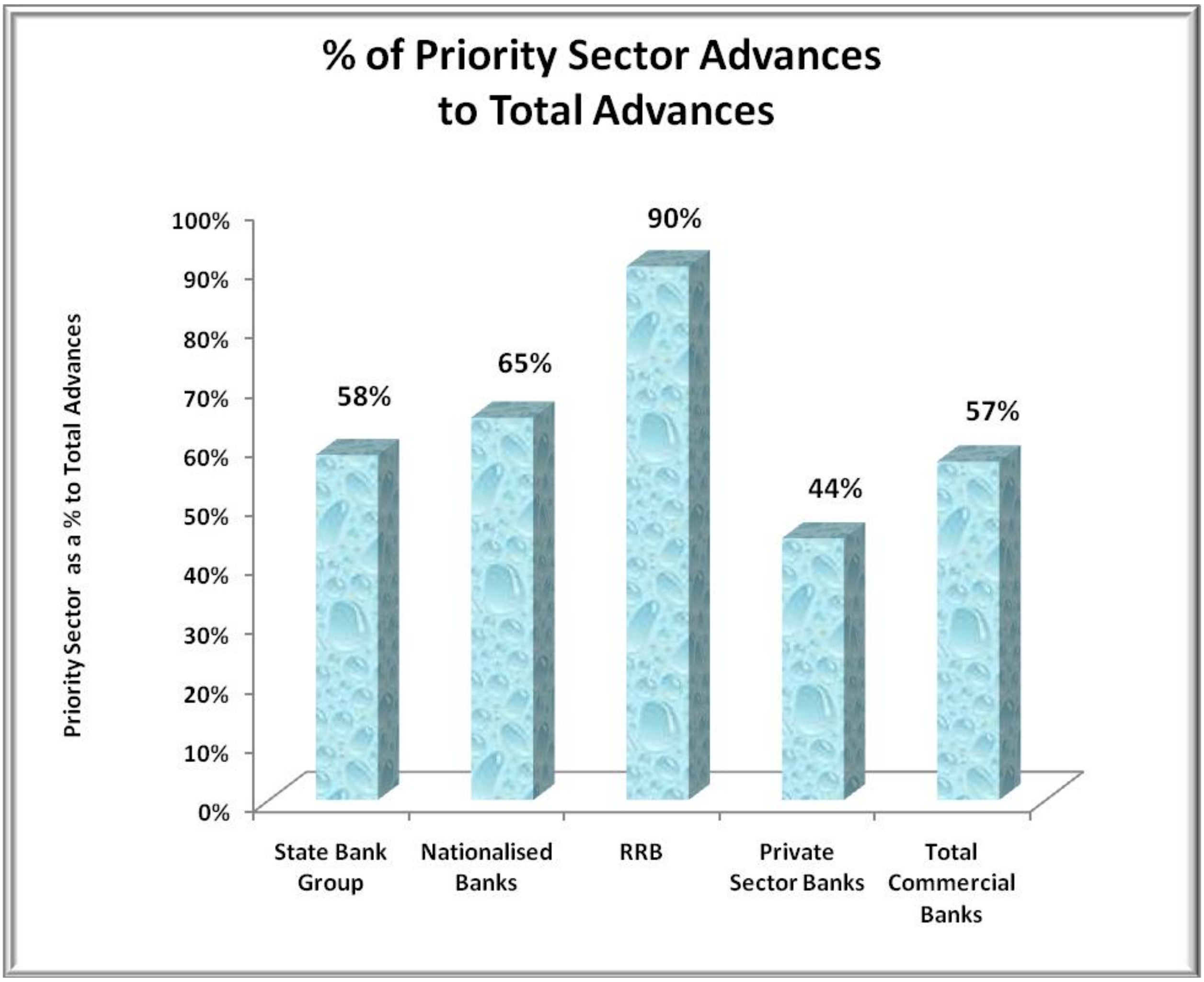


4.2.2. Priority Sector Advances in Total Advances – Bank Group wise
(Refer Annexure 8.4)

Banking Group wise Performance under Priority Sector Advances as at June 2016

(Rs in. Crores)

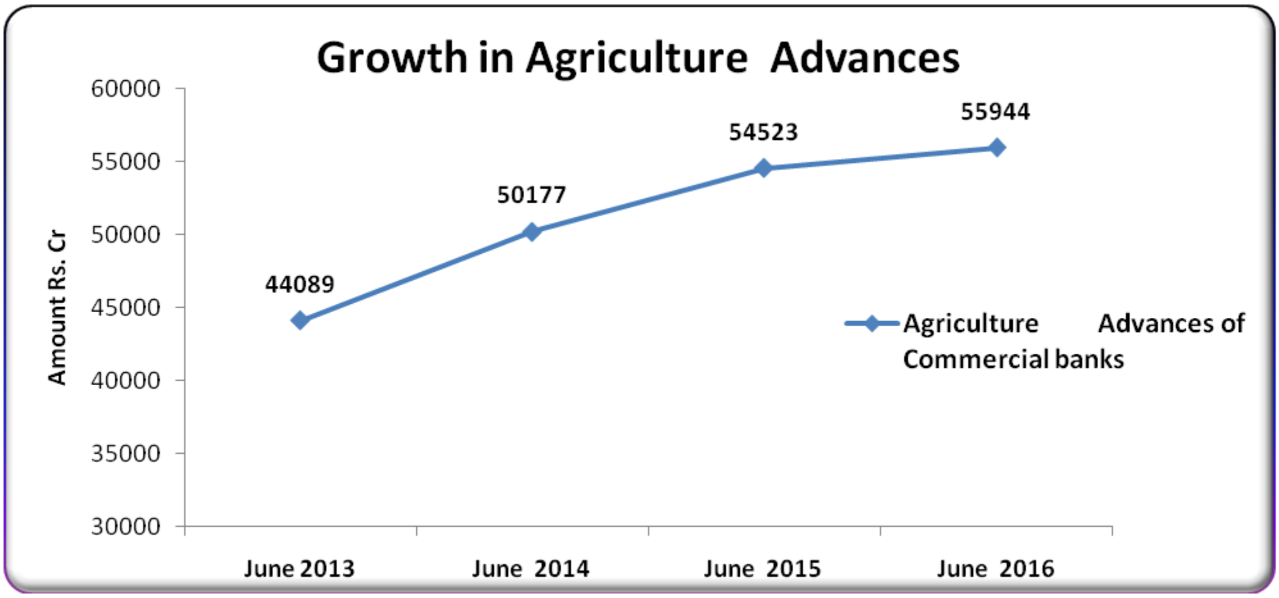
BANK	Total Advances			Priority Sector Advances			% PSA to Total Adv.
	Jun-15	Jun-16	Growth June'15-June'16	Jun-15	Jun-16	Growth June'15-June'16	
State Bank Group	62203	65342	3139	37838	38096	258	58%
Nationalized Banks	75385	78815	3430	51354	50926	-429	65%
RRB	10610	12137	1527	9637	10945	1308	90%
Private Sector Banks	70542	81258	10716	33904	35922	2018	44%
Total Commercial Banks	**218739**	**237551**	**18812**	**132733**	**135888**	**3155**	**57%**



4.2.3. **Agriculture Advances** (Refer Annexure 8.5)

(Rs in. Crores)

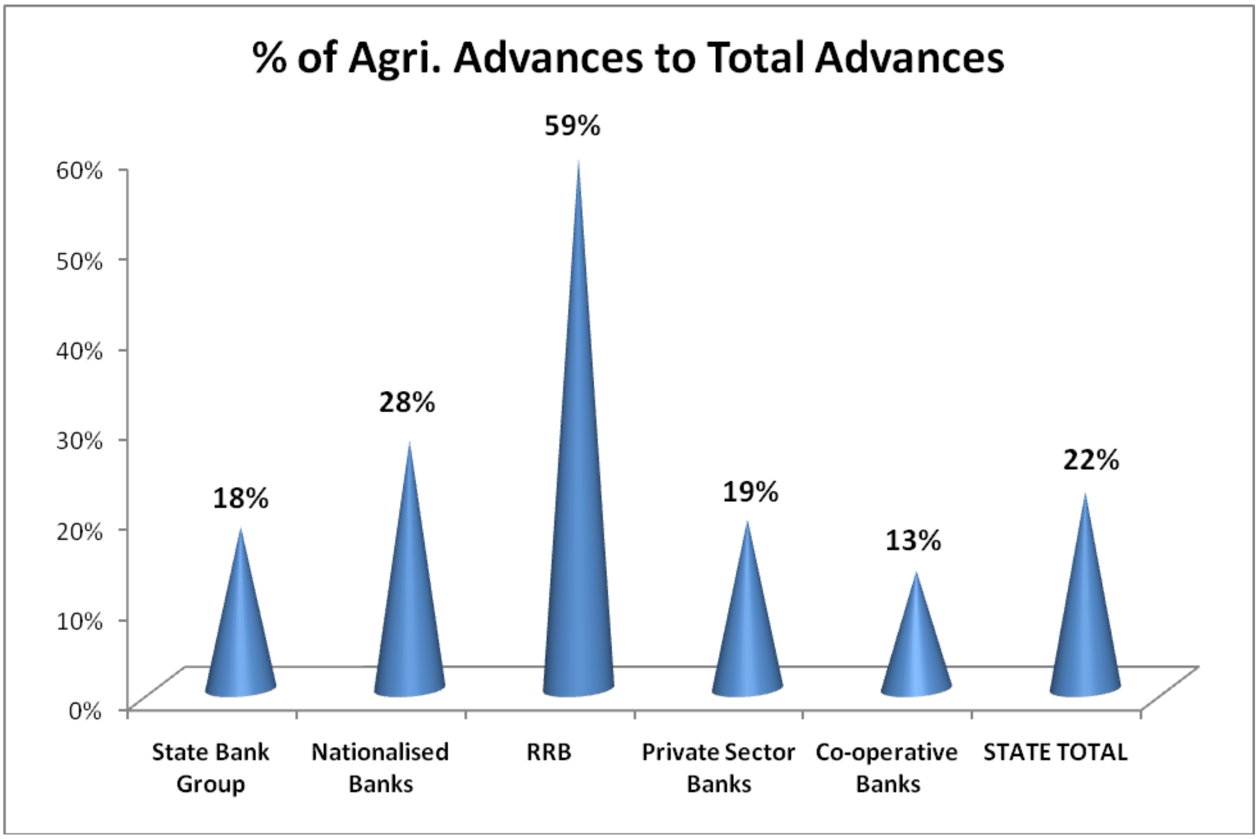
Parameter	Outstanding				Variation		
	June 2013	June 2014	June 2015	June 2016	June '13- June '14	June '14- June '15	June '15- June '16
Agriculture Advances of Commercial Banks	44089	50177	54523	55944	6088	4346	1421

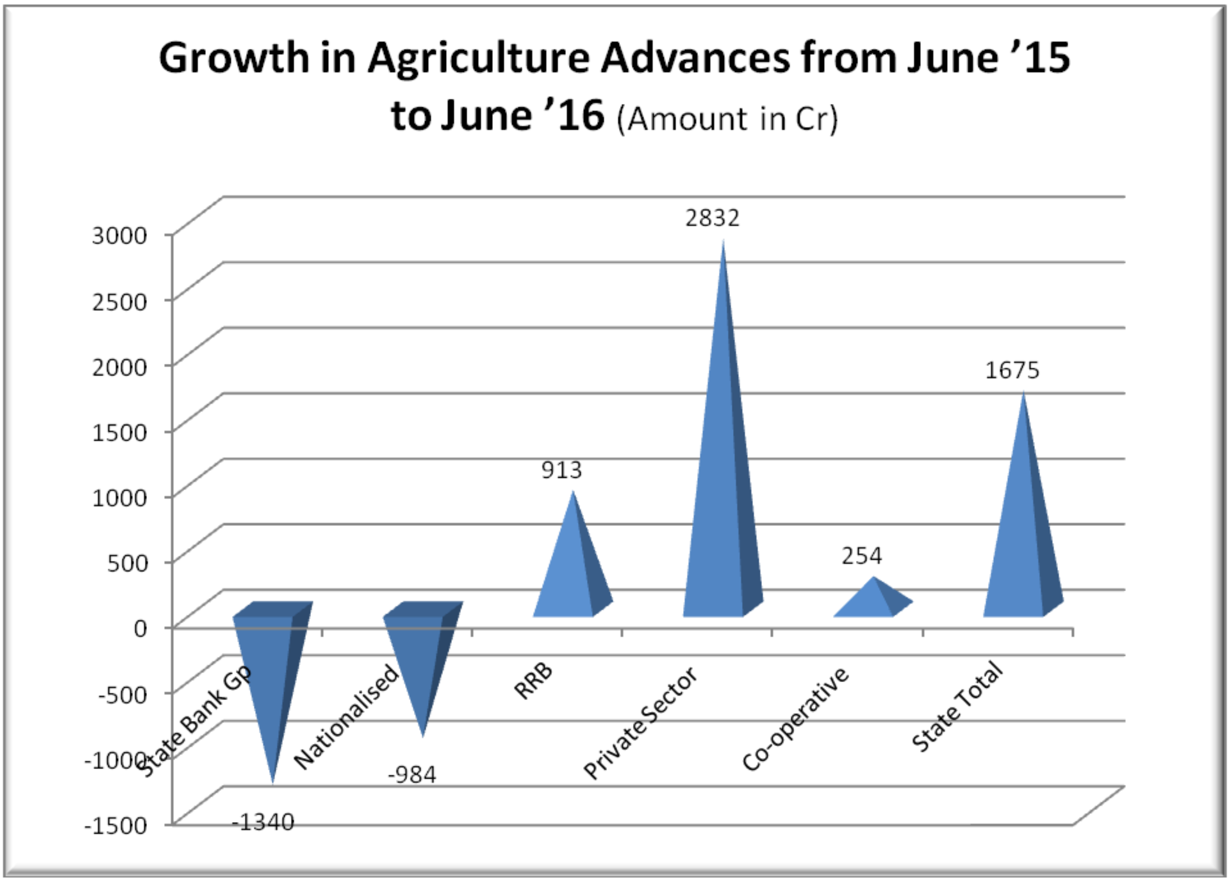


Banking Group wise Performance under Agriculture Advances as at June 2016

(Rs in. Crores)

Bank	Total Advances			Agriculture Advances			% Agri. Advances to Total Advances (June 2016)
	June 2015	June 2016	Growth June '15- June '16	June 2015	June 2016	Growth June '15- June '16	
State Bank Group	62203	65342	3139	13107	11767	-1340	18%
Nationalized Banks	75385	78815	3430	22708	21723	-984	28%
RRB	10610	12137	1527	6245.5	7158	913	59%
Private Sector Banks	70542	81258	10716	12463	15295	2832	19%
Co-operative Banks	33365	45004	11639	5638.9	5893	254	13%
State Total	**252104**	**282556**	**30451**	**60162**	**61837**	**1675**	**22%**

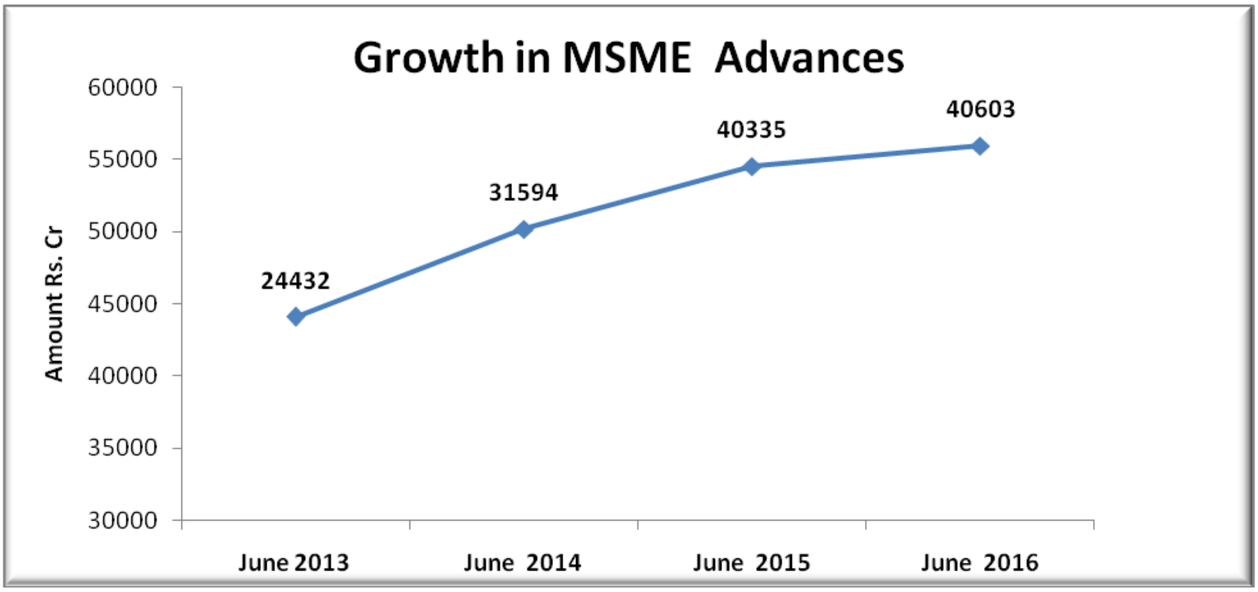

% of Agri. Advances to Total Advances
59%
60%
50%
40%
28%
30%
22%
18%
19%
20%
13%
10%
0%
State Bank Group
Nationalised Banks
RRB
Private Sector Banks
Co-operative Banks
STATE TOTAL


Growth in Agriculture Advances from June '15 to June '16 (Amount in Cr)
3000
2832
2500
2000
1675
1500
913
1000
500
254
0
-500
-1000
-1500
-1340
-984
State Bank Gp
Nationalised
RRB
Private Sector
Co-operative
State Total

4.2.4. MSME Advances (Priority) (Refer Annexure 8.6)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	June 2013	June 2014	June 2015	June 2016	June '13-June '14	June '14-June '15	June '15-June '16
MSME Advances of Commercial banks	24432	31594	40335	40603	7162	8741	268



Priority Advances under Secondary Sector now includes Medium, Small and Micro Enterprises. The growth shown above is on account of the reclassification effected during the quarter.

4.2.4.1. MSME (Priority) – Micro, Small & Medium Enterprises - Outstanding:

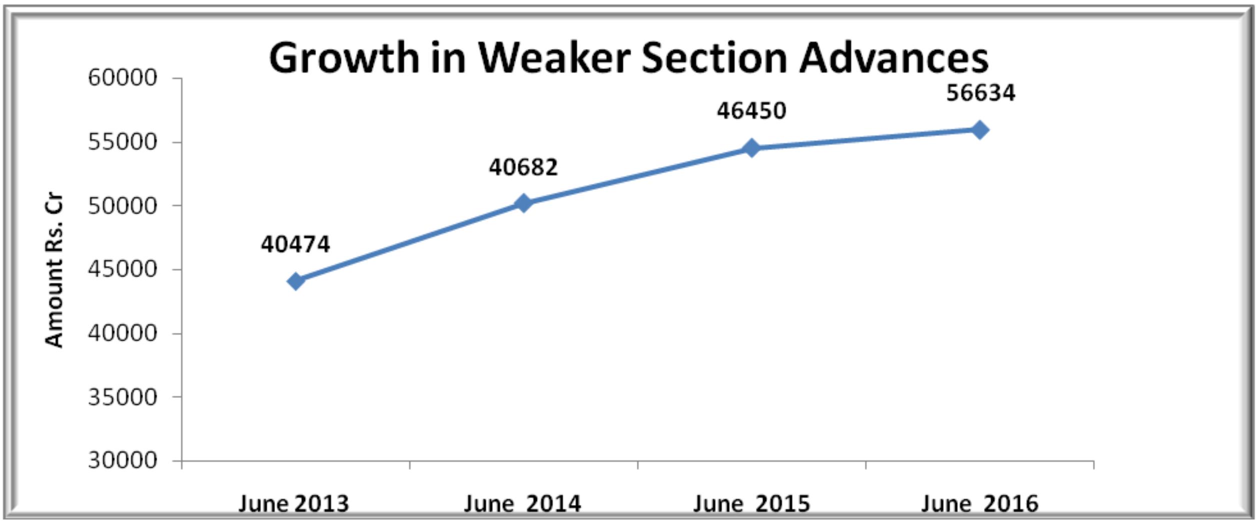
(Rs. in Crores)

Banking Group	Micro, Small & Medium Enterprises Outstanding (Priority)											
	March 2016						June 2016					
	Micro Enterprises		Small Enterprise		Medium Enterprise		Micro Enterprises		Small Enterprise		Medium Enterprise	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
State Bank Group	67919	4371	36175	4678	2532	381	69305	5205	30407	3870	2500	412
Nationalized Banks	337746	6951	34328	6349	16957	1400	332624	6687	55639	6839	7950	1448
RRB	134874	1165	1258	126	115	7	122721	1154	1172	124	117	8
Private Sector Banks	129239	4789	32202	7860	1762	1386	129009	5305	33198	8035	1943	1516
Total Commercial Banks	**669778**	**17275**	**103963**	**19014**	**21366**	**3174**	**653659**	**18351**	**120416**	**18868**	**12510**	**3384**

4.2.5. Advances to Weaker Section (Refer Annexure 8.9)

(Rs in. Crores)

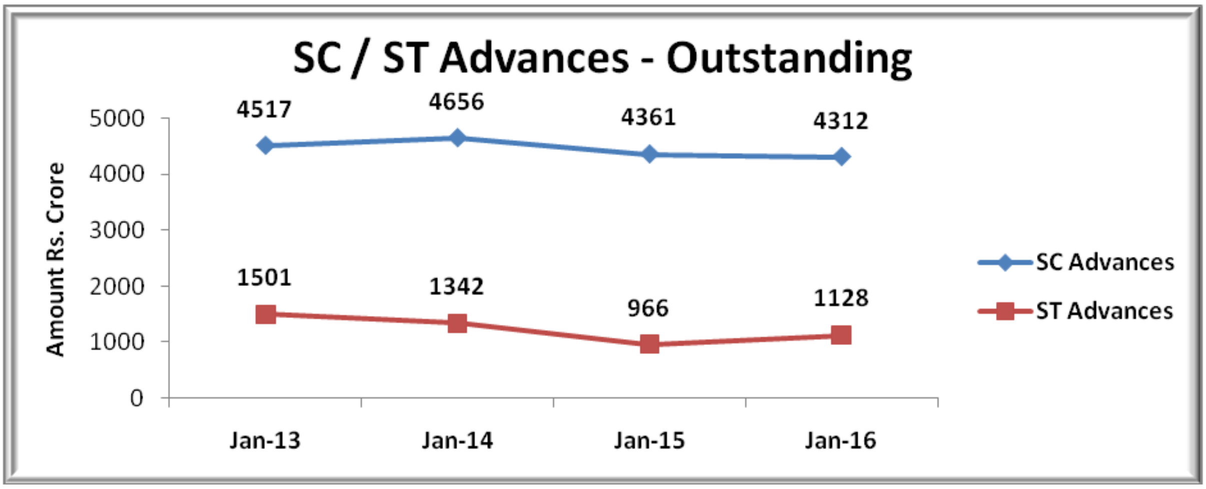
Parameter	Outstanding				Variation		
	June 2013	June 2014	June 2015	June 2016	June '13-June '14	June '14-June '15	June '15-June '16
Weaker Section Advances	40474	40682	46450	56634	208	5768	10184



4.2.6. Advances to SC/STs (Refer Annexure 8.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	Jun-13	Jun-14	Jun-15	Jun-16	June '13-June '14	June '14-June '15	June '15-June '16
SC Advances	4517	4656	4361	4312	139	-295	-49
ST Advances	1501	1342	966	1128	-159	-376	162
Total SC/ST Advances	**6018**	**5998**	**5327**	**5440**	**-20**	**-671**	**113**



Banking Group wise Performance under SC/ST advances as at June 2016

(Rs. in crores)

Bank	SC Advances			ST Advances		
	Outstanding		% O/S to total	Outstanding		% O/S to total
	No.	Amount		No.	Amount	
State Bank Group	219375	3468	80%	76596	806	71%
Nationalized Banks	67922	644	15%	23945	248	22%
RRB	23658	118	3%	12738	64	6%
Private Sector Banks	8530	82	2%	1049	12	1%
Total commercial banks	**319485**	**4312**	**100%**	**114328**	**1128**	**100%**

All banks, especially Private Sector Banks, should give more attention for rendering assistance to these most vulnerable sections of the society. A periodical review should be made by the Controlling Office of banks regarding the credit extended to SCs / STs on the basis of returns and other data received from the branches. This will improve the credit flow to SC/STs and would minimize the data inconsistency and reporting issues to SLBC/RBI.

Further nodal implementing agencies for the Central / State Government sponsored schemes are also requested to review the sub category wise credit flow to SC/STs and ensure that targets as specified in the RBI/Government guidelines are invariably achieved.

4.2.7. DRI Advances (Refer Annexure 8.10)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	Jun-13	Jun-14	Jun-15	Jun-16	June ’13-June ’14	June ’14-June ’15	June ’15-June ’16
DRI Advances	47	65	47	40	18	-18	-7

Banking Group wise Performance under DRI advances as at June 2016 (Rs. in lakhs)

Bank	DRI Advances		
	Outstanding		% O/S to total
	No.	Amount	
State Bank Group	2703	767	19%
Nationalized Banks	35856	2672	67%
RRB	789	42	1%
Private Sector Banks	3520	528	13%
Total commercial banks	**42868**	**4009**	**100%**

5. Review of Performance under Special Focus Programmes

5.1. Swarozgar Credit Card Scheme (Refer Annexure 8.19)

The data submitted by the Controlling offices of banks reveals that Commercial banks in the State have sanctioned **36** Swarozgar Credit Cards (SCCs) during the first quarter of the fiscal 2016-17. The limits sanctioned to the tune of **Rs. 77 lakhs**. The amount outstanding as at June 2016 is **Rs. 38.73 crores** in 6085 cards.

5.2. Artisans Credit Card Scheme (Refer Annexure 8.19)

Commercial banks in the State have sanctioned **59** Artisans Credit Cards (ACCs) during the quarter ending June 2016. The total limits sanctioned are to the tune of **Rs. 712 lakhs**. The amount outstanding as at June 2016 is **Rs. 17.63 crores** in **235 cards**.

5.3. Laghu Udhyami Credit Cards (Refer Annexure 8.19)

Commercial banks in the State have sanctioned **1295** Laghu Udhyami Credit Cards (LUCC) during the first quarter of the fiscal 2016-17 making available credit limits to the tune of **Rs. 15.83 crores** to small entrepreneurs of the State. The amount outstanding as at June 2016 is **Rs. 67.4 crores** in **2018 cards**.

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

5.4. Performance under Kisan Credit Card Scheme (Refer Annexure 8.18)

(Rs in. Crores)

Bank	Outstanding as at June 2015		Outstanding as at June 2016	
	No.	Amt	No.	Amt
State Bank Group	115904	1132	111326	1404
Nationalized Banks	218093	2611	180009	2415
RRB	152209	1068	150915	1138
Private Sector Banks	185924	5435	231890	6291
Co-operative Banks	898023	2066	1186943	2644
State Total	**1570153**	**12311**	**1861083**	**13892**

5.5. Agri-Clinics and Agri Business Centres (Refer Annexure 8.17)

The outstanding accounts under Agri clinics in the State by Commercial Banks is **35** with a credit outlay of **Rs. 101 lakhs**.

As at June 2016, **96** Agri-Business centre loans exist with an outstanding amount of **Rs. 1990 lakhs.**

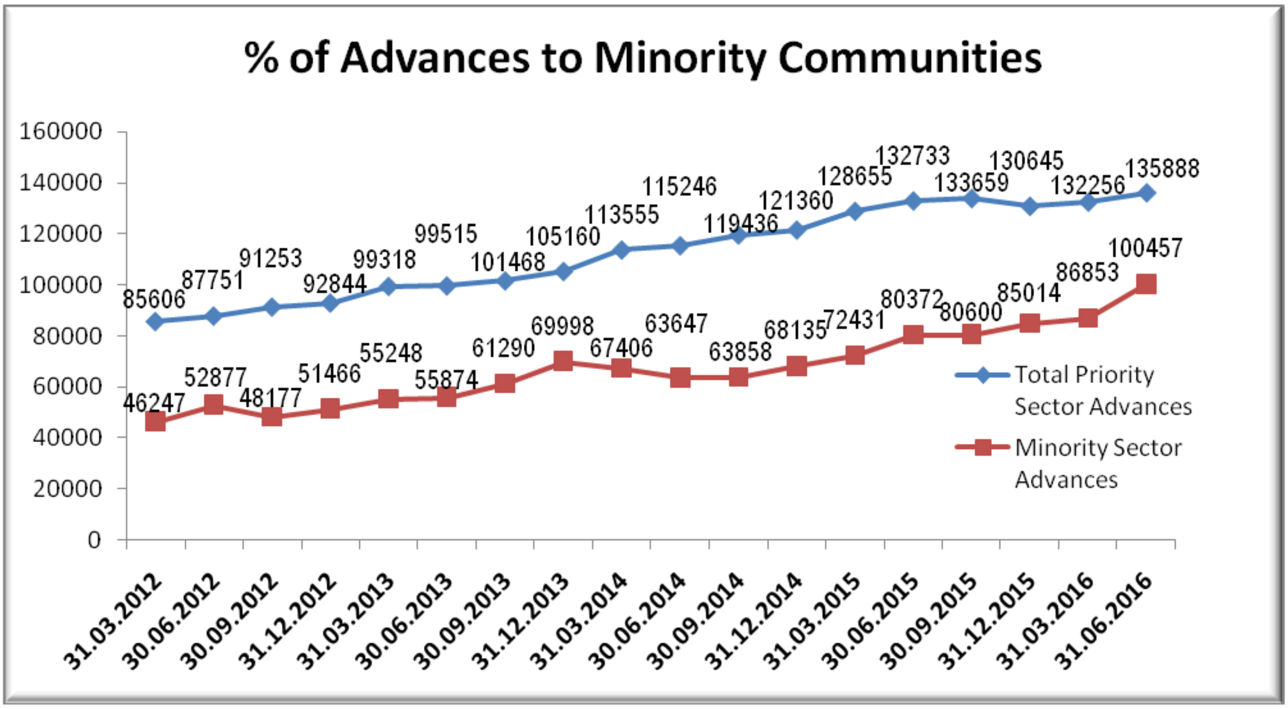
5.6. Credit Flow to Minority Communities (Refer Annexure 8.15)

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. The comparative position with regard to the previous year is given below.

Data on Minority Sector Advances of commercial banks in the State of Kerala

(Rs. in Crores)

Year	Total Priority Sector Advances	Minority Sector Advances	Percentage
31.03.2012	85606	46247	54
30.06.2012	87751	52877	60
30.09.2012	91253	48177	53
31.12.2012	92844	51466	55
31.03.2013	99318	55248	56
30.06.2013	99515	55874	56
30.09.2013	101468	61290	60
31.12.2013	105160	69998	67
31.03.2014	113555	67406	59
30.06.2014	115246	63647	55
30.09.2014	119436	63858	53
31.12.2014	121360	68135	56
31.03.2015	128655	72431	56
30.06.2015	132733	80372	61
30.09.2015	133659	80600	60
31.12.2015	130645	85014	65
31.03.2016	132256	86853	66
31.06.2016	135888	100457	74

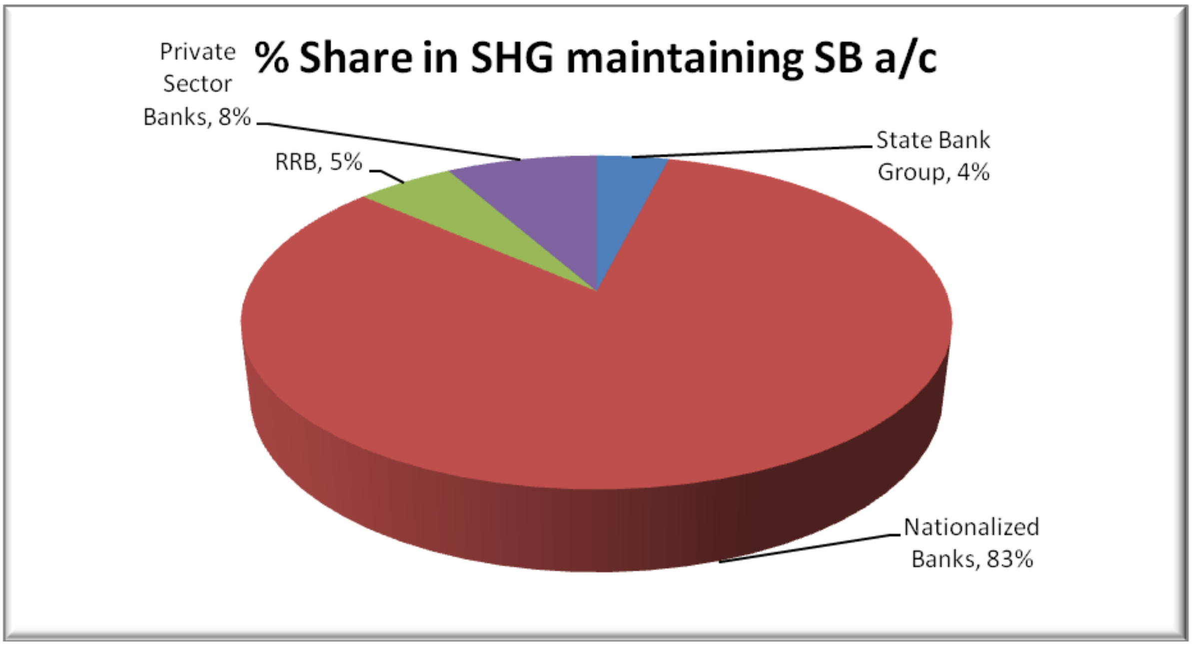


5.7. Performance under Micro-credit (Annexures 8.20 to 8.23)

SLBC had compiled the data obtained from all banks on the cumulative performance under micro credit in the State as at June 2016. The bank-wise performance is given in annexures. The banking group-wise data is as follows.

(Rs in. Crores)

Banking Group	SHGs maintaining Savings a/c	
	No.	Amt.
State Bank Group	24294	56
Nationalized Banks	121327	1175
RRB	56023	76
Private Sector Banks	38613	117
Total - Kerala State	**240257**	**1423**



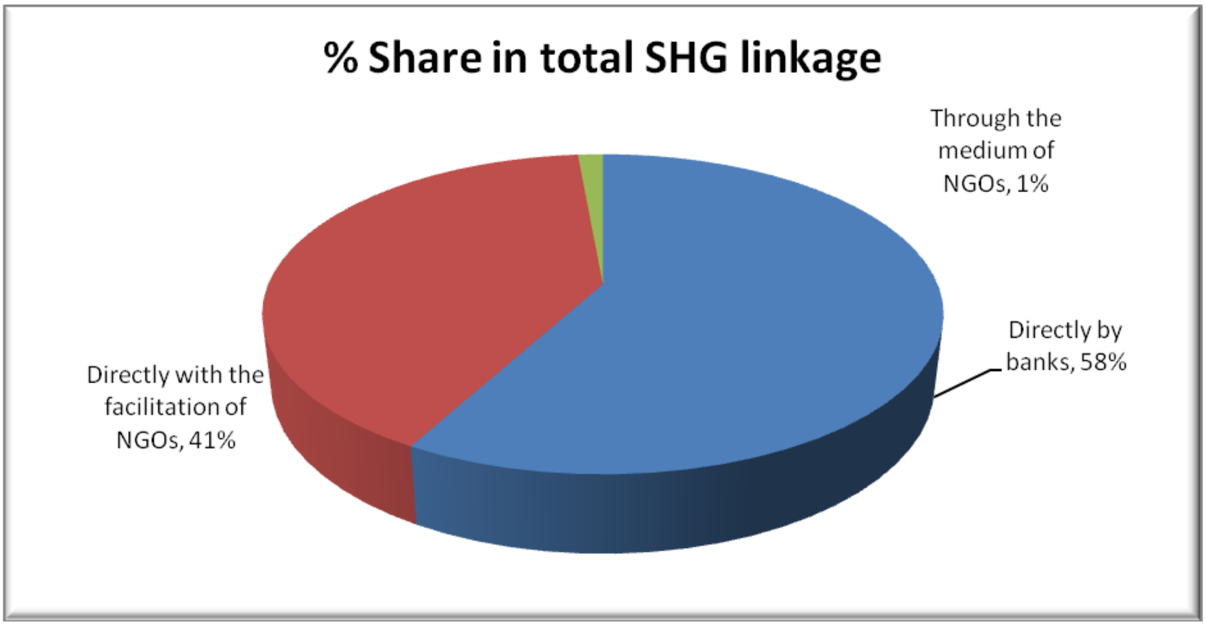
There are 3 modes for credit linkage of SHGs under the SHG-Bank linkage programme. Credit linkage through

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	No of SHG loans Disbursed During the Quarter		Outstanding Amount under SHG Finance	
	A/c	Amt	A/c	Amt
Financing SHGs directly by banks	10143	257	127204	2163
Financing SHGs directly with the facilitation of NGOs	7750	130	93577	1516
Financing SHGs through the medium of NGOs	45	1	1253	53
Total No. of SHGs linked	**17938**	**389**	**222034**	**3732**



5.8. 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 2013-14; 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 2015	June 2016	Increase	% Increase	Target
1	**No of Loan accounts under Micro Enterprise**	536816	653659	116843	22%	**10%**
2	**Credit under Micro and Small Enterprise** (Rs.in Crores)	35280	37219	1939	5%	**20%**
3	**Credit under Micro Enterprise** (Rs.in Crores)	13189	18351	5162	39%	**xxxx**
4	**Share of Micro Enterprise to total MSE Credit (%)**	37%	49%	xxxx	xxxx	**60%**

5.9. Position of Sick SME under different Banking group (Refer Annexure 8.31)

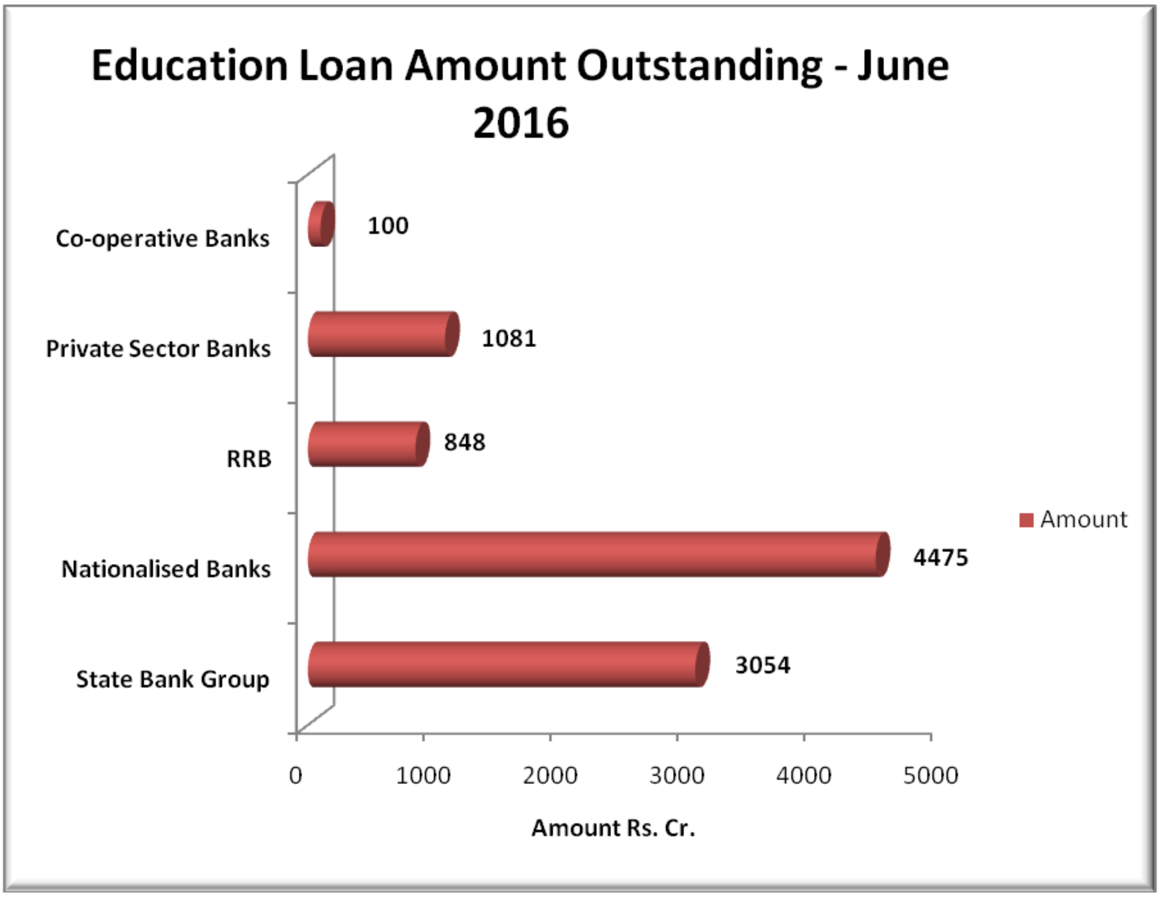
(Rs. in crores)

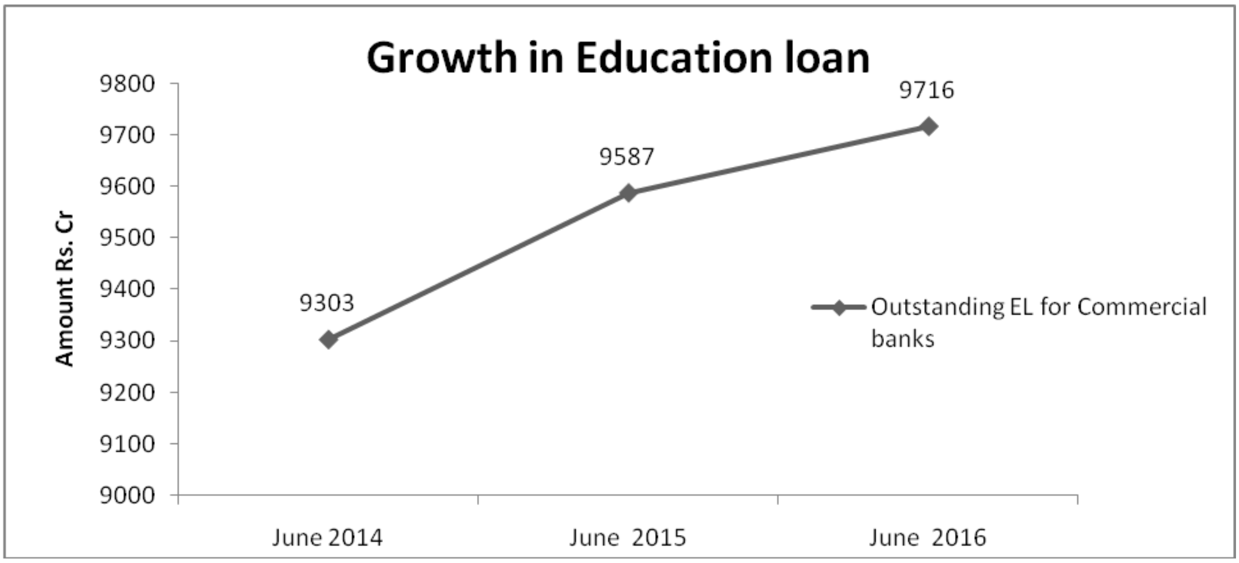
Banking Group	Cumulative Position at the end of June 2016		
	No of Units	Amount	% to total
State Bank Group	353	4	0.1%
Nationalized Banks	7420	1125	32.9%
RRB	0	0	0%
Private Sector Banks	14971	2290	67%
Grand Total	**22744**	**3419**	**100%**

5.10. Outstanding Performance under Education Loan (Refer Annexure 8.27)

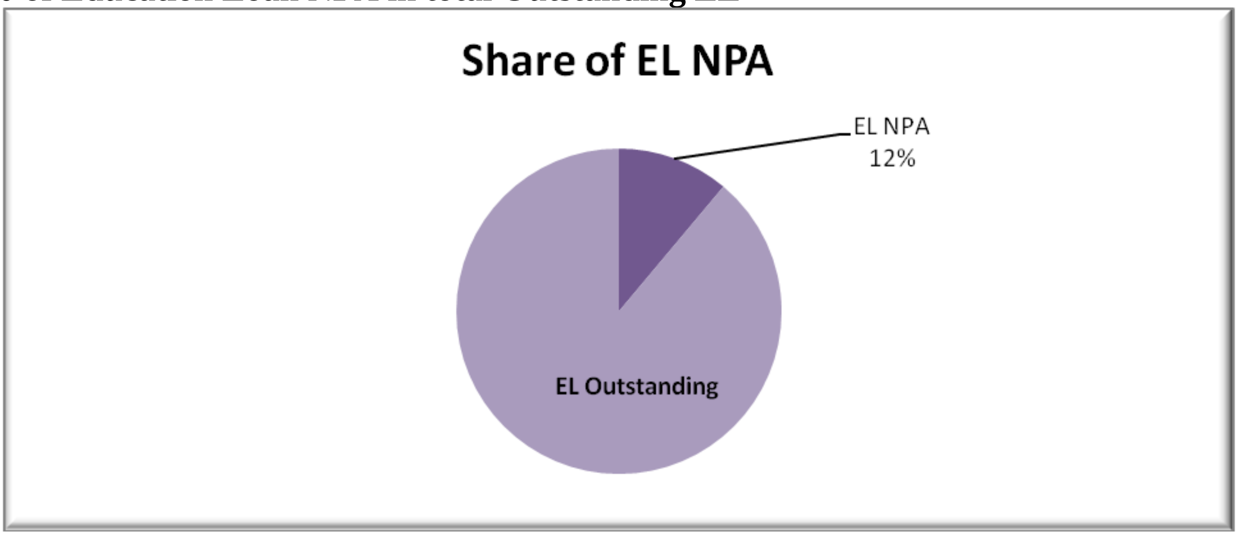
(Rs. in crores)

Banking Group	Outstanding Education loan	
	A/cs	Amount
State Bank Group	103408	3054
Nationalized Banks	170062	4475
RRB	33618	848
Private Sector Banks	46487	1081
Co-operative Banks	5589	100
State Total	**359164**	**9558**

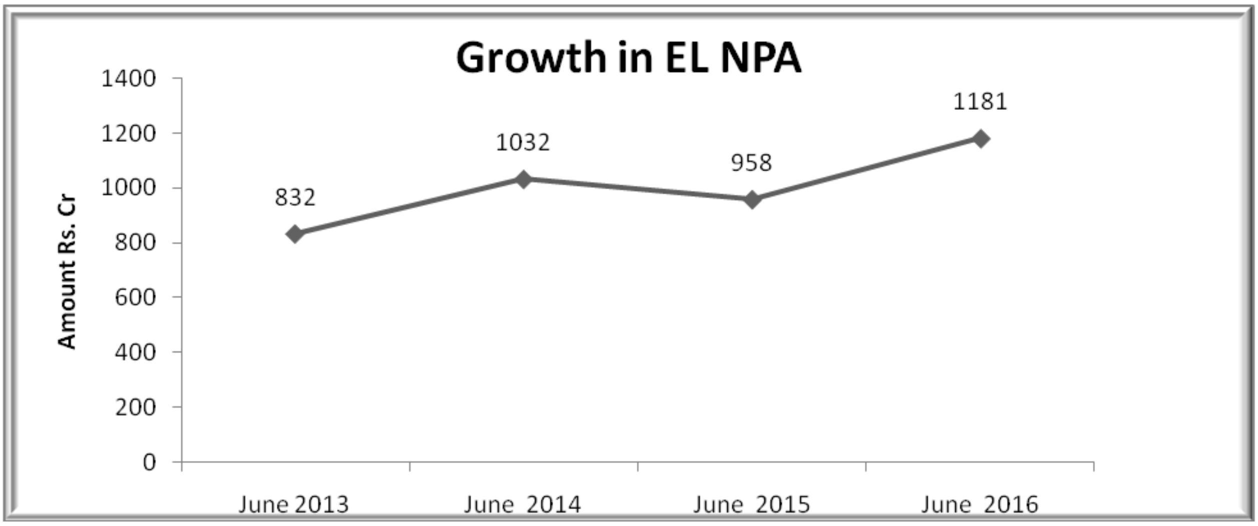




% of Education Loan NPA in total Outstanding EL



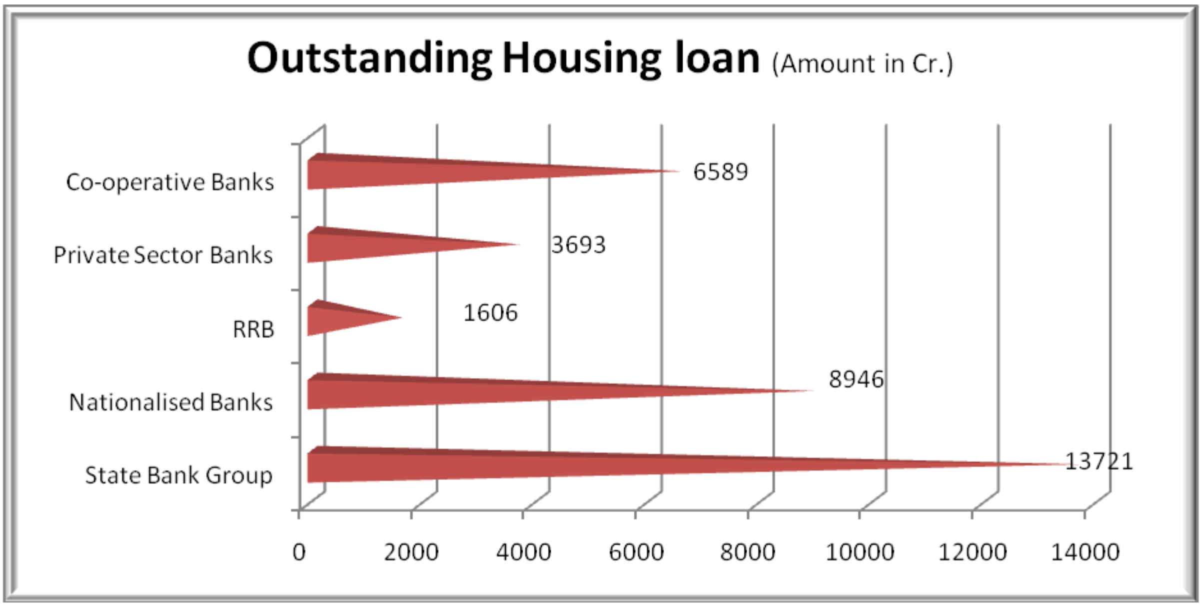
Growth in Education Loan NPA over the years

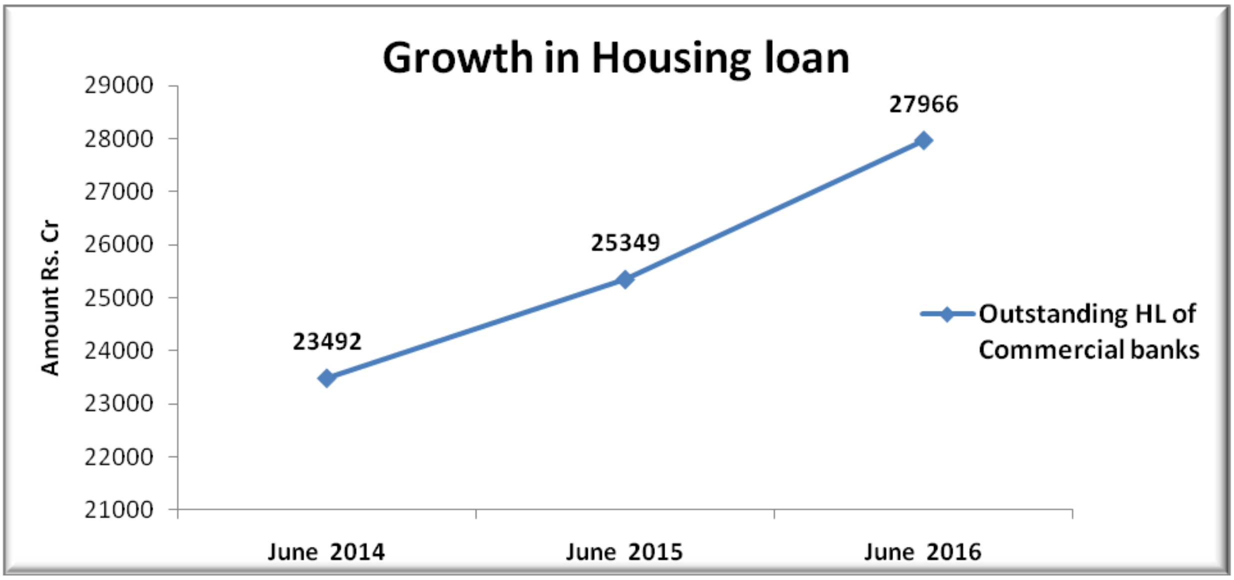


5.11. Outstanding Performance under Housing Loan (Refer Annexure 8.7)

(Rs. in crores)

Banking Group	Outstanding Housing loan	
	A/cs	Amount
State Bank Group	207919	13721
Nationalized Banks	164334	8946
RRB	40122	1606
Private Sector Banks	61510	3693
Co-operative Banks	254508	6589
State Total	**728393**	**34555**





5.12. Total Outstanding Under MUDRA Loans (PMMY) as at June 2016

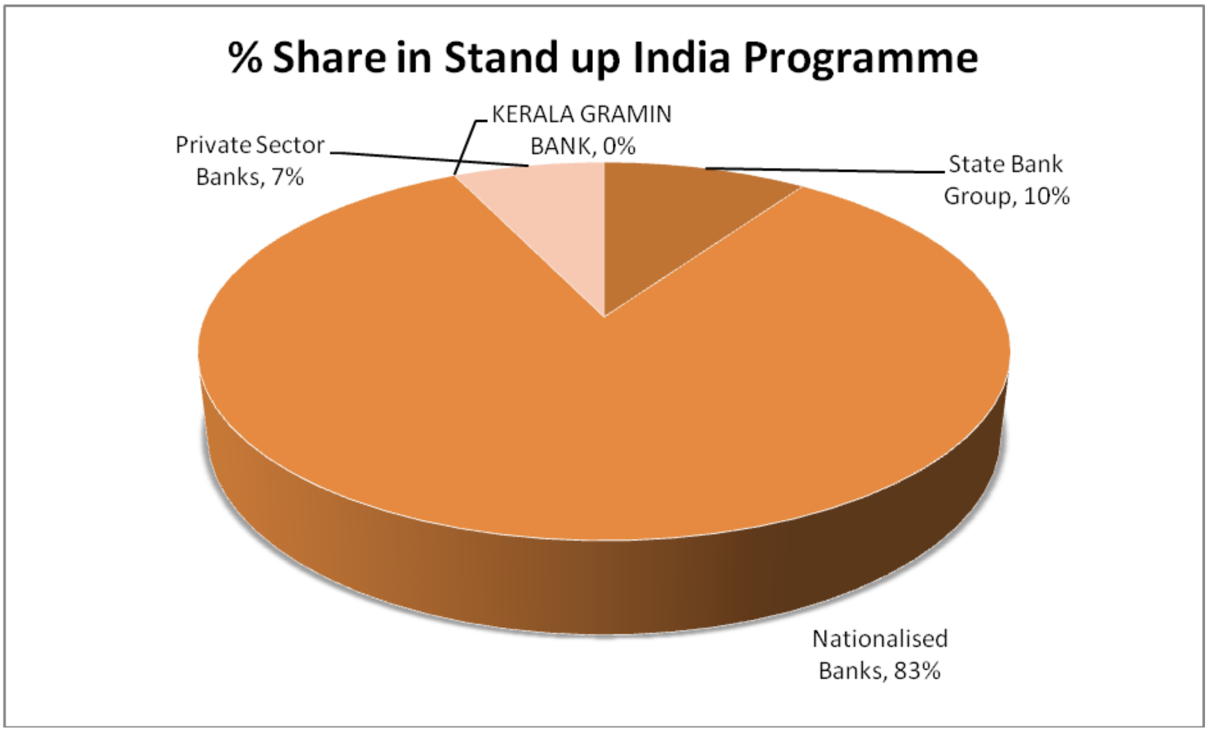
(Refer Annexure 8.33)

(Rs. in crores)

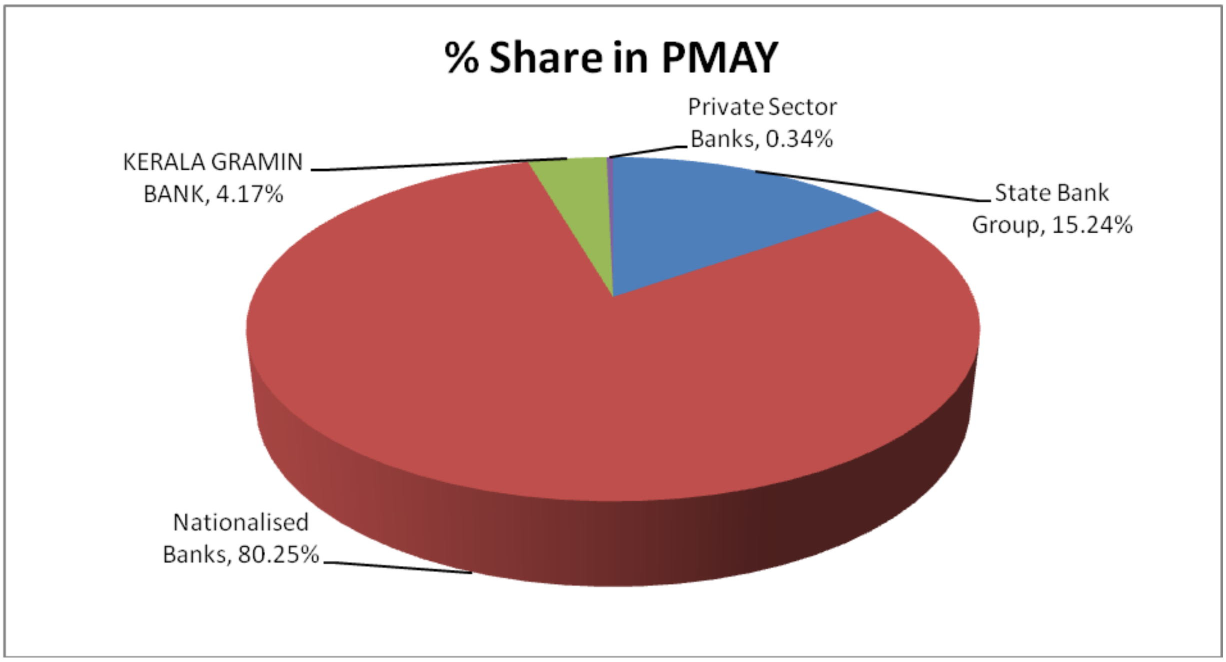
Banking Group	Of Total outstanding under MUDRA loans							
	SHISHU		KISHORE		TARUN		Total MUDRA Loans	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
State Bank Group	16134	39	8669	209	3310	266	28113	513
Nationalized Banks	61709	175	34201	615	5381	341	101291	1131
RRB	38329	84	25883	403	887	64	65099	551
Private Sector Banks	7490	15	7909	164	3602	210	19001	388
State total	**123662**	**312**	**76662**	**1391**	**13180**	**881**	**213504**	**2584**

5.13. Loan Outstanding under Stand up India Programme as at June 2016 (in %)

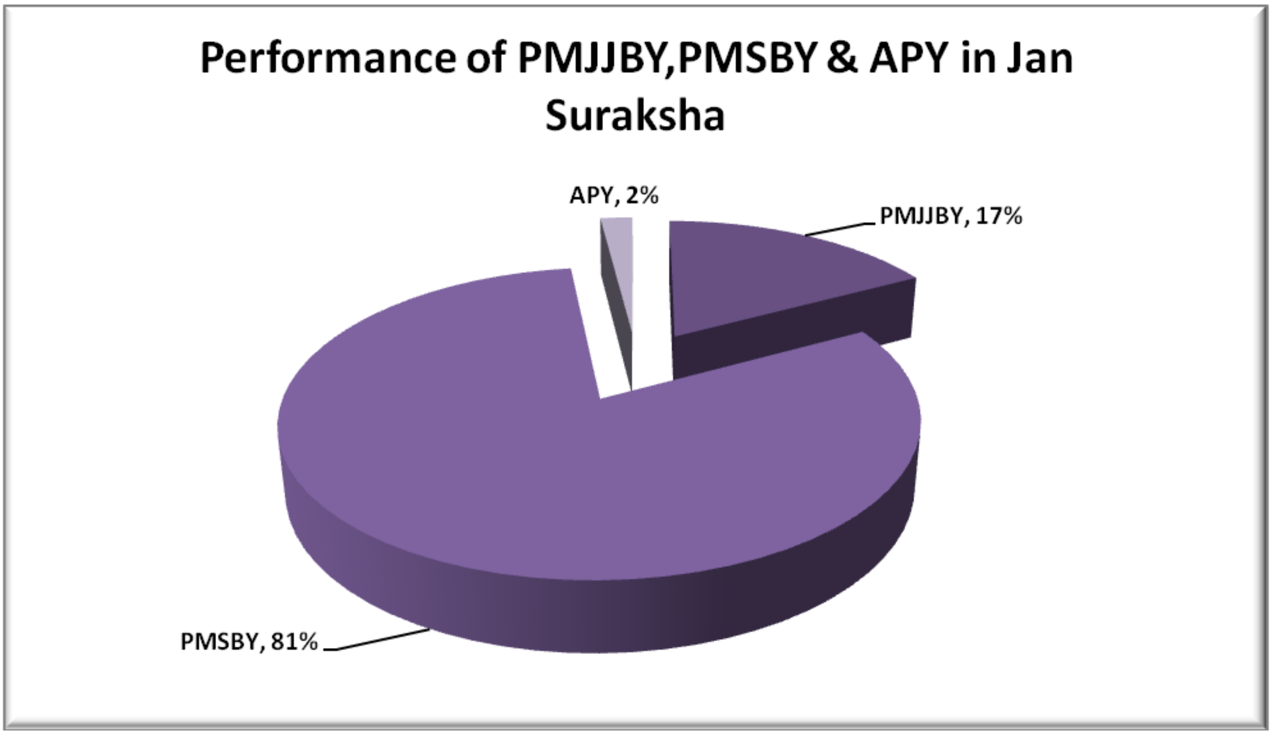
(Refer Annexure 8.40)

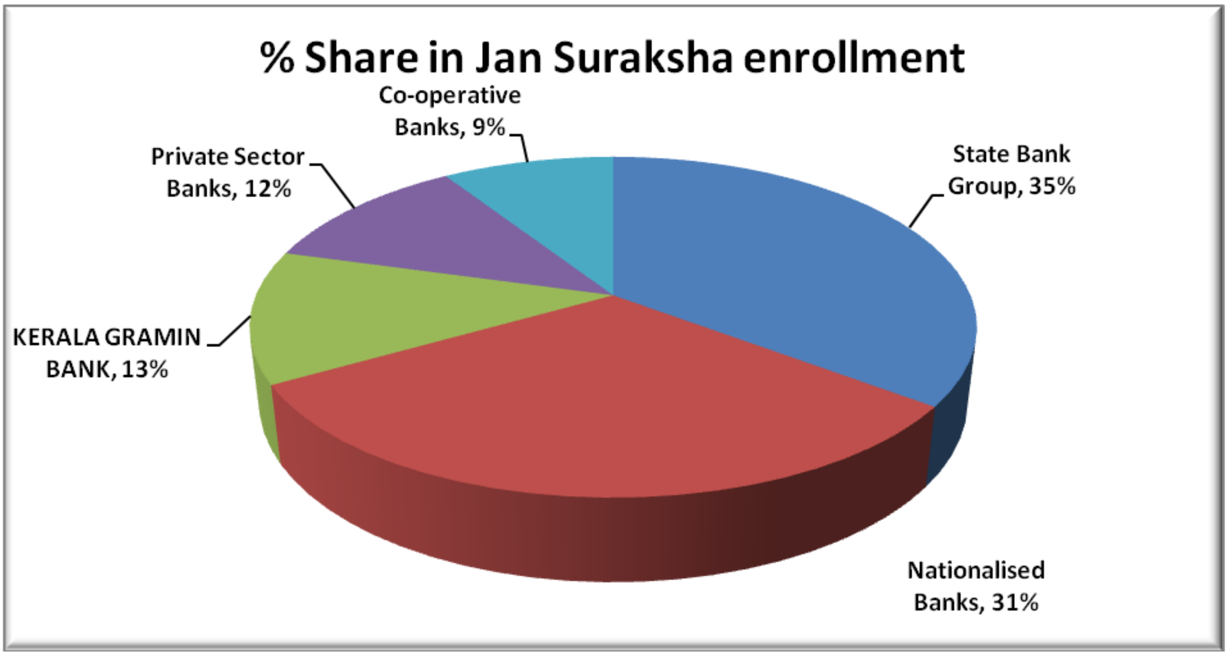


5.14. Loan Outstanding under Pradhan Mantri Awas Yojana as at June 2016 (in %) (Refer Annexure 8.42)



5.15. Cumulative enrollment under Pradhan Mantri Jan Suraksha Yojana as at June 2016 (in %) (Refer Annexure 8.35)





6. Review of Performance of the Banking Sector

6.1. Banking Statistics as at June 2016 (Refer Annexures 8.1 to 8.3)

The detailed banking statistics for commercial banks in the State as at June 2016 is furnished in the Annexure A comparative analysis of the data over the previous fiscal is presented below.

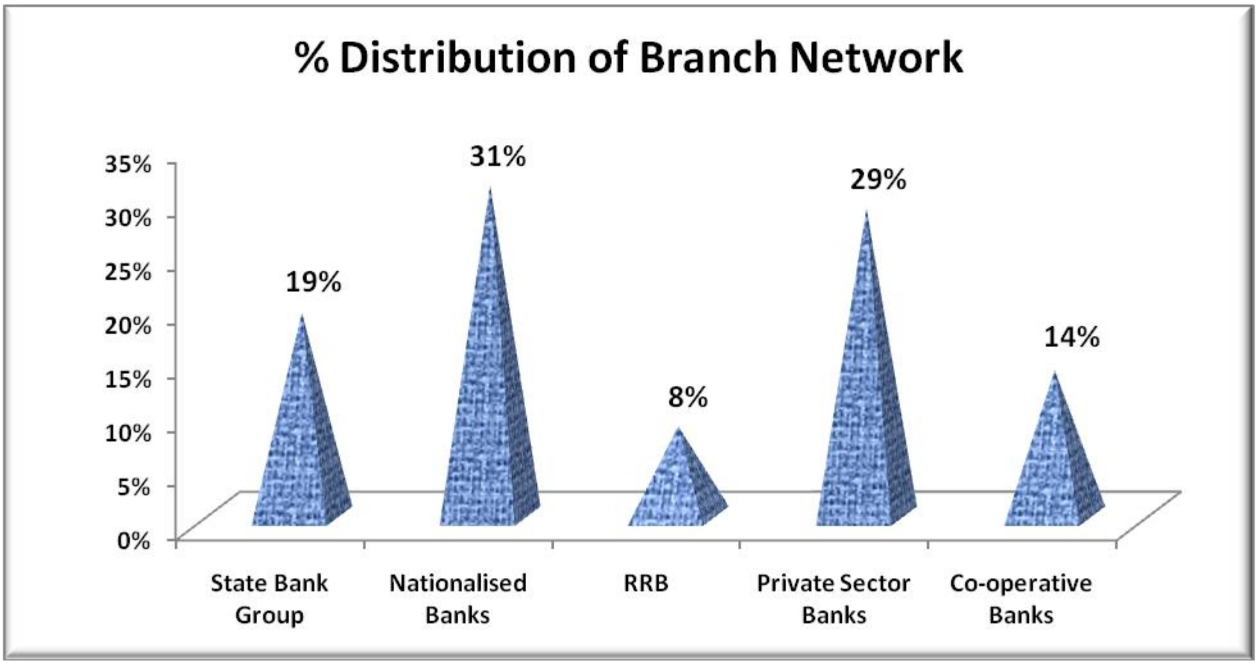
(Rs. in crores)

Parameter	Outstanding			Variation	
	Jun-14	Jun-15	Jun-16	June '14-June '15	June '15-June '16
No. of Branches	5755	6010	6213	255	203
Total Deposits	283928	328763	370412	44835	41649
Domestic Deposits	189831	211414	227744	21583	16330
NR Deposits	94097	117349	142668	23252	25319
Total Advances	192561	218739	237551	26178	18812
Advances + Investment	205110	232731	249233	27622	16501
Credit Deposit Ratio	67.82	66.53	64.13	-1	-2
C+ I : D Ratio	72.24	70.79	67.29	-1	-4

6.2. Branch Network

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

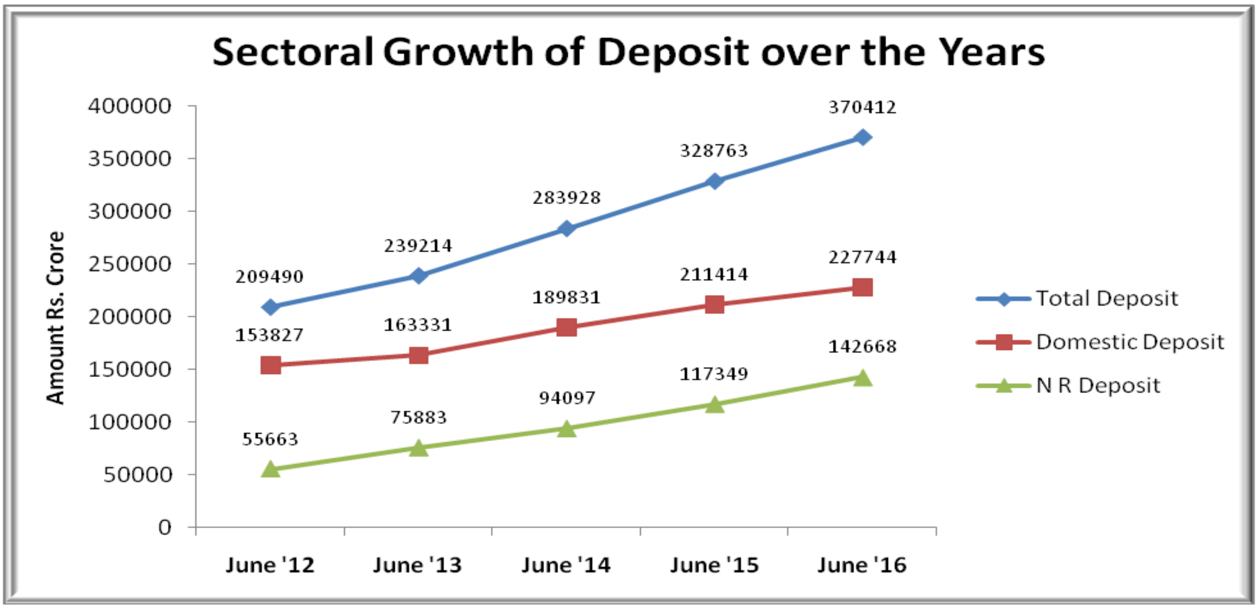
Banking Group	Number of Branches				Percentage distribution			
	Rural	S.Urban	Urban	Total	Rural	S.Urban	Urban	Branch Network
State Bank Group	98	919	339	1356	1%	13%	5%	19%
Nationalized Banks	115	1462	629	2206	2%	20%	9%	31%
RRB	48	511	39	598	1%	7%	1%	8%
Private Sector Banks	179	1404	470	2053	2%	20%	7%	29%
Co-operative Banks	136	43	794	973	2%	1%	11.05%	14%
GRAND TOTAL	**576**	**4339**	**2271**	**7186**	**8%**	**60%**	**32%**	**100%**



6.3. Deposit growth

(Rs. in crores)

Type of deposit	June '12	June '13	June '14	June '15	June '16
Total Deposit	209490	239214	283928	328763	370412
Domestic Deposit	153827	163331	189831	211414	227744
N R Deposit	55663	75883	94097	117349	142668
% Share of Domestic Deposits	73.43	68.28	66.86	64.31	61.48

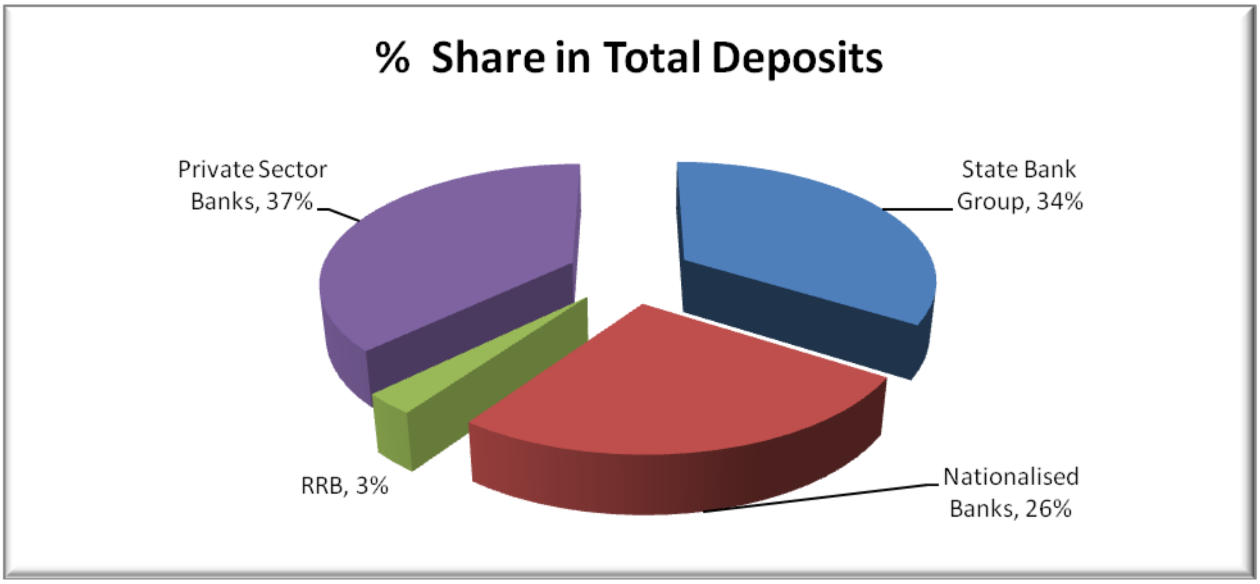


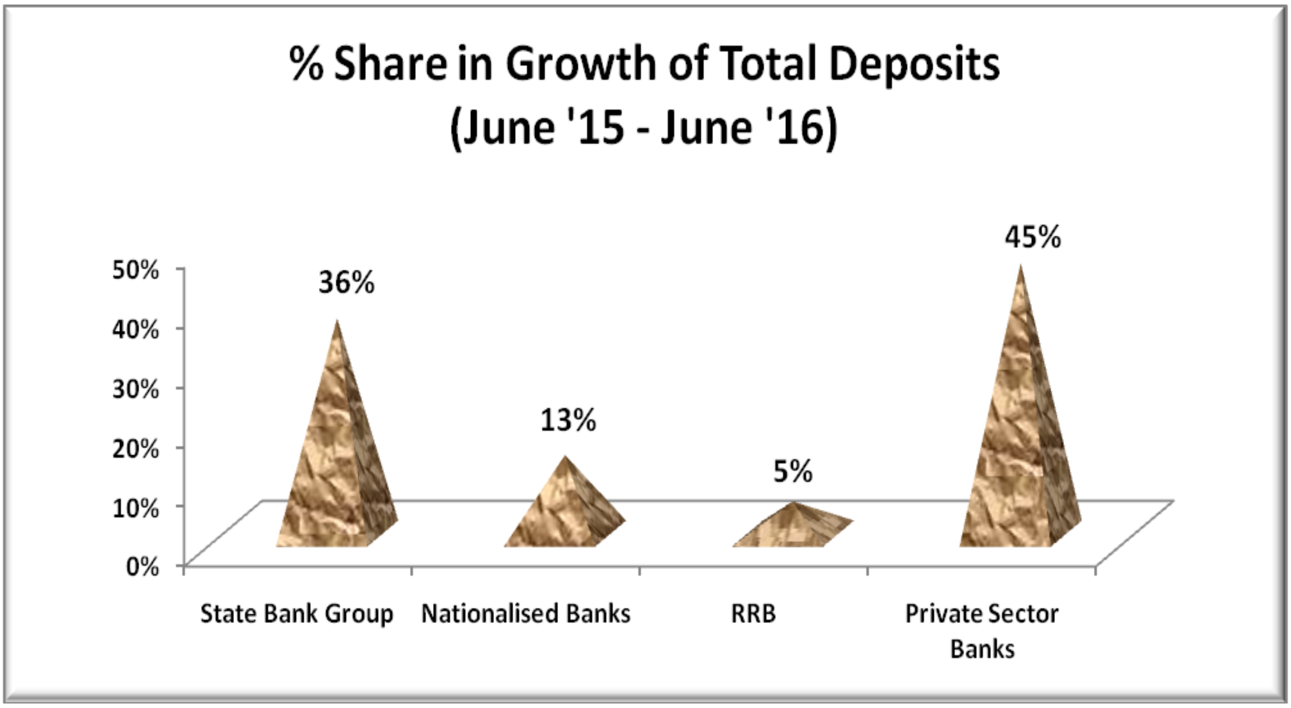
A. Banking Group wise Growth in Deposits

(Rs. in crores)

Banking group	Total Deposits		% Share in Total Deposits (June'16)	Variation (June'15-June'16)	% Share in Growth
	June '15	June '16			
State Bank Group	110611	125635	34%	15025	36%
Nationalized Banks	90748	96233	26%	5485	13.2%
RRB	8270	10521	3%	2251	5.4%
Private Sector Banks	119134	138022	37%	18889	45.4%
TOTAL	**328763**	**370412**	**100%**	**41649**	**100%**

Banking Group wise Growth in Deposits as at June 2016





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	
State Bank Group	4237	74815	46584	125635	3%	60%	37%	34%
Nationalized Banks	3042	51548	41643	96233	3%	54%	43%	26%
RRB	524	7745	2252	10521	5%	74%	21%	3%
Private Sector Banks	5668	78551	53804	138022	4%	57%	39%	37%
TOTAL	**13471**	**212659**	**144283**	**370412**	**4%**	**57%**	**39%**	**100%**

6.4. NR Deposits (Refer Annexure 8.2)

Population Group wise/Banking Group wise Distribution of NR Deposits

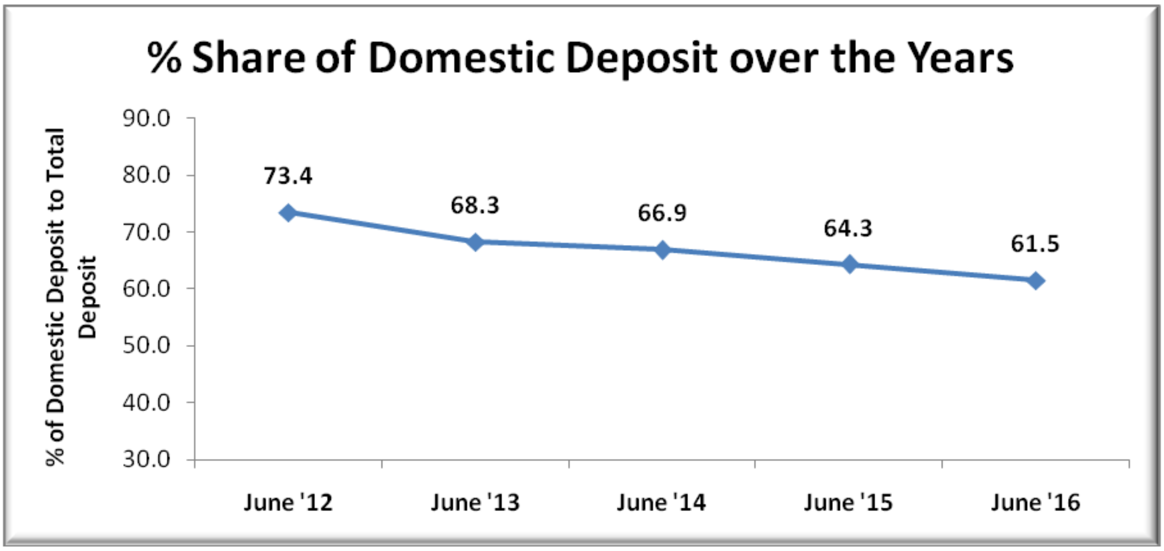
(Rs. in crores)

Banking Group	N R Deposits				Percentage Distribution			Share of Banking Group in Total NR Deposits
	Rural	Semi Urban	Urban	Total	Rural	Semi Urban	Urban	
State Bank Group	1534	32913	16952	51399	3	64	33	36
Nationalized Banks	686	18802	10675	30163	2	62	35	21
RRB	30	467	37	535	6	87	7	0
Private Sector Banks	2480	39826	18266	60573	4	66	30	42
Total	**4730**	**92009**	**45930**	**142668**	**3**	**64**	**32**	**100**

6.5. Domestic Deposits

Share of Domestic Deposits in Total Deposits (%)

June '12	June '13	June '14	June '15	June '16
73.4	68.3	66.9	64.3	61.5

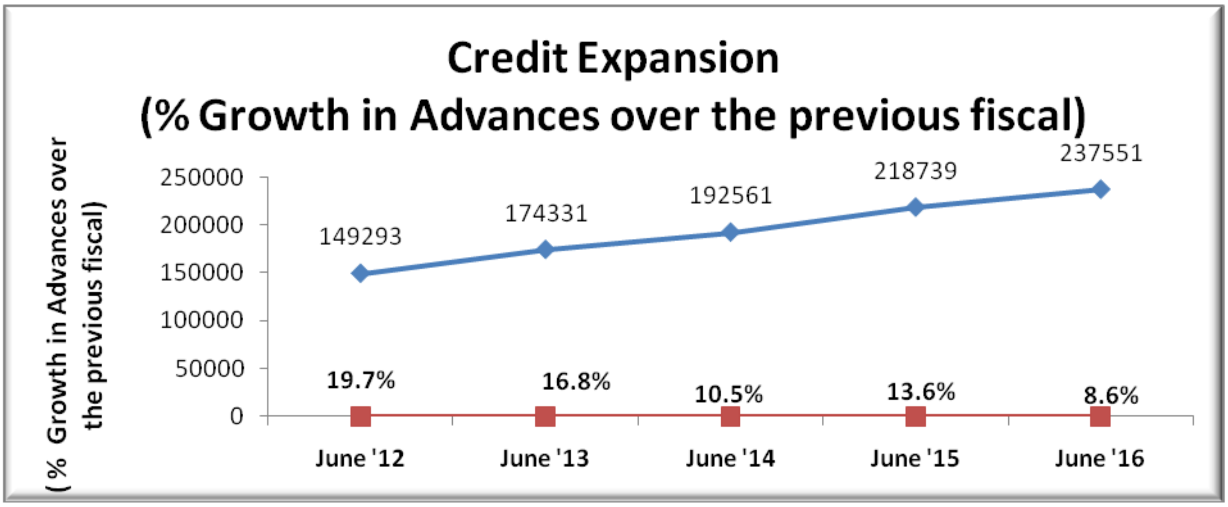


6.6. Credit Expansion (Refer Annexure 8.2)

Growth in Advances of the Banking sector in the State

(Rs. in crores)

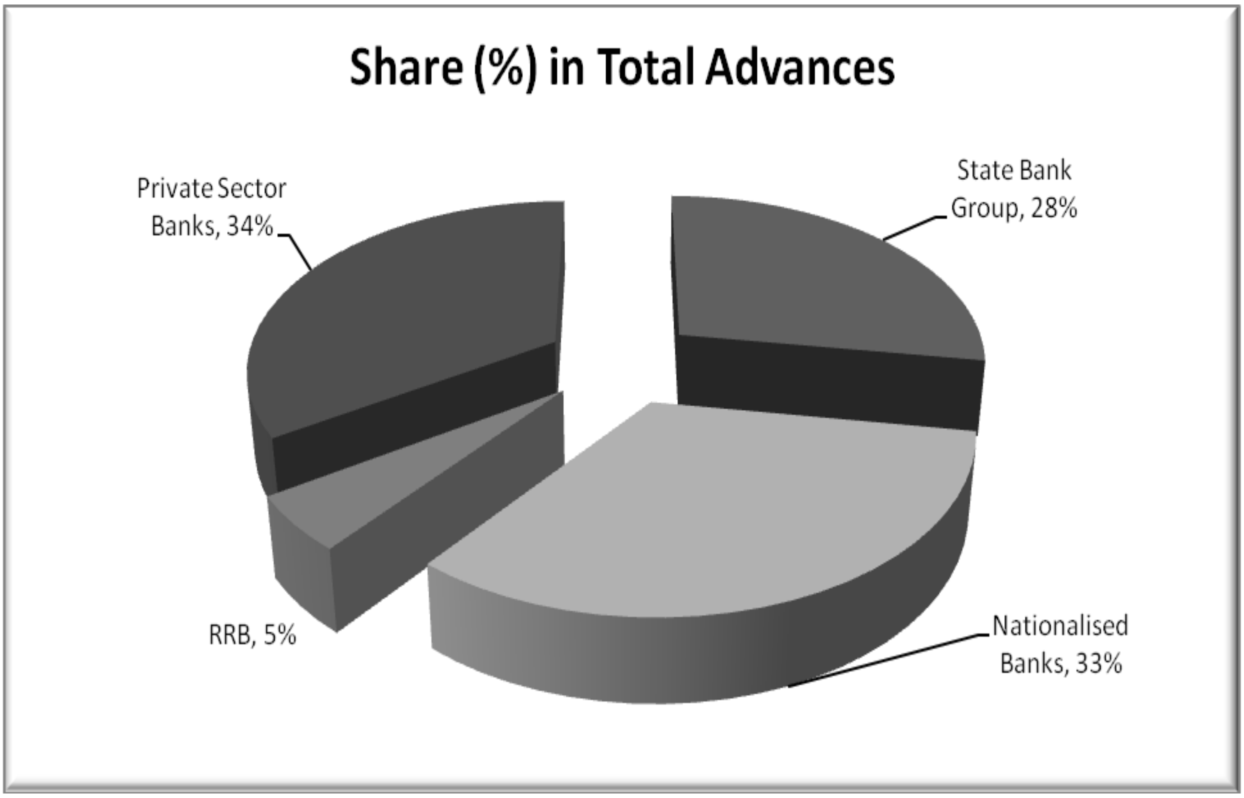
Parameter	Total Advances Outstanding over the Years				
	June '12	June '13	June '14	June '15	June '16
Total Advances	149293	174331	192561	218739	237551
% Growth over the previous fiscal	19.7%	16.8%	10.5%	13.6%	8.6%



Share of Banking Groups in Total Advances of the State

(Rs. in crores)

Banking Group	Total Advances				Percentage Distribution			Share (%) in Total Advances
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	
State Bank Group	3750	32540	29052	65342	6%	50%	44%	28%
Nationalized Banks	2272	38444	38098	78815	3%	49%	48%	33%
RRB	749	10284	1103	12137	6%	85%	9%	5%
Private Sector Banks	2209	35430	43619	81258	3%	44%	54%	34%
Total - Commercial Banks	**8980**	**116698**	**111873**	**237551**	**4%**	**49%**	**47%**	**100%**



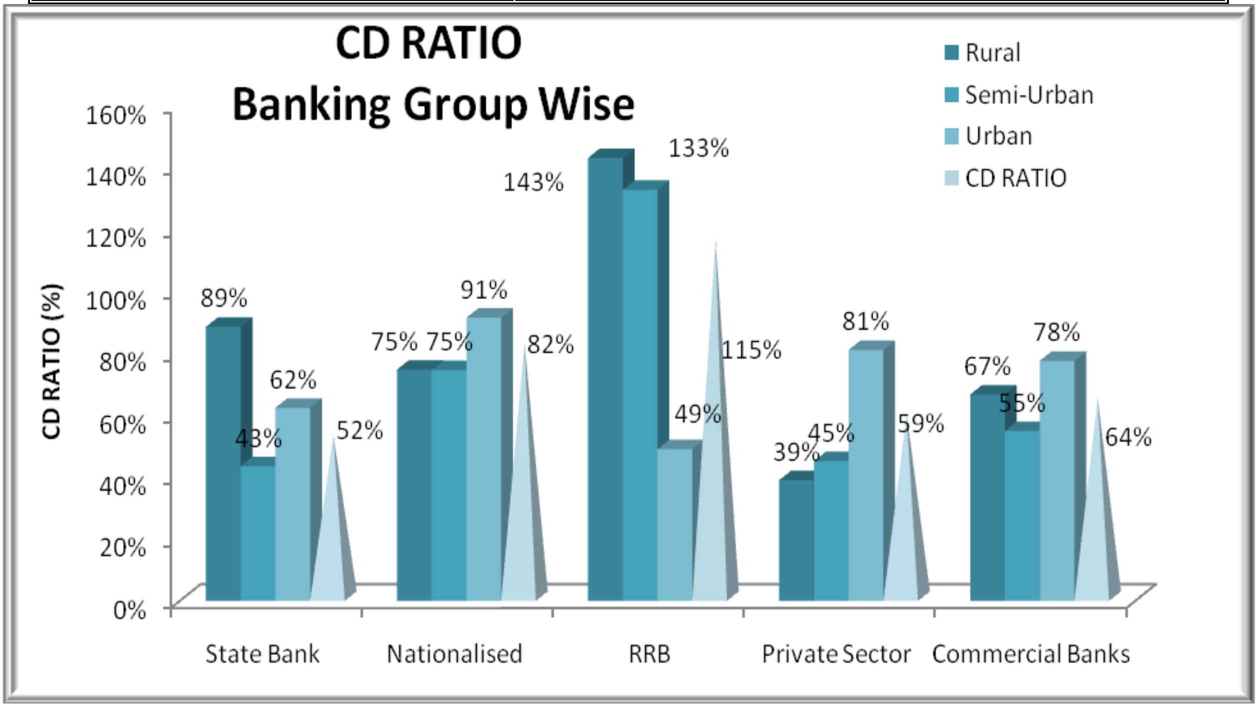
6.7. Credit-Deposit Ratio [C D Ratio] (Refer Annexure 8.3)

Credit-Deposit Ratio

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio
Mar-14	279655	192010	68.66
Jun-14	283928	192561	67.82
Sep-14	292709	204405	69.83
Dec-14	303065	207974	68.62
Mar-15	319890	218706	68.37
Jun-15	328763	218739	66.53
Sep-15	338902	222791	65.74
Dec-15	349043	225405	64.58
Mar-16	361593	232418	64.28
Jun-16	370412	237551	64.13

Banking Group wise C D ratio as at June 2016

Banking Group	C D Ratio - Percentage Distribution			
	Rural	Semi-Urban	Urban	CD Ratio
State Bank Group	89%	43%	62%	52%
Nationalized Banks	75%	75%	91%	82%
RRB	143%	133%	49%	115%
Private Sector Banks	39%	45%	81%	59%
Total - Commercial Banks	**67%**	**55%**	**78%**	**64%**



6.8. Credit + Investment: Deposit ratio (C+I: D ratio) (Refer Annexure 8.3)

Reporting Quarter	C+I: D Ratio
Mar-15	71.18
Jun-15	70.79
Mar-16	67.12
Jun-16	67.29

6.9. 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 30.06.2016

(Rs. in crores)

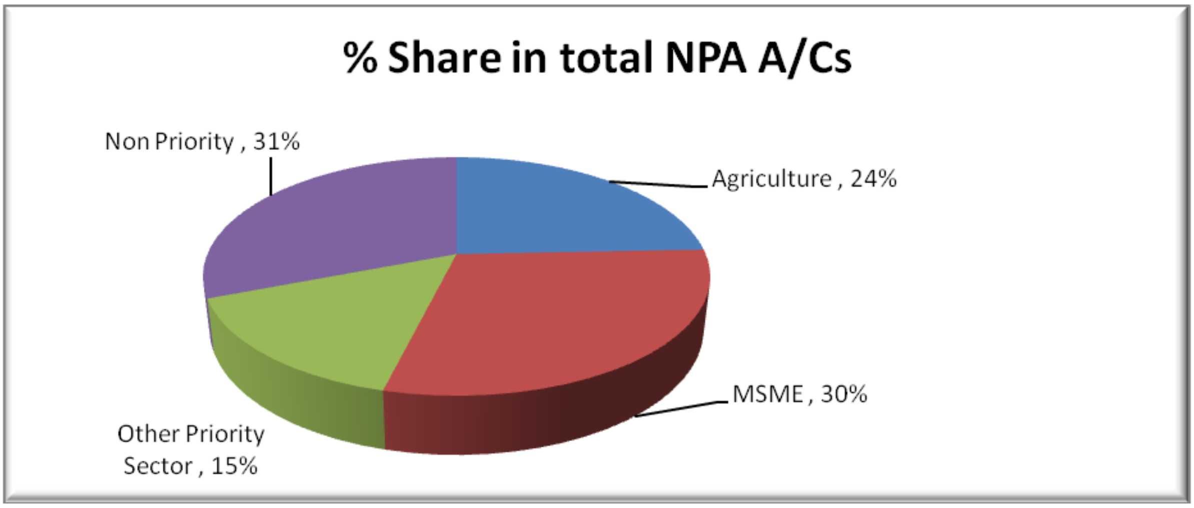
Sl. No.	District	Deposits	Advances	CD Ratio (%)
1	Trivandrum	66393	42108	63.42
2	Kollam	29067	18146	62.43
3	Pathanamthitta	33190	9525	28.70
4	Alappuzha	26419	12419	47.01
5	Kottayam	33051	17478	52.88
6	Ernakulam	80907	68000	84.05
7	Idukki	5934	7137	120.29
8	Thrissur	49285	28132	57.08
9	Palakkad	21618	13016	60.21
10	Malappuram	21911	13223	60.35
11	Kozhikode	25667	19907	77.56
12	Kannur	26580	13830	52.03
13	Kasargode	8165	6439	78.86
14	Wayanad	9760	13194	135.19
Total for State (including co-operative banks)		**437946**	**282556**	**64.52**

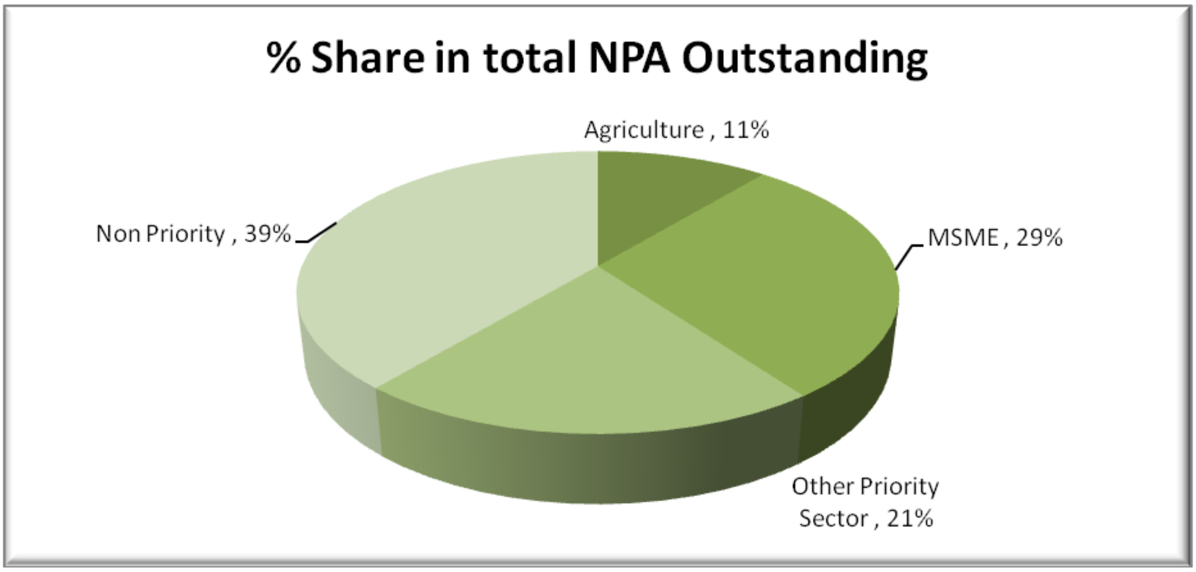
6.10. Sector wise NPA outstanding (Refer Annexure 8.36)

Net NPA Outstanding as at June 2016

(Rs. in crores)

Parameter	No of Accounts	Amount Outstanding
NPA in Agriculture Advances	104137	998
NPA in MSME Advances	126093	2622
NPA in Other Priority Sector Advances	65148	1914
NPA in Non Priority Advances	131901	3523
Total NPA	**427279**	**9057**



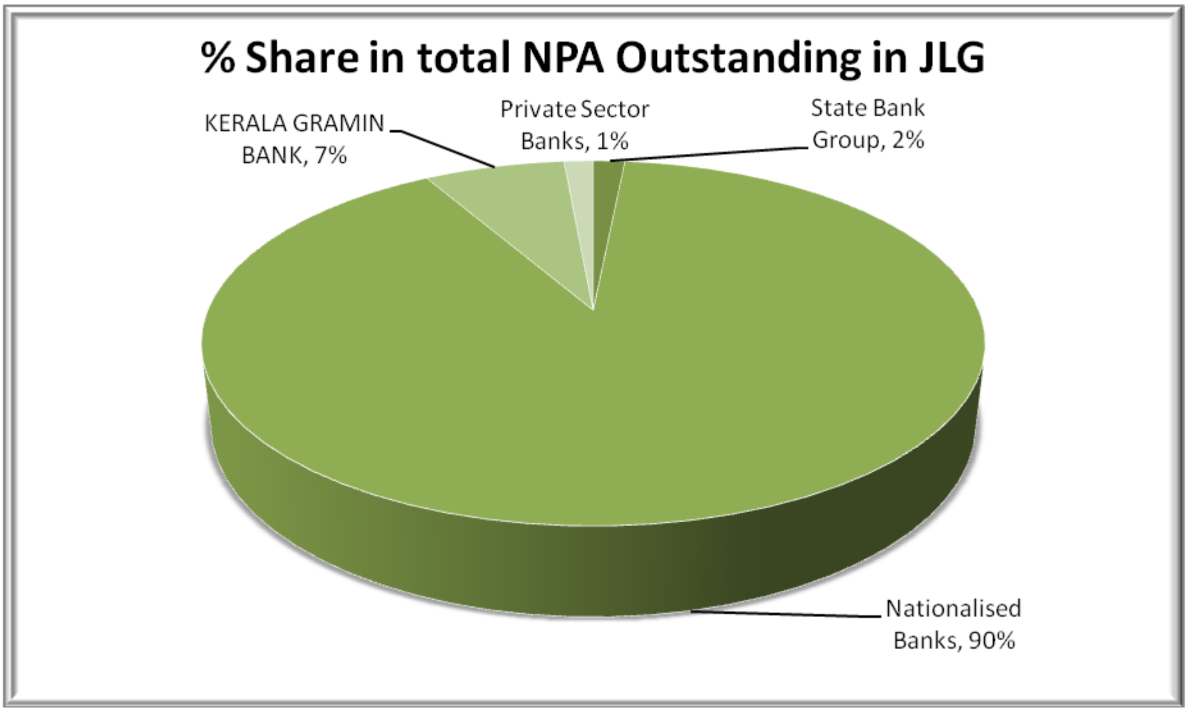


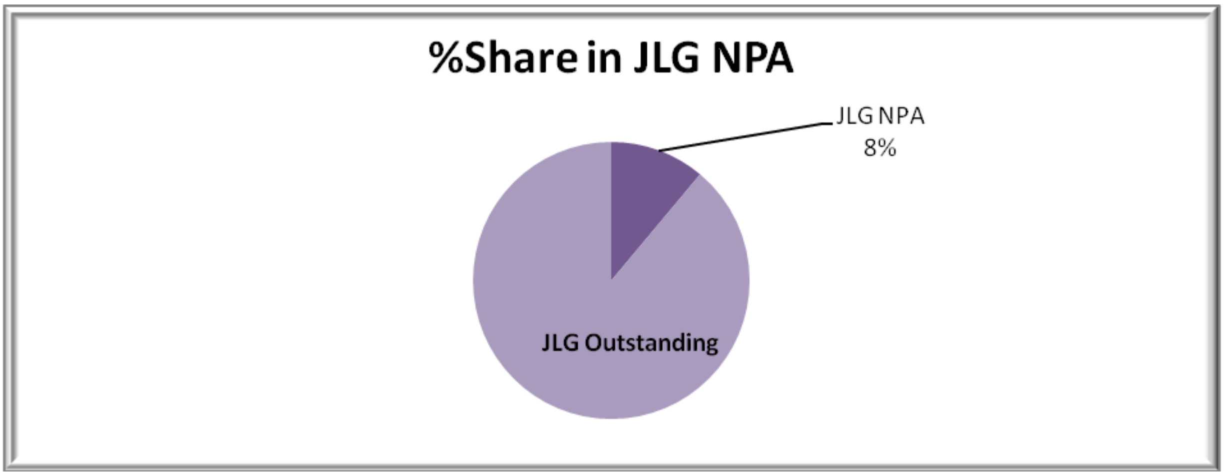
6.11. NPA in JLG and SHG (Refer Annexure 8.43)

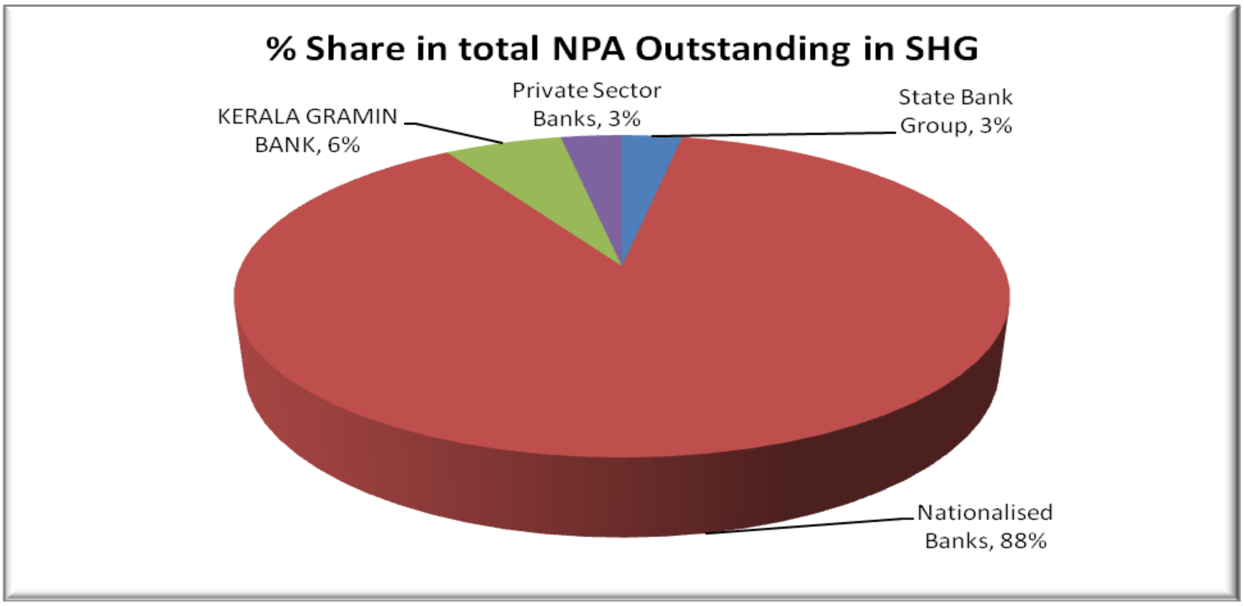
NPA in JLG and SHG as at June 2016

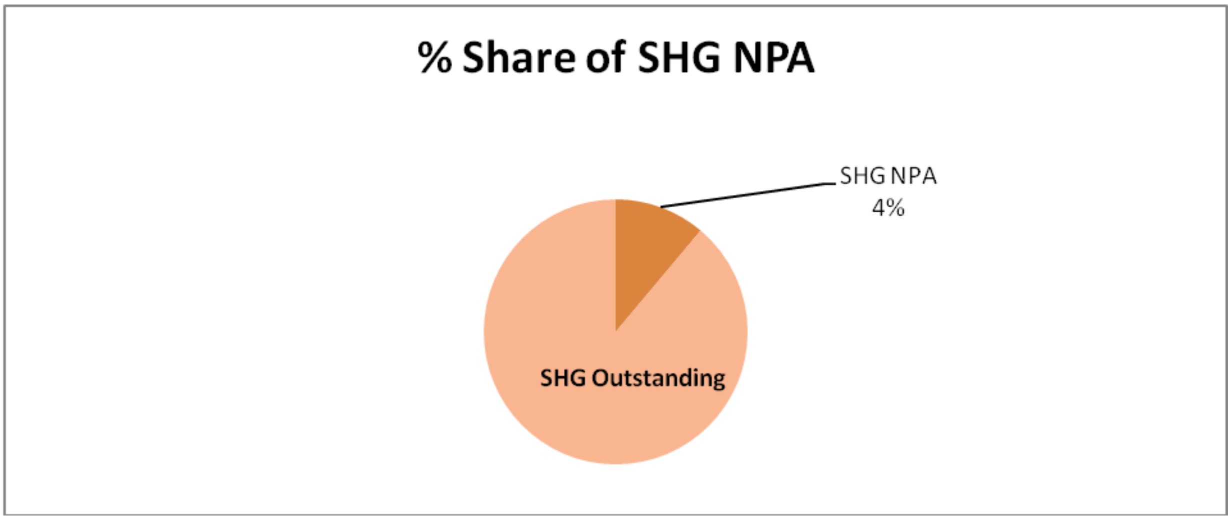
(Rs. in lakhs)

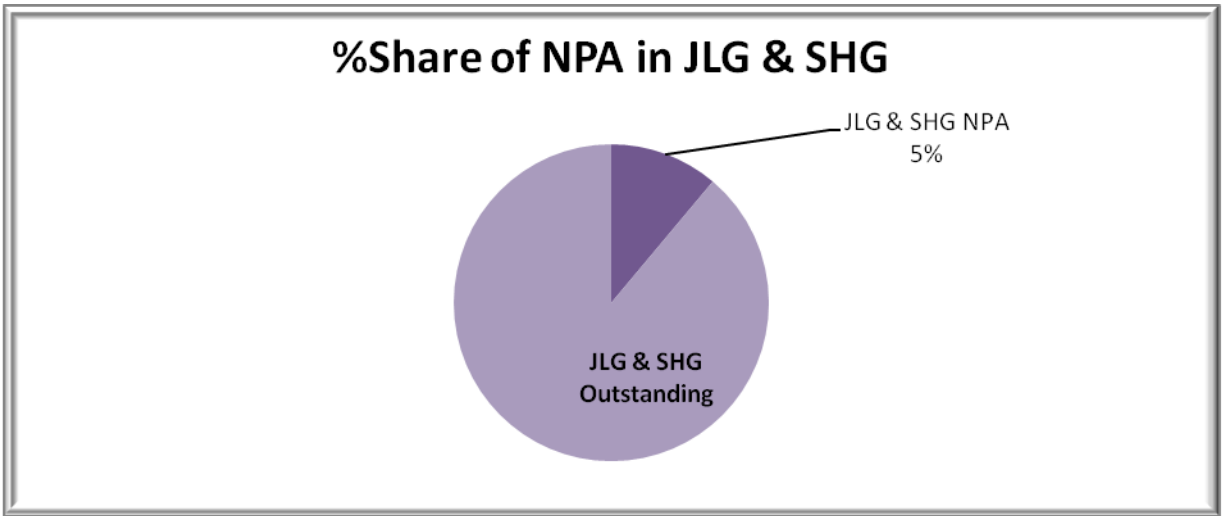
Bank/Banking Group	OF TOTAL OUTSTANDING				TOTAL OUTSTANDING NPA	
	JLG NPA		SHG NPA			
	A/cs	Amount	A/cs	Amount	A/cs	Amount
State Bank Group	83	87	764	477	847	565
Nationalized Banks	14481	5078	6541	14012	21022	19089
RRB	315	389	115	935	430	1324
Private Sector Banks	292	81	411	485	703	565
State total	**15171**	**5635**	**7831**	**15909**	**23002**	**21543**


% Share in total NPA Outstanding in JLG
KERALA GRAMIN BANK, 7%
Private Sector Banks, 1%
State Bank Group, 2%
Nationalised Banks, 90%


%Share in JLG NPA
JLG NPA 8%
JLG Outstanding


% Share in total NPA Outstanding in SHG
KERALA GRAMIN BANK, 6%
Private Sector Banks, 3%
State Bank Group, 3%
Nationalised Banks, 88%


% Share of SHG NPA
SHG NPA
4%
SHG Outstanding


%Share of NPA in JLG & SHG
JLG & SHG NPA
5%
JLG & SHG
Outstanding