STATE LEVEL BANKERS' COMMITTEE, KERALA

(Under Lead Bank Scheme)

Convenors: केनरा बैंक Canara Bank

Ref: SLRM K/Minutes/131/AJS **20th September, 2022**

(All Members of SLBC)

Dear Sir,

Sub: <u>Minutes of the State Level Review Meeting (SLRM) 2022 of SLBC, Kerala</u>

We are forwarding herewith the minutes of the State Level Review Meeting, 2022 of SLBC Kerala held on 04th August, 2022 at Hotel Residency Tower, Government Press Road, Trivandrum.

Developments on action points initiated/to be initiated at your end may please be intimated to us so as to apprise the next meeting of SLBC, Kerala.

Thanking you,

Yours faithfully,

S Premkumar
Convenor, SLBC Kerala
& General Manager, Canara Bank

All communications to be addressed to:
General Manager
Canara Bank, **SLBC Cell**
Circle Office, Canara Bank Bldg.
P.B.No.159, M.G.Road
Thiruvananthapuram -695 001

PHONE : 2331302 (DIRECT),
2331051 EXT .608,609
FAX : 0471 2338236 / 2331355
E-mail : slbckerala@canarabank.com
Website: www.slbckerala.com

Minutes of SLRM 2022 of State Level Bankers Committee, Kerala

Held on 04.08.2022(Thursday)
at Hotel Residency Tower,
Trivandrum

The meeting commenced at 10:30 a.m. The List of participants is as per annexure.

Sri. S. Premkumar, Convenor, SLBC& General Manager, Canara Bank welcomed the participants to the State Level Review Meeting 2022 of SLBC Kerala. In the welcome address the Convenor touched upon the following points:

- Though the year 2022 began with optimism in the context of services, agriculture, fisheries, and animal resources which registered growth, the overall economic activities remained subdued. The impacts of climate change variations have affected growth patterns and are posing a threat to the sustainable development of the State which had already been seriously affected by the Covid-19 pandemic and floods.
- The Convenor pointed out the achievements for the period up to March 2022. The Year 2022 ended with a GDP growth of over 6.8 per cent, with the agriculture, industry and Services sectors contributing around 12%, 23% and 66% respectively in the overall GDP.
- A futuristic and progressive State Annual Credit Plan for the next financial year is being finalized in close coordination of Banks and State Government agencies. A credit induced growth in the economy is a major revival strategy for the State. The credit flow earmarks substantial amounts for the enrichment of the vital Priority Sector areas of the state. The aggregated State potential linked credit plan of 14 districts prepared by NABARD envisages a credit outlay of Rs.1,76,468 crores with an increase of Rs. 13541 Crores over the previous year.
- The Convenor mentioned that the deployment of credit to the thrust areas and sensitive segments in the State had shown good improvement during the last financial year. The performance of the Banking sector of Kerala was satisfactory. The commercial Banks in the State had crossed a total business figure of Rs. 10,90,846 Crores as of March 2022, - recording Rs. 6,66,220 Crores under deposits and Rs. 4,24,626 crores under Advances. During the period Dec 21 to

Mar 2022 the increase recorded by banking system in the State was quite convincing with an addition of Rs. 22,129 crores under Deposits and Rs.14,625 crores under Advances.

- The banking sector in the State had performed well in Government Sponsored and other Schemes of National priority. The Government has launched various campaigns for expanding the credit flow to business units in all regions and SLBC Kerala has been proactively coordinating the initiatives launched by the Central and State governments.
- SLBC Kerala has formulated a special scheme for implementing the flagship programme "One lakh enterprise in one year" by the Industries department, Govt. of Kerala. The initiative aims to generate twenty lakhs job opportunities in the coming years.
- In the path towards digital transformation of banking transactions, under the leadership of RBI the banks are in the process of making all eligible accounts in Kerala State 100% digitally enabled. The process was completed by August 15th and thus making Kerala the first digitally enabled State in the country in banking transactions.

The Convenor SLBC Kerala then welcomed the members and did a presentation on SLBC Kerala and the banking profile of Kerala.

Dr. V. P Joy IAS, Chief Secretary, Government of Kerala addressed the forum and stated the following:

- The banking sector has achieved great strides during the past quarter. The Chief Minister has certain visions and various programmes and are taken forward by the State Government to achieve those vision.

- Government aims to make Kerala a knowledge economy, to increase the income of farmers, to create more job opportunities by starting substantial number of MSMEs (Micro, Small and Medium Enterprises), to have a Digital government so that all service facilities can be given without going to various offices, to have a strong banking sector to fulfill the credit needs of the people. The CS expressed his pleasure that the banking sector is working together with the State Government to achieve these objectives. Kerala is the only state which can achieve many of these objectives in terms of Knowledge Society/knowledge economy or digital banking.

- Kerala is going to be the first state in the country which is 100% in digitally enabled banking services by August. The Chief Minister has given target for transforming the entire Government services digital which involves making all the services online, the government processes converted to online, institutional management taking place through digital resources, digital survey of the entire state of Kerala and converting the state to a knowledge economy so that more job opportunities will be created for the educated youth of the state.

- Kerala is a state with the least NPA (Non-Performing Asset) with 4%NPA in the agriculture sector and 9% in MSME. So, Kerala is an ideal place for more credit disbursal and more development can take place. One lakh enterprises in one year programme is a huge opportunity for the disbursal of credit.
- The CS pointed out that CD ratio is only 64% which is extremely low compared to our neighboring States Tamil Nadu and Karnataka with more than 90 percentage CD ratio. So, it is high time to strive for achieving a CD ratio of 75%in a period of one year and for that there should be disbursement of more credit to the farmers, MSME sector and all people in need of credit so that private money lending and borrowing can be avoided. The CS expressed his hope that all the important banks whose CD ratio is lower should put more effort and increase the CD ratio so that the banking sector becomes more vibrant in terms of credit. Achievement of a good credit disbursement in the past quarter is a positive sign and if that continues in the coming three quarters, our state should achieve all those objectives.

The Hon'ble Chief Minister of Kerala, Shri. Pinarayi Vijayan addressed the forum and stated the following:

- Kerala was severely affected during the post-pandemic period. Pandemic has affected the economic structure of the world itself. Kerala is the first State in India who announced and implemented a stimulus package of Rs.20,000 Crores as part of pandemic related financial support. Also, several financial stimulus packages have been implemented thereafter.
- The Kerala Government has implemented four 100 days programmes for post-pandemic economic recovery. The two programmes conducted during the financial year 21-22 and created 5,18,000 jobs.
- For a stable growth of Kerala economy there should be a significant increase in production and as a part of that Kerala Government has introduced and implemented 'Subhiksha Keralam' scheme to increase agriculture production and

productivity. Ease of doing proceedings has been implemented for growth of Industries sector and State Government took several steps for encouraging micro, small and medium enterprises. All these helped with a boost in economic growth and produced many employment opportunities.

- Money from NRIs forms a critical factor in Kerala Economy. Financial experts suggest that it is about 12-14% of our internal revenue. A latest study by RBI says that Kerala lost its first position in NRI deposits. However, we are getting a substantial number of foreign deposits and the CM requested banks to give best services to NRIs for the development of the State.
- The CM requested banks support for the rehabilitation schemes proposed by Kerala Government for NRIs.
- The CM pointed out the significance of increasing the CD ratio from the current 64%
- For social and economic development, infrastructure development is a major factor and for this, advances are necessary. The CM requested support from all banks for the same. Commercial banks and cooperative banks play a vital role in protecting people from shady money lenders.
- In the financial year 2021-22, banks have disbursed advances of Rs. 1.67lakhs crores in Kerala. Out of those Rs. 97,265 crores is for agriculture purposes (57.62%) and Rs. 47,983 crores is for micro, small, and medium enterprises (28.43%).
- The CM requested banks to provide advances for Kerala Government's program of One lakh Enterprises in this financial year and Agriculture Infrastructure Fund schemes.
- In view of converting Kerala into a knowledge society, the Government is giving importance to start-ups, IT Enterprises, Centers of Excellence for higher education etc. Banks play a key role in converting Kerala into a knowledge society.
- Kerala Government is committed for the Social Security of marginalized category of people along with the fast economic growth of the State.
- Though the financial department of the State is working under so many limitations, Government ensures the implementation of developmental activities and social welfare activities without any obstructions. Banks should follow an open approach for the advances for infrastructure development and manufacturing enterprises in private sector which in turn helps the financial growth of Kerala and creates more employment opportunities.

The Convenor, SLBC Kerala replied that all banks in Kerala will stand with the Government and support all the development activities of the state.

Sri. Cedric Lawrence, General Manager, Reserve Bank of India welcomed all the members and stated the following:

- 100% Digitalization in the banking sector of Kerala will be a proud achievement for the banks of Kerala. Based on the suggestion from Honorable Chief Secretary on 136th SLBC forum, this challenging task was undertaken by the banking sector after the successful completion in digitalization of Thrissur and Kottayam districts. It is expected to complete the task of making Kerala the first completely digitalized State in the Country and first in the world on account of the population covered within two weeks.
- The GM, RBI thanked the State Government for issuing a circular for popularizing TREDS portal to help MSME units which was discussed on the last SLBC forum. The platform allows MSME suppliers to discount their bills and invoices thus helping their cash flow. The General Manager requested to make mandatory registration in TREDS for all units in Kerala and that will be a big relief for all MSME units.
- Inflation is getting extremely high globally and RBI is withdrawing the accommodative monetary policy. It is noticed that the general rise in price for goods and commodities is exceptionally low in Kerala compared to the rest of the nation, which is an achievement of the State Government.
- The tertiary sector is lagging in credit disbursement.
- Out of the total deposits of Rs. 6 lakhs Crores in Kerala, Rs 2 lakhs Crores is from NRIs.
- There is a gap of around 30% is in the CD ratio. RBI is providing behavioral trainings and already arranged NAMCABs training in all districts.
- Popularizing digitalization of accounts with facilities like QR Code helps in assessing the credit flow of small traders which in turn helps in formalizing the credit or economy. Low value high volume transactions can be assessed, and loan flow can be eased by digitalization.

Shri. Gopakumaran Nair G, Chief General Manager, NABARD addressed the officials and briefly highlighted upon the various achievements last year:

- The CGM congratulated all bankers for the achievement of Annual Credit Plan for last year.

- As indicated by the Hon'ble CM and CS, the CD ratio needs to be improved at least to 75%. It was reduced by 2% last year.
- Agriculture target achieved more than 28%. Even if the overall agricultural credit target was achieved, only 37% is term loan. More concerning is the district-wise distribution. Districts like Kottayam, Alappuzha, Pathanamthitta gave less than 10% as term loan. Term loans are important because only through term loans, capital formation and asset creation are possible in the agriculture sector which gives regular sustainable income to the farmers.
- In case of crop loan, the production level is not upto to the credit disbursements done in the sector in the State. Around Rs. 56,000 Crores are disbursed as crop loan in 2020-21, but the gross value added in crop sector is only around Rs. 36000 Crores. i.e., there is less than 50 paise production for 1 rupee given. The CGM suggested giving more importance for term loan disbursal.
- In the last year, NABARD played a significant role in the credit planning process.
- NABARD extended financial support of Rs.20,000 Crores as finance and refinance in Kerala.
- NABARD spent Rs.17 Crores in all districts of Kerala which includes tribal development fund, water shed development fund, training programmes etc. CGM NABARD invited LSGD to join hands with NABARD, so that field level operations could be made more effective.
- Achievement in DRI is very less. The CGM requested all banks to consider more thrust in this sector.

The forum then proceeded with the agenda.

1. ADOPTION OF MINUTES OF 136th SLBC 2022

The forum unanimously adopted the minutes of the 136th Meeting of SLBC, Kerala held on 26th April 2022, which was forwarded to the members, vide Convener's letter SLBC K/136 /Minutes/84/UK dated 15th June 2022.

2. PRIMARY SECTOR

The SLBC Convenor briefed the performance under Annual Credit Plan 2021-22:

2.1 Review of performance under Annual Credit Plan 2021-22

2.1.1 Bank-wise performance – Primary Sector:

- For 2020-21, target was Rs.73908Crores and Achievement was Rs.83102Crores and percentage achievement for 2020-21 was 112%.
- For 2021-22, target is Rs.76211Crores and 4th quarter achievement is Rs.97265Crores and percentage achievement for 4th quarter 2021-22 is 128%.

Share of Primary Sector disbursement:

Public Sector Banks – 48.75%, Private Sector Banks – 21.86%, KGB – 14.03%, Cooperatives – 12.34%, Small Finance Banks – 3.02%

District wise performance under primary sector:

Twelve districts crossed 100% ACP (Annual Credit Plan) target i.e., Thiruvananthapuram – 217%, Kollam – 123%, Pathanamthitta – 134%, Alappuzha – 104%, Ernakulam – 130%, Thrissur – 143%, Palakkad – 139%, Malappuram – 122%, Kozhikode – 112%, Wayanad – 120%, Kannur – 142%, Kasaragod – 139%

Two districts below 100% achievement are Kottayam – 93%, Idukki – 84%

Agriculture Advances

A. Growth in Agriculture Advances

Growth in Agriculture advances in the year 2021-22 increased by Rs.7657 Crores from Rs.87091 Crores to Rs.94748 Crores.

B. Banking Group wise Growth in Agriculture Advances

Public sector Banks constitute about 54.17% share in agriculture sector, 28.79% from Private Sector Banks, 13.74% from KGB and 3.30% from Small Finance Banks.

C. Share of NPA in Agriculture Advances

Agriculture NPA is 4.08 % out of total agriculture advances.

2.3 Performance under Kisan Credit Card Scheme

The outstanding amount under KCC has increased by Rs.6351Crores year on year.

2.4 Pending Issues in Primary Sector

2.4.1 Doubling Farmers' Income by year 2022 (Suggested by Reserve Bank of India)

The SLBC Convenor stated that SLBC Cell had various round of meeting with Department of Agriculture and Government of Kerala to bring the fallow land under cultivation. A draft scheme was formulated for the lease land cultivation based on a tripartite agreement. At present lease land/oral lease farmers are being supported by Banks in the form of JLG finance. The draft tripartite agreement is under the GOK consideration and once it is approved the farmers will have more access to low-cost credit like KCC. The banks are envisaging campaigns to achieve 100% coverage of PM Kisan beneficiaries by March 2023.

The Convenor pointed out that Kerala has the lowest PMFBY (Pradhan Mantri Fasal Bima Yojana) coverage and once the hypothecation clause is incorporated in State crop insurance, the banks can encourage their KCC beneficiaries also to register under the State Crop insurance. The awareness among farmers must be created by using the bank machinery. Most of the major crops are covered under PMFBY. PMFBY or any other crop insurance will protect the farmer against unforeseen events like flood, drought etc.

The process of online mode in Thandaper Registration is under progress.

Farmer Producer Organizations have raised their concerns regarding availing of '***Produce Loans***' by them. When the FPOs are pledging their produce on behalf of their farmers, the limit could not be increased more than 75 lakhs. The same has been represented before RBI and Government of Kerala. Since Kerala has limited registered warehouses, the FPO may be encouraged to pledge their produce on behalf of farmers.

The Convenor noted that even though more KCC are giving, production is not upto the expectation. The Convenor requested banks to restructure the advances as per RBI guidelines where the people got affected by natural calamity.

(Action: Department of Agriculture, Banks and SLBC)

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

The Convener SLBC stated that now banks are financing JLGs and SHGs as per given directions and oral agreements. When more suggestions on tripartite agreement are finalized, 36000 hectares can be brought under crop cultivation. Around 86000 hectares of fallow land is there and about 30% can be converted to arable land.

Sri. Biswanath Sinha IAS, ACS Planning replied that the agreement format is yet to be approved by the Government and is under discussion. It may take another two weeks to get it cleared.

(Action: Revenue Department, SLBC and Department of Agriculture)

2.4.3 Extension of Kisan Credit Card (KCC) Scheme for Animal Husbandry Farmers and Fisheries

The Convenor SLBC has explained the forum about the ongoing KCC campaign for covering more Animal Husbandry and Fisheries farmers under KCC scheme. The applications collected by the District Level Committee are being properly acknowledged by the banks. The details are being uploaded in the Government portal by LDM. Hence there will not be any disparity between the applications collected and pending applications. The progress under the campaign being monitored by DFS, Fisheries department and Government of India. Banks in Kerala have the lowest number of pending applications. The Convenor requested banks to dispose of the pending applications forwarded by District Level Committees within 30 days.

(Action: SLBC, Banks, Department of fisheries, Department of AH)

2.4.4 Agenda Suggested by Reserve Bank of India

2.4.4.1 Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem

The forum decided that whenever new Godowns are being financed by banks, they may be encouraged to register with WDRA so that they can issue e-warehouse receipt and against which banks can finance produce loans which will be helpful for farmers to avoid distress sale.

Shri. T V Subhash IAS, Director Agriculture stated that banks have sanctioned Rs.115 crores but disbursed only Rs.65 crores. Kerala Bank is in the highest position. The

Director informed the forum that the agriculture department had conducted workshops with farmers, kudumbasree etc. and cleared doubts of banks regarding the scheme and requested banks to come forward. Government of Kerla had appointed State Project Management Unit for the scheme implementation.

(Action: Dept. of Agriculture and Banks)

2.4.4.2 A Monograph on the State of Sikkim's Organic Transformation

The SLBC Convenor stated that separate guidelines are there and in ecologically sensitive areas of our State organic farming can be adopted.

(Action: Dept. of Agriculture)

2.4.5 Agenda Suggested by Director of Agriculture

Credit under Agriculture Infrastructure Fund (AIF)

SLBC Convenor stresses upon the NOBOL campaign launched by the Government of India. Under the campaign each bank branch has to sanction at least one loan under AIF scheme before August 15. The campaign will boost term loan lending and there will be development in basic facilities especially in storage and thereby increase farmers income. The Convenor requested the earnest efforts of member banks to increase lending under AIF.

(Action: Dept. of Agriculture, Banks)

2.4.6 Agenda suggested by Directorate of Agriculture regarding recovery of ineligible beneficiaries under PM-KISAN Scheme

The SLBC Convenor stated that the SOP (Standard Operating Procedure) has already been communicated with all the banks and requested all banks to ensure the recovery as soon as possible. The Convenor also stated that out of Rs.31.05 crores, only Rs. 2.11 Crores has been recovered.

2.5 FRESH ISSUES

2.5.1 Agenda suggested by SFAC

The forum noted the credit requirement suggested by SFAC under various schemes.

2.5.2 Agenda suggested by SBI - regarding Loans extended to Pineapple cultivation

A representative from SBI stated that as per the representation submitted by the pineapple cultivation farmers, they could not send the produce to other states due to covid and lock down and they requested aid.

The RBI GM replied that a general moratorium is available, and they can make use of that. The banks can take decisions and they can restructure the loans. The forum has taken up the issue and decided to discuss the same in subcommittee.

The forum observed that proper storage infrastructure like cold storage can support the farmer in avoiding this business risk and distress sale.

(Action: Dept. Of Agriculture and SLBC)

3. SECONDARY SECTOR

***The SLBC Convenor* briefed the performance under Secondary sector:**

3.1 Performance under Secondary Sector

Target for the year 2021-22 was Rs.39912 Crores and the Achievement is Rs.47953 Crores. The percentage achievement is 120%.

3.1.1 Banking GroupWise Performance under Secondary Sector

The share of secondary sector disbursement is as follows:

Private Sector Banks -37.70%, Public Sector Banks - 50.49%, Cooperatives - 6.9%, KGB - 2.55%, Small Finance Banks - 2.36%

3.1.2 District wise Performance under Secondary Sector

Seven districts had crossed 100% achievement and they are: Thiruvananthapuram - 268%, Kollam- 248%, Alappuzha - 137%, Idukki - 122%, Ernakulam - 129%, Thrissur - 102% and Wayanad - 145%.

However, seven districts could not achieve the target viz. Pathanamthitta - 94%, Kottayam - 79%, Palakkad - 44%, Malappuram - 73%, Kozhikode - 88%, Kannur - 76% and Kasaragod - 80%

3.2 MSME Advances (Priority)

A. Growth in MSME Advances

MSME advances increased by Rs.4986 Crores i.e., from Rs.59971 Crores in March 2021 to Rs.64957 in March 2022.

B. Banking Group Wise Growth in MSME (Priority) - Micro, Small & Medium Enterprises

Bank wise share in MSME sector is as follows:

Public Sector Banks - 47.40%, Private Sector Banks - 48.60%, KGB - 2.08%, Small Finance Banks - 1.92%

C. Sector wise classification of MSME

Manufacturing sector - 28.94%, Services Sector - 61.20%, Retail Trade - 9.86%

D. Sector wise performance under MSME

	Micro Enterprises	Small Enterprises	ledium Enterprises
anufacturing sector	10.62%	11.73%	6.59%
Service Sector	29.23%	23.49%	8.48%
Retail Trade	6.64%	2.42%	0.80%

E. Share of NPA in MSME Advances

NPA in MSME is 9.15% of total MSME advances which amounts to Rs. 5946 Crores

3.3 Advances to Weaker Section

There has been an increase in advances to weaker sections. i.e., an addition of Rs.15610 Crores year on year.

3.11 Pending Issues in Secondary Sector

3.11.1 Agenda Suggested by the Director of Industries and Commerce (Review of MSME Schemes part of Atmanirbhar Bharat)

A. **Review of Performance under ECLGS**

The SLBC Convenor shared the details of loan sanctioned, pending applications and disbursement by financial institutions. Banks were aiming to cross the financial target outlay of 10000 crores under the scheme. The Chief Secretary asked the bankers to make use of the digital facilities of *e-offices, e- portal* and MSevan portal in Kerala to increase the credit support as Kerala government is in the process of digitalizing all the processes.

The Chief Secretary advised bankers to reduce paperwork and time consuming process in sanctioning of credit and to use Aadhar based authentication, digital services of Government of Kerala to provide hassle free loans and other services. Bankers can avail all those facilities instead of relying on enormous number of documents. Digital literacy is also a requirement for using these facilities. Digital literacy campaigns also needed to be conducted.

Additional Chief Secretary Sri. Biswanath Sinha stated that they are in collaboration with NeSGD to bring all data into a single platform. The data required by the banking community for extending credit may be made available in the portal. They would invite the representatives from banks to give their requirements for implementing the unified portal, check possibility of data sharing and submit to the committee for sharing of data of Unified platform.

(Action: Govt: of Kerala, Banks)

Shri. Suman Billa IAS, Principal Secretary, Department of Industries and Department of Norka opined that most of the credit demands are arising from the tourism sector and not from the other MSME sectors. Regarding the 1 lakh MSME schemes he requested the bankers to communicate about the scheme to popularize the scheme. An online portal is required to track the applications and industries dept. is giving training for people for on boarding the applicants. He urged the banks to set targets for the scheme. The Convenor also added that through portal not only the applications can be tracked, and interest subvention can be availed. Training programmes are being conducted in all the districts regarding the credit disbursements.

The Government will be finalizing protocol for providing documents digitally to the banks and banks shall align the credit system in line.

(Action: Dept. of Industries, Banks)

A. **Review of Performance under PMSVANidhi**

3.11.1 The first tranche under PM SVANidhi is completed and the second tranche is to be completed before 15th August 2022. *The Convenor* requested banks to put in sincere efforts to complete the pending applications under the scheme.

(Action: Banks)

3.11.2 Agenda Suggested by Director of Industries and Commerce (Regarding accepting of Acknowledgement Certificate for setting up of MSME units instead of Local Body Licenses).

The SLBC Convenor stated that agenda is already discussed in previous SLBC meeting and now the banks are accepting the acknowledgement certificate.

(Action: Banks)

3.11.3. Agenda suggested by KVIC – Review of PMEGP Scheme

A representative from KVIC mentioned that this year also we have surpassed the subsidy target of 66 crores and achieved 103%. Some major changes were introduced from June under the schemes which were discussed. Some activities which were under the negative list are taken under the PMEGP scheme like diary sector activities, aquaculture activities, poultry, sericulture activities etc. Activities related to the agriculture sector are not allowed under PMEGP. Canara bank (883 projects), State Bank of India (393 projects) and Kerala Gramin Bank (397 projects) are the major banks which has covered 59% of the total subsidy target. The State level Review of the scheme was chaired by Sri. Suman Billa IAS. The cap of Rs 25 lakhs was enhanced to Rs. 50 lakhs for production activities for consideration of subsidy. For service sector projects the ceiling was enhanced to 20 lakhs from 10 lakhs. 25 to 25 percent flat subsidy is introduced. The Chief Secretary asked to increase the corpus since the total subsidy is too small considering the conditions of the State. It was suggested to bring to the notice of the Ministry of MSME to double the target under the scheme. Pending applications needed to be immediately disposed off and Banks were requested to put sincere effort to clear all the pending applications by the end of second quarter. *The SLBC Convenor* pointed out that many applicants are not showing up even after repeated follow up and suggested bankers and Industries to encourage customers to use Jan Samrudh portal so that the loan is processed within 15 days.

The Chief Secretary informed the banks to speed up the credit disbursement process by taking credit decisions. The agency, which is sponsoring the applications viz Industries, KVIC, Kudumbasree etc. will support banks to recover the overdue.

RBI General Manager pointed out that the problem lies with the evaluation system of financial institutions where people are valued depending on the success rate and failure is viewed more seriously. The Chief Secretary suggested rethinking the process and not hampering the entire system considering the mistakes happening in decision making. GM also suggested pushing credit disbursements through digital platforms. Credit disbursements through digital platforms could help in increasing CD ratio, build trust and credit worthiness of customers. The Convenor also requested banks to make subsidy claim for Norka loans before month end.

(Action: Industries Dept., Banks, Norka Dept., SDR (State Director of RSETIs), NACER (National Centre for Excellence of RSETIs), RSETI Sponsoring Banks)

3.11.4 Agenda Suggested by NORKA – NDPREM

Norka department informed that there has been a reduction in NDPREM pending applications in the last month. Banks are not claiming capital subsidy and interest subvention in a timely manner. Controlling offices need to ensure claiming subsidy and subvention. The Convenor also requested to make subsidy claim for Norka loans before 30.09.2022.

(Action: Banks, Norka Dept.)

3.11.5Agenda suggested by Reserve Bank of India

1. Bringing Kerala State Government PSUs into TrEDS Platform

The SLBC Convenor stated that the system is running smoothly in other States and will help all enterprises to get timely realization of their bills. Principal Secretary stated that Government of Kerala will be making it mandatory for all State PSUs to use TrEDS platform.

(Action: Industries Dept.)

3.11.6. Education Loans to Students/Trainees pursuing Skill development courses and implementation of Credit Guarantee Fund Scheme for Skill Development (CGFSSD)

Kerala Knowledge Economic Mission (KKEM) is the flagship programme of Kerala Development and innovation Strategic Council (K-DISC) with a vision to develop Kerala into a Knowledge Society which intends to provide employment to at least 20 Lakh people. K-DISC has proposed to scale up the Indian Banks' Associations (IBA) approved skill loans under the Ministry of Skill Development and Entrepreneurship to reach the maximum needy candidates.

The SLBC Convenor suggested that ASAP has informed that there is 99% placement under the scheme and requested the member banks to promote this scheme since the loan amount is small and CSIS (Central Sector Interest Subsidy) subsidy is also available.

(Action: Banks)

3.12 FRESH ISSUES

3.12.1 Special Loan Scheme to MSME units as part of One Lakh enterprises programme –Minutes of the meeting and Scheme details

The forum unanimously adopted the minutes which was circulated vide SLBC letter no Kerala SLBC/MSME/90/2022/SR dated 01.07.2022

(Action: Industries Dept., Banks)

3.12.1 Agenda suggested by MSME – DI

The SLBC Convenor suggested RSETI (Rural Self Employment Training Institutes) directors can play a significant role by ensuring placement of trainees, give feedback on creditworthiness. LDM Palakkad said they are visiting the training centers regularly, interacting with them and insisting on contacting them if loan is required. The State Director RSETI may give necessary guidance for the performance of RSETIs and to increase credit linkage.

(Action: RSETI Director, SDR, Banks, RSETIs)

4. TERTIARY SECTOR

4.1.Performance under Tertiary Sector

The SLBC Convenor opined that this is the only area where banks could not perform well.

4.2. Outstanding Performance under Education Loan

The SLBC Convenor said that there is progrss in education loan portfolio and most banks are showing superior performance and NPA in education loan has reduced due to the ELRS Scheme. Convenor requested to process all pending applications under ELRS scheme. The percentage of NPA has come down to 8.33%.

4.3 Growth in Housing Loan

The Convenor said that the Housing loan is showing a better performance even though the growth is not upto the expected level. NPA is only 1.87% in housing loan.

(Action: Banks)

4.5 PENDING ISSUES

4.5.1 Noting of Equitable Mortgage created in favor of the banks in Revenue Dept.

-

The SLBC Convenor said that the Government of Kerala has permitted banks to mark their charge on Relics software, NIC has created a test user and the link is working fine. The final implementation is pending.

(Action: Dept. of Land & Revenue, Banks)

4.5.2 Agenda Suggested by RBI

4.5.2.1. Expanding and Deepening of Digital Payments Ecosystem - 12 more Districts

During 136th SLBC meeting the Chief Secretary proposed to implement the Expanding and Deepening of Digital Payments Ecosystem in all the remaining 12 districts of Kerala. SLBC forum accepted the proposal and decided to implement the programme in all the remaining districts of Kerala before 15.08.2022. The forum appreciated the efforts of all the 14 LDMs for the successful implementation of the scheme.

4.5.2.2. Revamp of Lead Bank Scheme standardized system for data flow

The SLBC Convenor said that only Kerala Bank is pending, and forum requested the Bank for the completion of the same immediately.

(Action: KSCB)

4.5.2.3. PRAGATI Meeting: Review of Social Security Schemes - PMJJBY and PMSBY

The SLBC Convenor requested member banks to cover all eligible accounts under social security schemes. Banks are also requested to check MIS data of the bank because since many loans that may be eligible under 'Stand Up India' scheme have not been properly classified.

The representative from SSCCI has requested the forum for becoming member of DLRC/BLBC forum to convey their message to SC ST community. It was informed that the constitution of various lead bank fora is in accordance with the RBI master directions on Lead Bank Scheme. The Chief Secretary suggested the SC ST development department is attending the SLBC meetings and they should promote the scheme details for the benefit of SC ST beneficiaries.

(Action: Banks, SLBC and SC ST Development Department)

4.5.2.4. Review of CD Ratio -Suggested by RBI

The Chief Secretary has suggested a target CD ratio of 75% by the end of financial year 22-23. The CS also asked LDMs to take a lead role in improving CD ratio. The recently announced Government schemes like KELS shall give push to the CD ratio of our State. The Banks with low CD ratio to give special focus to improve lending.

4.5.3 Education Loan Repayment Support Scheme

*The SLBC Convenor*informed the member banks to dispose all the pending applications at bank level immediately and the ineligible beneficiaries under ELRS may be offered with One Time Settlement scheme based on the bank guidelines.

(Action: Banks)

4.5.4. Rural Self Employment Training Institutes (RSETIs) - Reimbursement of Training Expenses of BPL Candidates to "AA" Rated RSETIs

*The SLBC Convenor*said the issue was already discussed and Kudumbasree has informed that they are following up with the MoRD.

(Action: Kudumbasree)

2.3.5 Agenda suggested by Indian Bankers Association regarding E-Stamping of Bank Guarantees

Sri. Rajesh Kumar Singh IAS, ACS Finance stated that regarding Digital Stamping, the Government had entered an MoU with National e-Governance Services Ltd and about 13 financial instruments that banks are using related to loan agreements, title deeds, bonds, indemnity bonds, power of attorney, bank guarantee, security bonds etc. The ACS encouraged banks to make use of the portal for e-stamping and for all debt related loan agreements.

The Convenor replied that SLBC has arranged a meeting of NeSL and member banks to familiarize these initiatives and process of e-documentation.

The forum decided to drop the agenda.

4.5.5. Status of Land allotment for RSETIs building

The Chief Secretary said that they would review the issue separately after one month.

4.5.6 Agenda suggested by Kudumbashree - Start-up Village Programme Entrepreneurship (SVFI) & RKI EDP

Smt. Sarada G Muraleedharan IAS, Additional Chief Secretary, Department of Local Self Government informed that the credit flow to startup village entrepreneurship programs where around 21000 enterprises have been supported but only around 430 loans are sanctioned. She opined the programme is going well in terms of achievement, but they are not getting enough credit support from the banks. The ACS also added that the Government has created a much bigger system for economic development, which includes provision of backend subsidy to enterprises, provision of interest credit, significant enhancement in ceiling of interest subsidy, skill local governments to identify solutions as well as support to startups. The new schemes under the NRLM (National Rural Livelihood Mission) schemes are better nuanced so that the survivability of these enterprises is much higher compared to other MSMEs. Banks will have greater comfort in financing these enterprises. The units are mapped to a period of five years to the system so that they can be tracked throughout, they can always contact the department whenever required. So, the government is also along with the entrepreneur for the success of business thus reassuring the recovery of loans. The Chief Secretary queried the reason for low credit disbursements in Kudumbasree loans even though they have a system to assess the credit worthiness of the applicants and those loans have good repayment.

An electronic system for marking lien for Farmers availing PRS loans was discussed and Chief Secretary agreed to implement the same.

The DLRC (District Level Review Committee) should review the performance of Banks under SVEP component under NRLM and ensure that all the eligible beneficiaries are credit linked. O/C of RBI has suggested that the quarterly empowered committee on MSME is reviewing the performance of MSME sector. The bank-wise pendency list under SVEP component shall be provided to FIDD, Regional Office RBI to have a detailed review.

The forum suggested that the SLBC and Kudumbasree should identify the issues related to lending of SVEP loan.

(Action: Industries Dept., Kudumbasree, SLBC, Banks)

4.6 FRESH ISSUES

4.6.1 Agenda Suggested by Additional Chief Secretary - Higher Education regarding Skill development loans

The forum discussed points suggested by the Higher Education Department and stated the following:

a. In all eligible cases service charges are already waived and zero balance account facility is already available.
b. Banks cannot utilise CSR fund for any other activities which are not permissible under the ambit of CSR policy.

(Action: Higher Education Dept., Banks)

4.6.2 Agenda suggested by Kudumbasree - Sanctioning of Bank Linkage Loan for NHGs online through SHG Loan application system developed by NRLM

*The SLBC Convenor*said that DAY- NRLM has developed an online SHG Loan application system to enable timely and error -free submission of SHG loan application to banks. This online loan application is also integrated with Jan Samarth portal of Department of Financial Services (DFS). Kudumbashree is planning to submit loan applications online Training for Districts and the trainings for using the online loan application for the CDS

Accountants is completed. All banks having CBS platform are requested to make use of the system.

(Action: Bank and Kudumbasree)

4.6.3 Agenda suggested by ACS (Finance) – Availability of Bank Branches in every village

*The SLBC Convenor*said that all the villages in the State of Kerala are being covered under bank branch network as per the directions of DFS. (Action: **SLBC)**

4.6.4 Agenda suggested by Indian Bankers Association regarding - SVAMITVA Scheme

The Chief Secretary stated that the State Government had started a new project worth Rs.800 Crores for digital survey of Kerala and established 28 reference stations. Around 4000 people are getting recruited contract-wise. The project will start by September and the entire land will be digitally surveyed. The CS also stated that software is under process for doing all the operations related to transactions electronically.

(Action: Dept. Of Land and Revenue)

5. REVIEW OF PERFORMANCE UNDER VARIOUS SEGMENTS

5.2. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as of March 2022

The SLBC Convenor said the performance is as shown and is provided with the booklet.

6. REVIEW OF PERFORMANCE OF THE BANKING SECTOR

6.3. Deposit growth

The SLBC Convenor stated that the total deposit outstanding as of March 2022 is Rs.666220 Crores.

6.4. NR Deposits

The SLBC Convenor said that there has been a decline in NR Deposits in the last financial year.

A. Growth in Domestic Deposits

The SLBC Convenor said that the growth is at par with other states. Most banks it varies from 8 to 11 %.

B. Growth in Advances

The growth in advance portfolio is better. (From Rs. 359274 Crores to Rs. 424626 Crores)

6.8. District-wise Credit Deposit Ratio in the State

The SLBC Convenor said that wherever the CD ratio is less we must give special attention.

The Chief Secretary said bank wise analysis is needed rather than district wise. In every district whichever bank is low in CD ratio must act.

The forum approved the performance under various sectors as at March 2022 Quarter provided in the background notes supplied.

The State Level Review Meeting, March 2022 of SLBC Kerala concluded with the above deliberations.

Sri. Sreekumar R, Deputy General Manager, Canara Bank proposed the vote of thanks to all participants and the meeting concluded at 1.30 pm

List of participants is annexed.

CHIEF GUEST	
NAME	DESIGNATION
Sri. Pinarayi Vijayan	Hon'ble Chief Minister Of Kerala

CO-CHAIRPERSON OF THE MEETING			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Government of Kerala	Dr. V P Joy IAS	Chief Secretary

GOVERNMENT OF KERALA/GOVERNMENT OF INDIA / DEVELOPMENTAL AGENCIES			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Department of Finance and Planning & Economic Affairs Department	Sri. Rajesh Kumar Singh IAS	Additional Chief Secretary
2	Department of Local Self Government	Smt. Sarada Muraleedharan IAS	Additional Chief Secretary
3	Planning & Economic Affairs Department	Sri. Biswanath Sinha IAS	Additional Chief Secretary
4	Department of Industries & Department of NORKA	Sri. Suman Billa IAS	Principal Secretary
5	Department of Agriculture Development & Farmers' Welfare	Dr. B Ashok IAS	Secretary for Agriculture
6	Department of Agriculture Development & Farmers' Welfare	Sri. Subhash IAS	Director of Agriculture
7	Planning Department	Smt. Manju M S	Under Secretary, PEAD
8	Revenue Department	Sri. Shahan Sha	Under Secretary
9	Industries Department	Sri. Rajeev G	Joint Director
10	Fisheries Department	Mr. Salim H	Joint Director
11	Sch. Tribes Dev. Dept.	Smt. P Vanidas	Joint Director
12	Directorate of Handloom and Textiles	Sri. Gautham Yogeeswar S	Deputy Director (E) and Joint Director (I/C)

13	Khadi and Village Industries Commission	Sri. P.Sanjeev	Asst.Director/Nodal Officer (PMEGP)
14	Directorate of Handloom and Textiles	Sri. Jaseem S	Assistant Director
15	State Horticulture Mission	Smt. Fatima Paul	Additional Director I/C
16	Co -operatives	Smt. Sindhu C K	Joint Registrar
17	Norka Roots	Smt. Susan Lopez	Home Authentication Officer
18	Commissionerate of Land Revenue	Sri. V S Binu	Assistant Commissioner
19	Department of Telecommunications,GOI	Sri. Ajithkumar .S	DDG
20	Small Farmers Agribusiness Consortium kerala	Sri. Rajesh kumar S	Project Director
21	Vegetable & Fruit Promotion Council Keralam (VFPCK)	Sri. V Sivaramakrishnan	Chief Executive Officer
22	Tech Education	Sri. B Sunil Kumar	Sr. FO
23	Commissionerate of Rural Development	Mr. Joseph C.P	Additional Development Commissioner I
24	Kudumbasree	Sri. AnishKumar M S	SPM
25	RSETI	Sri. Percy Joseph	SDR Kerala
26	AIC of India	Smt. Prasidha P R	DM
27	RSETI/NAR	Smt. Saritha R	SCR for RSETIs Kerala
28	Small Farmers Agribusiness Consortium kerala	Sri. Salin Thapasi	Project Leader
29	Planning Department	Smt. Resmi A. R	Research Officer
30	Directorate of Scheduled Caste Development Department.	Smt. Dhanya Chandrashekar	Research Officer
31	Planning Department	Smt. Bindumole M	Section Officer
32	Coir Board Regional Office	Smt.Josephine Girly	Section Officer
33	Coir Board Regional Office	Smt. B. Jessy	Junior Inspector
34	SC/ST chamber of Commerce and Industries	Sri. K Raja Mahendra Nath	Representative

RESERVE BANK OF INDIA		
SL NO	NAME	DESIGNATION
1	Sri. Thomas Mathew	Regional Director
2	Sri Cedric Lawrence	General Manager
3	Sri. Murlee Krishna M	Assistant General Manager
4	Smt. Mini Balakrishnan	Manager

NABARD		
SL NO	NAME	DESIGNATION
1	Sri. Gopakumaran Nair	Chief General Manager
2	Smt. Beena A S	Assistant Manager

PUBLIC SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	BANK OF BARODA	Mr. Naga Subrahmanyam Mandava	Deputy General Manager
2	BANK OF INDIA	Mr. Deepu Joseph Thomas	Senior Manager
		Mr. K Srinivas	Assistant General Manager (AGM)
		Ms. Reshma Prakash	Manager
3	BANK OF MAHARASHTRA	Mr Saju G Pillai	Chief Manager-Trivandrum
4	CENTRAL BANK OF INDIA	Ms. ROSITA FERNANDO	REGIONAL HEAD
5	INDIAN BANK	Sri. G Jayasankar	Chief Manager
		Smt. M Swaroopa Kumari	Senior Manager
6	INDIAN OVERSEAS BANK	Sri. Suryanarayana Murthy R N	AGM
		Mr. Aswin S Chand	Assistant Manager

	PUNJAB & SIND BANK	Mr. Manosh M	Manager
8	PUNJAB NATIONAL BANK	Mr. R Ram Mohan	AGM
9	STATE BANK OF INDIA	Sri. Bankanidhi Martha	Deputy General Manager (FI)
10	UCO BANK	Sri. R Muralidharan	Deputy General Manager
		Sri. Sureshkumar K	AGM
		Mr. Arjun Sreekumar	Asst Manager
11	UNION BANK OF INDIA	Mr. Sanal Kumar N	Assistant general Manager
		Mr. Nijin B S	Manager

CONVENOR BANK (CANARA BANK)		
1	Sri. S Premkumar	SLBC Convener & General Manager
2	Sri. Sreekumar R	Deputy General Manager
3	Mr. Sunil P L	Divisional Manager
4	Mr. Ajas A	Senior Manager
7	Mr. Arun G S	Officer
8	Mr. Sreejith R	Officer
9	Mr. Unnikuttan R	Officer

REGIONAL RURAL BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Kerala Gramin Bank	Sri.Suresh Babu.R	General Manager

PRIVATE SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	AXIS BANK	Not participated	
2	BANDHAN BANK	Mr. PPS Prakash	Cluster Head
3	CATHOLIC SYRIAN BANK	Mr. Lilgith Mohan	Bandhan Bank
		Mr. Shoby Michael	Deputy Vice President-2
4	CITY UNION BANK	Mr. M.S.Rajasekaran	Branch Manager
5	DHANLAXMI BANK	Mr. Rajasree U K	Chief Manager
6	FEDERAL BANK	Mr. Shobin George	Associate Vice President
7	HDFC BANK	Smt. Geetha Gopinath	Deputy Vice President
		Smt. Meena Kumari B	Nodal Officer Kerala & Lakshadweep
8	ICICI BANK	Mr. Amith Eapen	Regional Head, Trivandrum-1
9	IDBI BANK	Mr. Tony Thomas	Chief Manager
		Sri. Manoj A	DGM
10	IDFC FIRST Bank	Sri. Aravind T N	HH SM
11	INDUS IND BANK	Sri. Jose John	Cluster Head
12	JAMMU & KASHMIR BANK	Mr. Mahadevan G	Branch Head
13	KARNATAKA BANK	Mr. Arun Kumar	Senior Manager
14	KARUR VYSYA BANK	Sri. Lenin P	Assistant Manager
15	KOTAK MAHINDRA BANK	Sri. Biju N	State Nodal Officer - Slbc
16	LAKSHMI VILAS BANK DBS	Sri. Prinith	Branch Head
17	RBL Bank	Sri. Hariharan S	BM AVP
18	SOUTH INDIAN BANK	Mr. Peter A D	Deputy General Manager
19	T.N.MERCANTILE BANK	Sri. V.Suresh	Manager
20	YES BANK	Mr. JAGADEES V PILLAI	Branch Manager
		Mr. Suraj S	SSM

CO-OPERATIVE BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	KERALA BANK	Sri. Anil Kumar	GM
2	KSCARD	Sri. Biju Varghese	Agricultural Development Officer

LEAD BANK OFFICES			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Indian Overseas Bank	Mr. Sreenivasa Pai G	LDM Tvm
2	Indian Bank	Mr. Bijukumar D S	LDM Kollam
3	State Bank of India	Mr. Cyriac Thomas	LDM Pathanamthitta
4	State Bank of India	Mr. ARUN M	LDM Alappuzha
5	State Bank of India	Mr. Alex E.M	LDM Kottayam
6	Union Bank of India	Mr. Rajagopalan G	LDM Idukki
7	Union Bank	Mr. P D Mohan Kumar	LDM Ernakulam
8	Canara Bank	Mr. S. Mohanachandran	LDM Thrissur
9	Canara Bank	Mr. Sreenath R P	LDM Palakkad
10	Canara Bank	Mr. Jithendran P P	LDM Malappuram
11	Canara Bank	Mr. Muraleedharan T M	LDM Kozhikode
12	Canara Bank	Mr. Bibin Mohan	LDM Wayanad
13	Canara Bank	Mr. Rajkumar T M	LDM Kannur
14	Canara Bank	Mr. Bimal N V	LDM Kasargod

SMALL FINANCE BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1	ESAF	Sri. Wilson Thomas	Asst.Vice President
2	Ujjivan Small Finance Bank	Sri. Abhilash Thomas	State Head

PAYMENTS BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1	India Post Payments Bank	Mr. M Murugesan	CM
2	Airtel Payments Bank	Sri. Sarath B S	State Head