

STATE LEVEL REVIEW MEETING 2016

1. ADOPTION OF MINUTES

The minutes of the 118th meeting of SLBC, Kerala held on 14th March, 2016 has already been forwarded to the members vide Convener's letter SLBC 35 43 2016 GN dated 16th April 2016.

The House may adopt the said minutes.

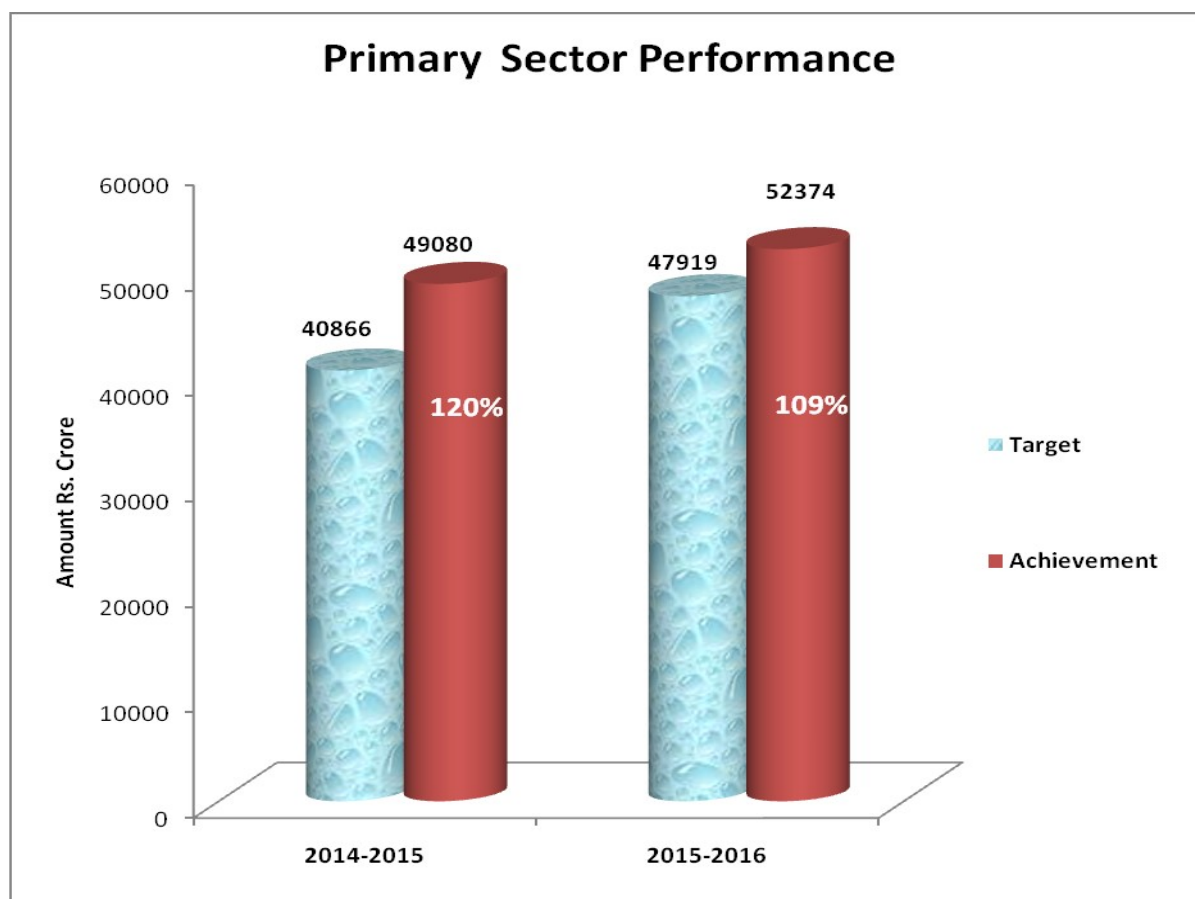
2. ISSUES FOR GROUP DISCUSSION ON PRIMARY SECTOR (GROUP I)

2.1. Review of Performance under Annual Credit Plan 2015-2016

2.1.1. Bank wise Performance – Primary Sector

(Rs. in Crores)

Parameter	2014-2015	2015-2016
Target	40866	47919
Achievement	49080	52374
Percentage of Achievement	120%	109%

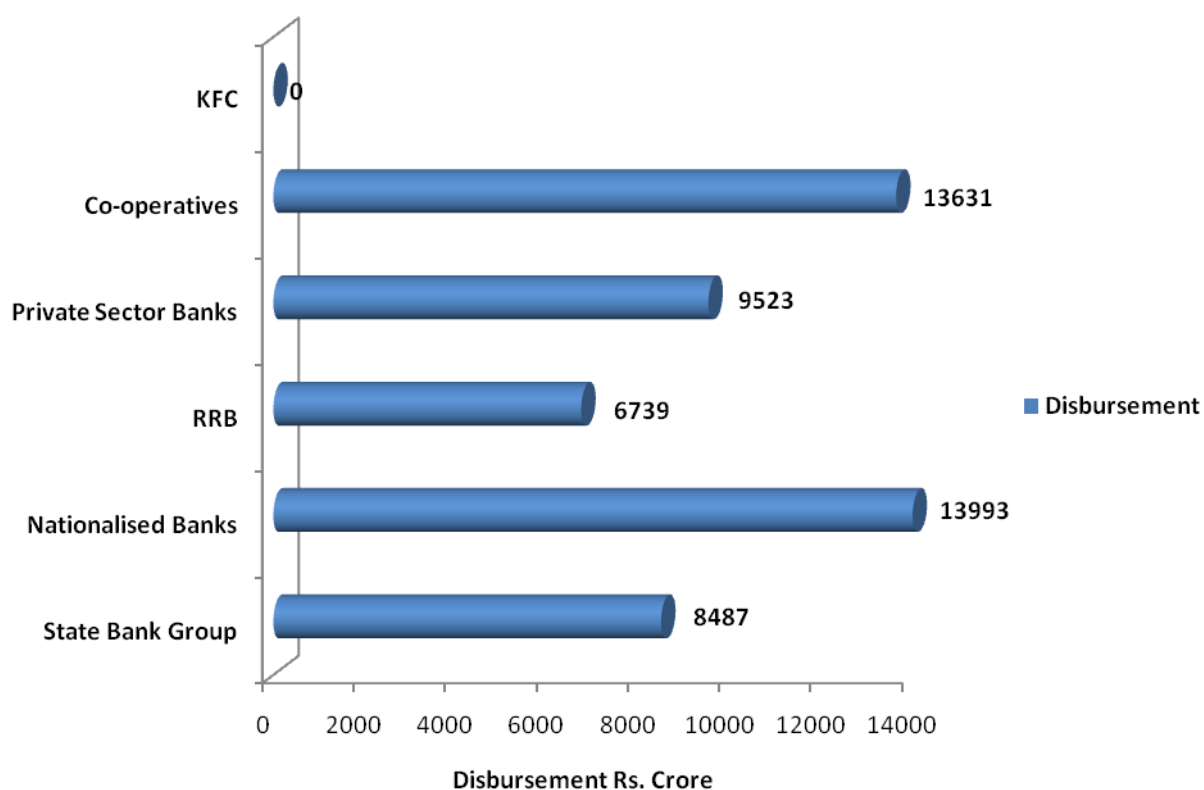


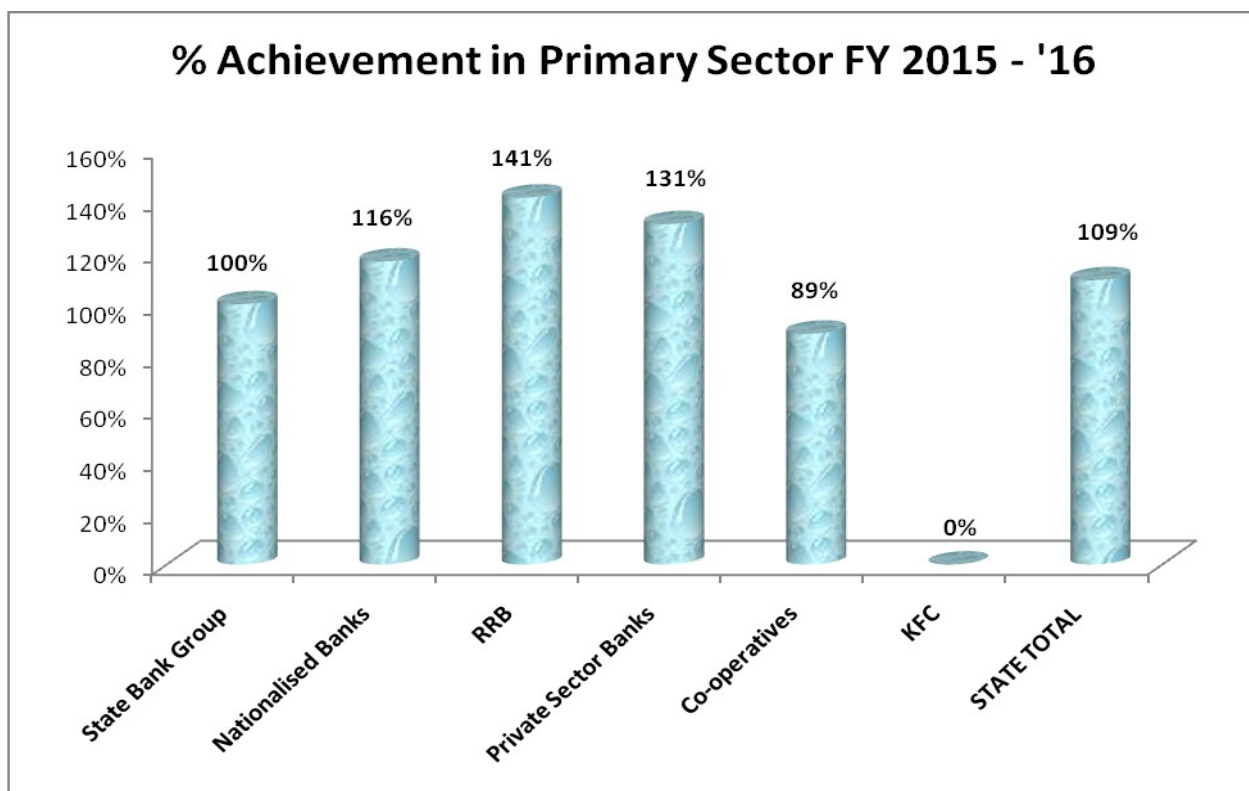
The share of various banking groups in the disbursement to primary sector is as follows.

(Rs. in Crores)

Banking Group	Disbursement	% Share in Total Disbursement	% Achievement of the target
State Bank Group	8487	16%	100
Nationalised Banks	13993	27%	116
RRB	6739	13%	141
Private Sector Banks	9523	18%	131
Co-operatives	13631	26%	89
KFC	0	0%	--
STATE TOTAL	52374	100%	109

Primary Sector Performance FY 2015 -'16 - Bank Group Wise



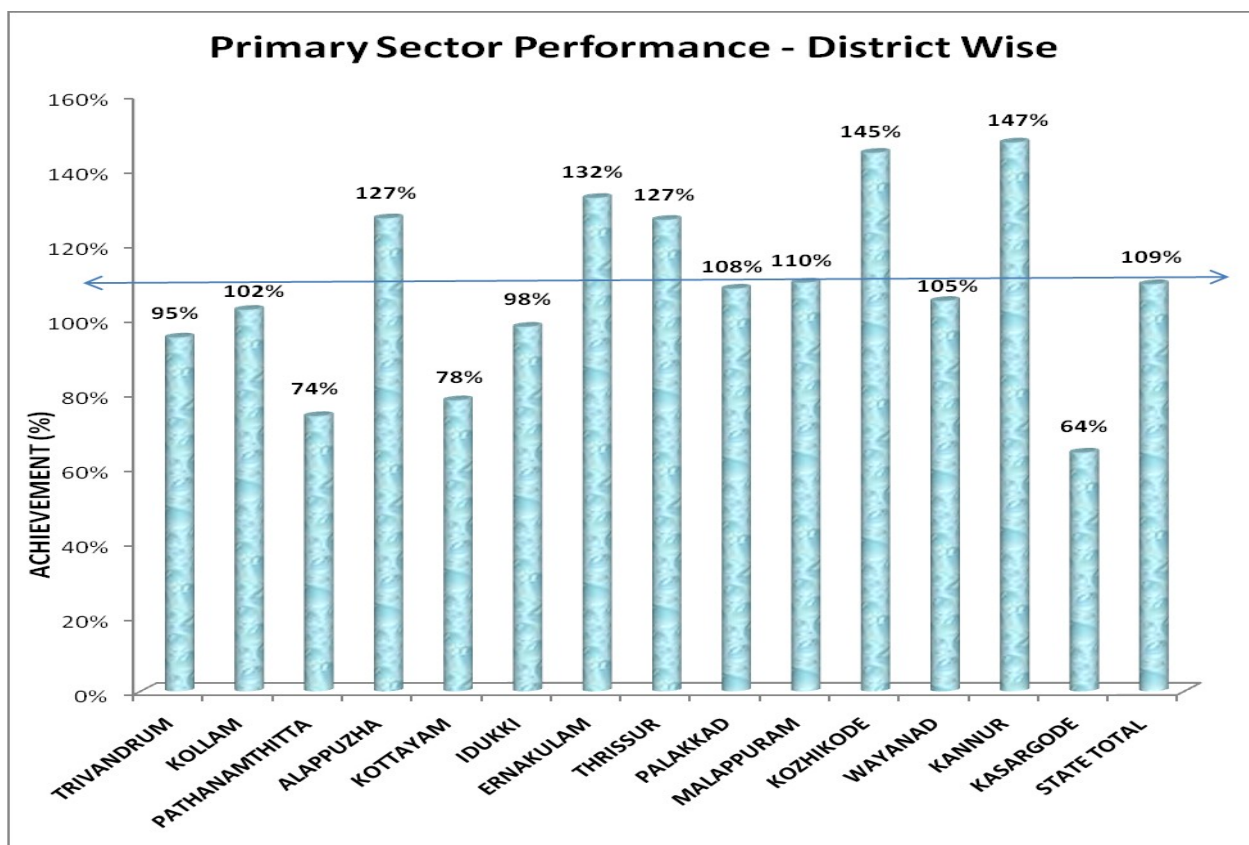
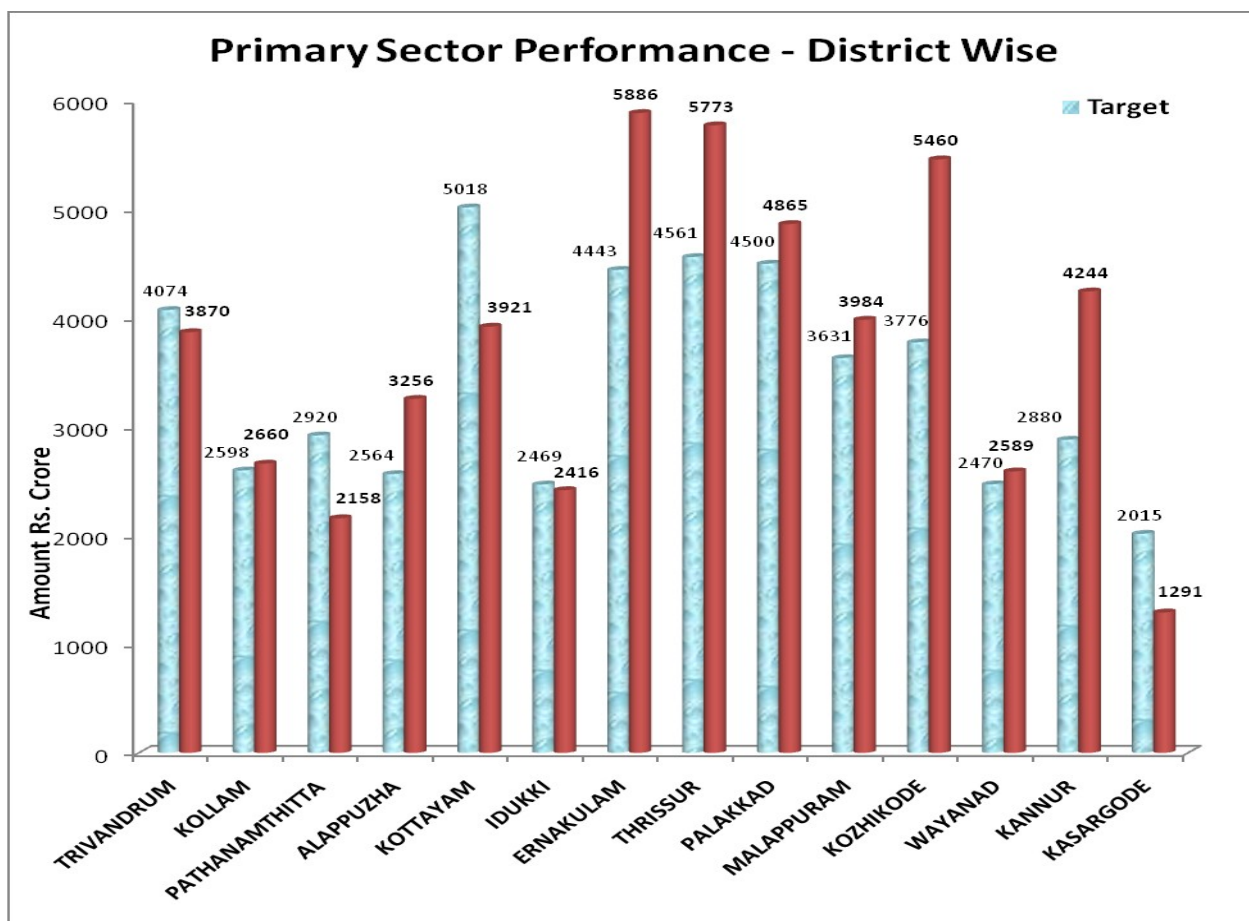


2.1.2. District wise Performance under Primary Sector

The District wise performance for the financial year 2015-16 details are furnished in **Annexure-7.11.**

(Rs in. Crores)

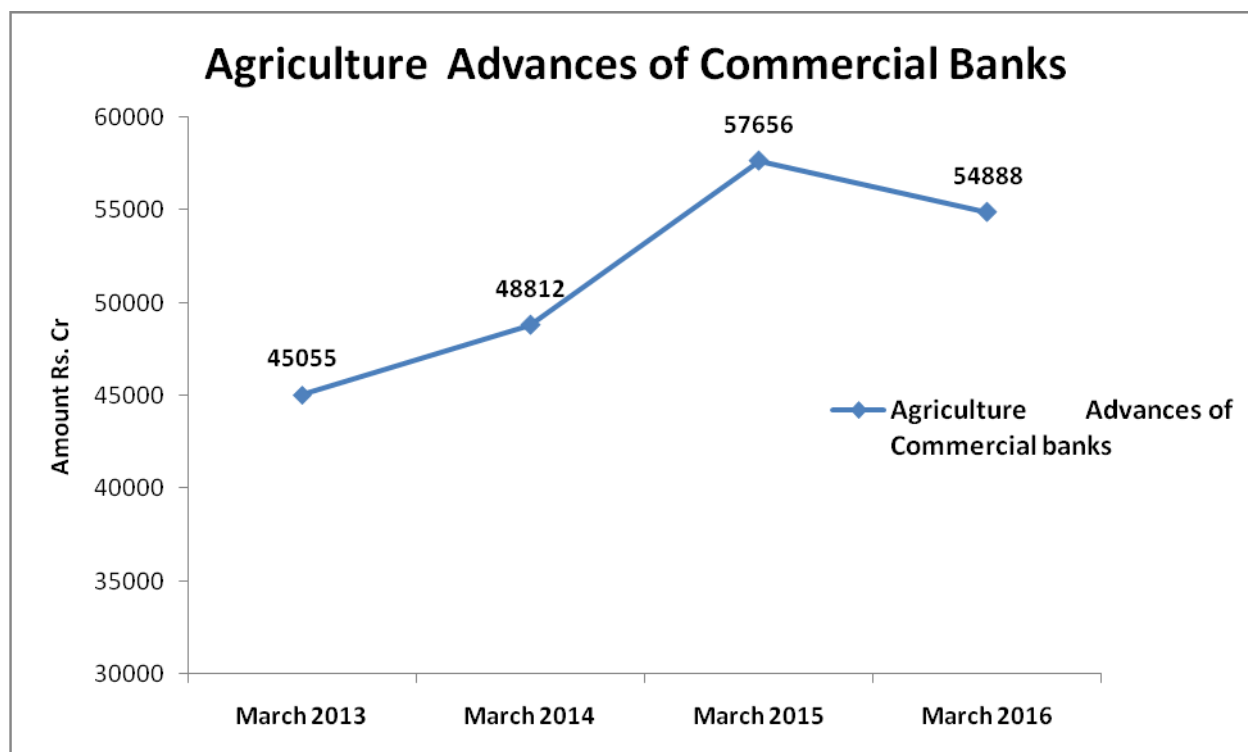
Sl. No.	District	Target	Achievement 2015-16	% Achievement
1	TRIVANDRUM	4074	3870	95
2	KOLLAM	2598	2660	102
3	PATHANAMTHITTA	2920	2158	74
4	ALAPPUZHA	2564	3256	127
5	KOTTAYAM	5018	3921	78
6	IDUKKI	2469	2416	98
7	ERNAKULAM	4443	5886	132
8	THRISSUR	4561	5773	127
9	PALAKKAD	4500	4865	108
10	MALAPPURAM	3631	3984	110
11	KOZHIKODE	3776	5460	145
12	WAYANAD	2470	2589	105
13	KANNUR	2880	4244	147
14	KASARGODE	2015	1291	64
TOTAL		47919	52374	109



2.2. Agriculture Advances (Refer Annexure 7.5)

(Rs. in Crores)

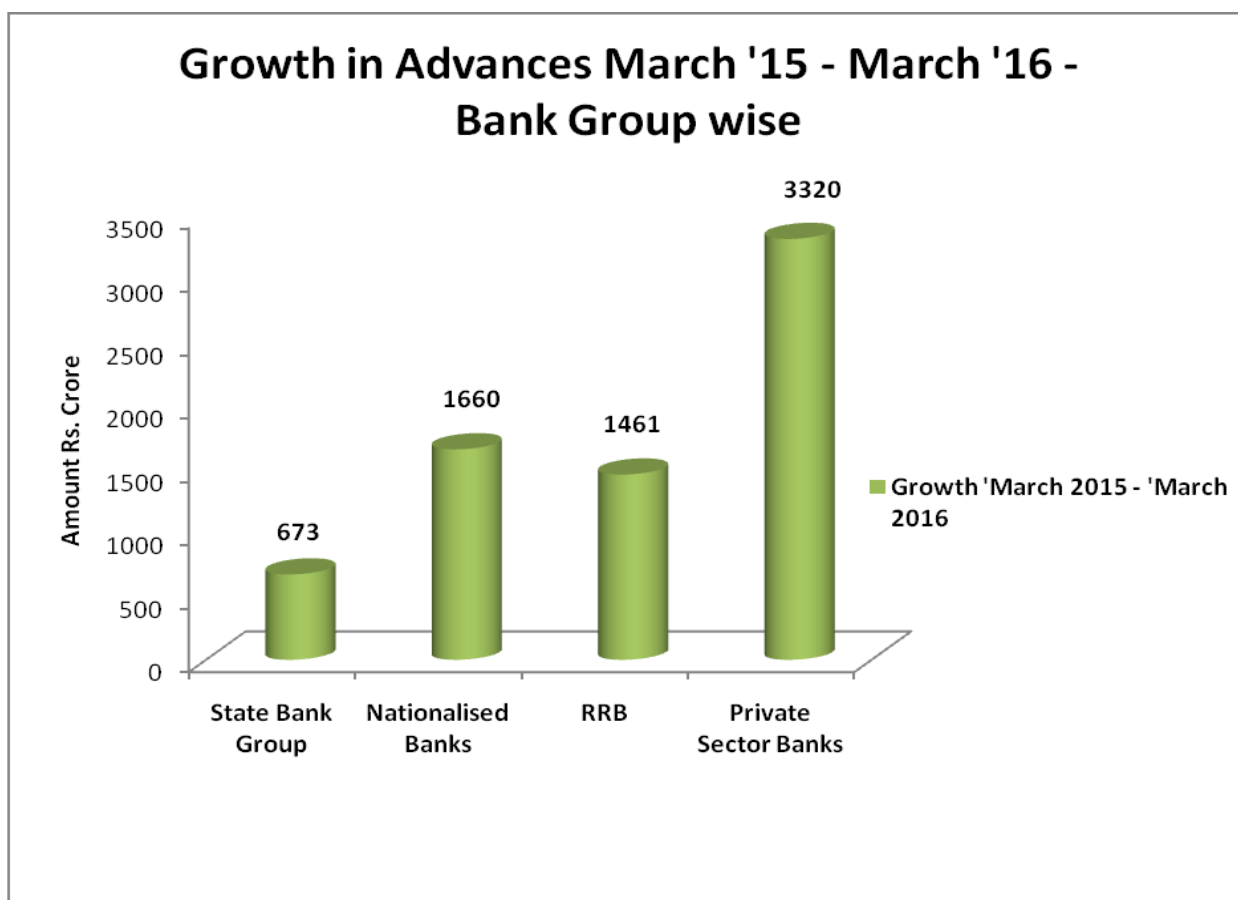
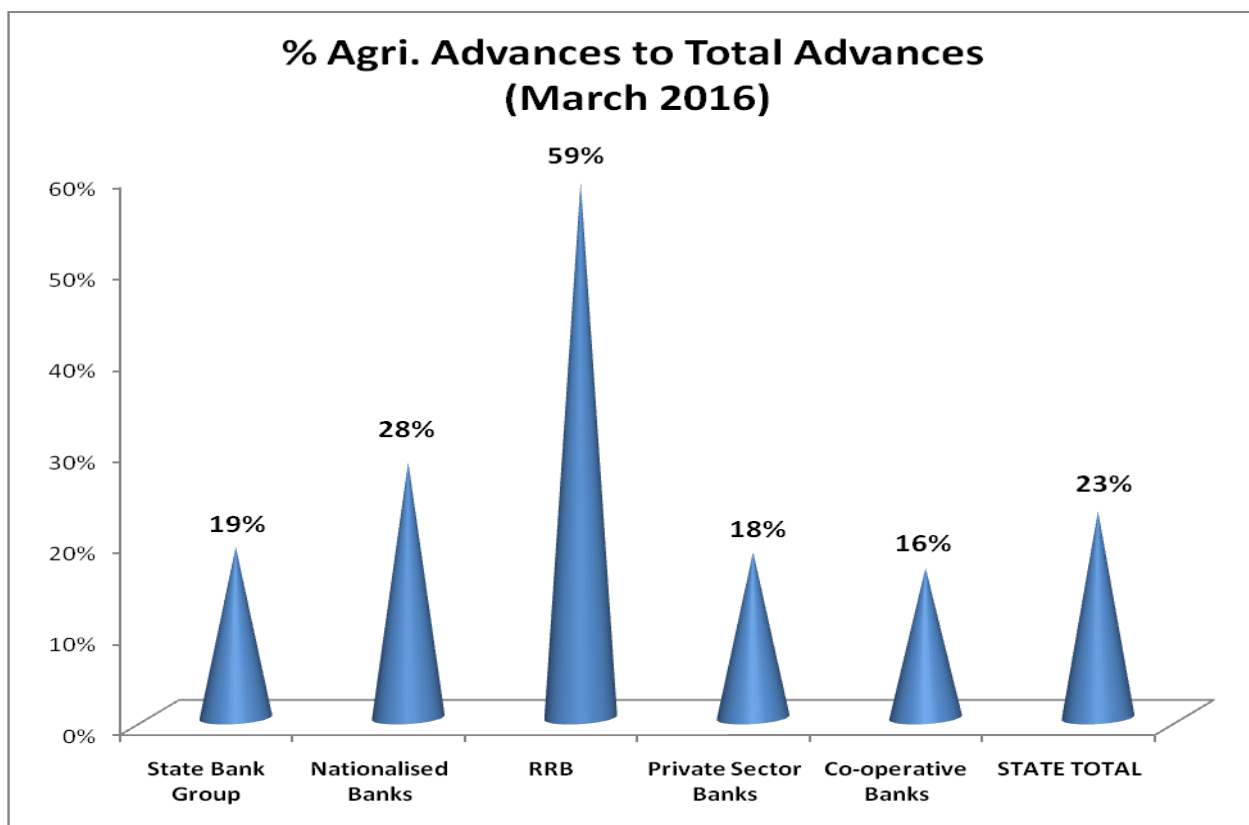
Parameter	Outstanding				Variation		
	March 2013	March 2014	March 2015	March 2016	March '13-March '14	March '14-March '15	March '15-March '16
Agriculture Advances of Commercial banks	45055	48812	57656	54888	3757	8844	-2768

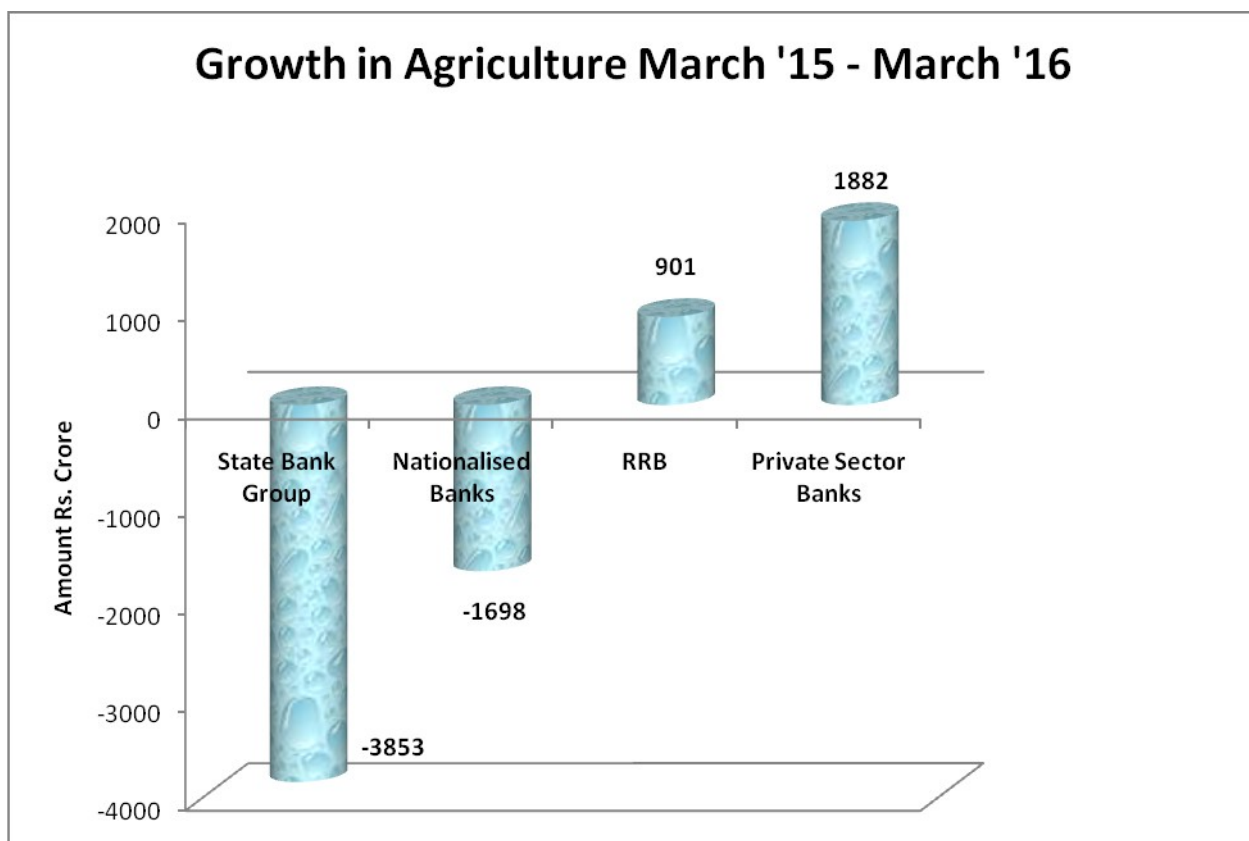


Banking Group wise Performance under Agriculture Advances as at March 2016

(Rs in. Crores)

Bank	Total Advances			Agriculture Advances			% Agri. Advances to Total Advances (March 2016)
	March 2015	March 2016	Growth March '15-March '16	March 2015	March 2016	Growth March '15-March '16	
State Bank Group	63175	63848	673	15798	11945	-3853	19%
Nationalised Banks	74734	76394	1660	23085	21387	-1698	28%
RRB	10467	11928	1461	6102	7003	901	59%
Private Sector Banks	76927	80247	3320	12671	14553	1882	18%
Co-operative Banks	33514	36784	3270	6193	6033	-160	16%
GRAND TOTAL	258817	269201	10384	63849	60921	-2928	23%





2.3. Performance under Kisan Credit Card Scheme (Refer Annexure 7.18)

Bank wise data is given in the annexure. As per the reports available with the Convenor SLBC for the financial year 2015-16,

(Rs in. Crores)

Bank	Outstanding during 2014-15		Outstanding during 2015-16	
	No.	Amt	No.	Amt
State Bank Group	120529	1168	91981	1185
Nationalised Banks	192152	6453	186071	2471
RRB	152384	1060	152523	1145
Private Sector Banks	178008	5475	228138	6411
Co-operative Banks	1217804	2558	1143050	2754
GRAND TOTAL	1860877	16714	1801763	13965

2.4. PENDING ISSUES

2.4.1. 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 Govt 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.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided to pursue the matter.

Note by SLBC Cell: *Vide letter No. SLBC 35 119 2016 GN dated 23.05.2016 we have taken up the matter with Joint Secretary, DFS,MOF, Government of India requesting to examine the matter*

2.5. FRESH ISSUES

2.5.1. 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. The circular and the format is provided in **Annexure-7.45**.

The Steering Committee noted that till date only 13 banks have reported.

Sri. C. Saravanan, Deputy General Manager, RBI requested SLBC Cell to write a letter to concerned banks in this regard and if reply is not coming within 3 days, then it will be treated as “NIL”. He added that the same is to be published in the SLBC website.

The Steering Committee decided to place the matter in the SLRM.

2.5.2. Legal and institutional support mechanism needed for promoting and sustaining the group farming ventures of JLG group and other farmer collectives based on the findings of study conducted by NABARD in collaboration with KAU (Suggested by NABARD)

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 is very critical in Kerala to overcome challenges posed by small unviable land holdings and fallowing of farm land by land owners.

*In the Steering Committee meeting held on 08.06.2016, while explaining the details **Sri. Nagesh Kumar B**, Deputy General Manager, NABARD informed that recommendations are brought out according to the study report. Many banks are having their own procedures and are demanding land documents. **Sri. Regi Varghese**, Manager, NABARD said that due to this, JLG linkage is also going down. The study says that interse agreement should be simplified so as to able to get loans to landless people.*

***Sri. G. Nandakumar**, Senior Manager, SLBC Cell opined that as per RBI guidelines land documents can be waived for crop loans upto Rs. 50,000/- granted to oral lessees.*

***Sri. C. Saravanan**, Deputy General Manager, RBI, clarified that as per RBI guidelines loans are to be extended with documentary proof as stipulated in the credit policy of individual banks. Members of the forum felt that appropriate documentation and end use monitoring is essential since interest subvention is involved. Specific issues, if brought out, can be sorted out with individual banks.*

***Sri. N. Sivasankaran**, Convenor SLBC, Kerala and General Manager, Canara Bank said that individual banks have a policy regarding what documentation are to be taken according to the RBI guidelines and they cannot do away with policy on documentation.*

The Steering Committee after discussing the matter decided to place the following recommendations in the SLRM.

- *The Government may consider of 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.*

2.5.3. Online Credit Calculator for crop Loans (Suggested by NABARD)

Kerala Agriculture University with assistance from State Planning Board has developed an online tool for calculation of Scale of Finance for crops. The tool has various provision for adding multiple crops and varieties. KAU will update the tool with Latest Scale of Finance. Bankers can use of the online credit calculator while sanctioning KCC loans. Linking the credit calculator through SLBC website will help bankers.

To see the credit calculator, please see the below link <http://www.farmextensionmanager.com/> and go to credit calculator.

*In the Steering Committee meeting held on 08.06.2016, **Sri. C. Saravanan**, Deputy General Manager, RBI observed that scheme need to have enabling provision to update the changes in scale of fiancne expeditiously as and when revised. NABARD agreed to oversee the updating aspects.*

The Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

2.5.4. Farmer Producer Organizations (FPOs) – the way ahead for Indian farmers (Suggested by NABARD)

India has over 12.5 crore farmer households, of which more than 85% are small and marginal farmers with land holdings of less than 2 hectares. The average size of land holdings in the country is 1.16 hectare/farmer household. In Kerala, this is far less than the national average. Due to this fragmentation and small holdings, farmers face issues of procuring inputs like seeds and fertilizers at high prices. Even though changes in local, regional and global markets have created many market opportunities for Indian farmers, their ability to take advantage of these opportunities is heavily constrained by issues like lack of capital, skills & capital assets; high cost of cultivation; limited access to affordable/reliable backward and forward linkage supports; weak bargaining position in local and global markets; limited influence on local, national and global policies, etc.

2. In this context, aggregation of farmers into Producer Organizations (FPOs) provides a plethora of benefits by enabling them to leverage the multifarious benefits of economies of scale. The Union Budget for 2014-15, presented by Shri Arun Jaitley, Hon'ble Union Finance Minister, GoI, had provided for a corpus of Rs.200 crore for promotion of 2000 new FPOs in the country over a two year period. The fund titled "PRODUCE FUND" has been entrusted with NABARD; and the fund is utilized to build, promote and nurture FPOs by way of extending financial and non-financial support during the nascent/formative stage of an FPO.

3. In Kerala, we have so far extended assistance for promotion of 107 FPOs, under PRODUCE fund. Majority of these FPOs have already been incorporated as Companies under Part IXA of the Indian Companies Act. Many of them have started operations too.

4. The banks have a big challenge as also a great opportunity lying before them. Since Produce Fund assistance is limited to formation and nurturing of the FPOs and that too, for the first three years only, they may need working capital assistance to commence and sustain their business operations. NABARD is sure that the banks would accept FPO lending also as part of their normal lending portfolio, as they had embraced SHG lending, JLG lending, etc. with great enthusiasm in the recent past. NABARD is willing to share the list of FPOs formed under PRODUCE FUND, with all the banks. A few banks have already come out with tailor made products to suit the requirements of Farmer Producer Organizations. We request other banks also to formulate similar products to assist the above FPOs.

*In the Steering Committee meeting held on 08.06.2016, **Sri. Nagesh Kumar B**, Deputy General Manager, NABARD informed that in Kerala so far assistance was extended to 107 FPOs and produce fund is provided by Government of India. He requested all banks to extend support to the FPOs.*

The Committee opined that since there is no common scheme, the individual banks can extend support to FPOs on a case to case basis. The Committee requested NABARD to provide the list of 107 FPOs in the State. It was decided to place the matter in the Review Meeting of SLBC for information of banks.

2.5.5. E Shakti – Project for digitization of SHGs (Suggested by NABARD)

In line with Government of India's mission for creating a 'Digital India', NABARD launched a pilot project titled “EShakti” for digitization of all SHGs (the pilot project has been successfully implemented in two districts namely, Ramgarh (Jharkhand) and Dhule (Maharashtra)). The project aims to bring SHG members under the fold of Financial Inclusion Agenda thereby helping them access wider range of financial services, increase bankers' comfort in credit appraisal and linkages of SHGs through digitization of SHG accounts among host of others.

The stakeholders in the project are - Rural poor community and members of SHGs, Self Help Promoting Institutions (SHPIs), Non-Government Organizations (NGOs), Banks, NABARD, Government Agencies like SLRMs, NRLM etc. At a later stage, Credit Bureaus may also be brought on board.

Perceived Benefits of the digitization process are

- Improve quality of book-keeping
- Provide credit to SHG based on its real time performance
- Reduce Saving-Credit linkage gap
- Track credit history of members
- Transparency through real time SMS alerts to members on updation
- Convergence of SHG with other Government Programmes and
- Integration of members with larger Financial Inclusion Agenda.

Encouraged by the positive response of the stake holders in the first phase, it has been decided to cover 22 more districts across the country under the second phase of E Shakti project. This phase is expected to cover 2.3 lakh SHGs and touch the lives of around 35 lakh members mostly impoverished rural women. In Kerala, Kasargode district has been identified for digitization in the second phase.

The project shall be rolled out as ‘PAY & USE’ model with an appropriate cost sharing model. NABARD assistance will be made available to the Implementing agencies for procuring hand held devices for collection of data, cost for hiring and training of animators who will be responsible for collecting and updating data, audit of data collected etc.

SLBC / Controlling offices of the Banks are requested to instruct the bank branches in Kasargod district to extend whole hearted cooperation to the programme and extend necessary support to Implementing agencies identified under the project. It is also requested that review of progress under the project may be taken up in DCC/DLMRC and BLBC meetings.

*In the Steering Committee Meeting held on 08.06.2016, **Sri. Nagesh Kumar B**, Deputy General Manager, NABARD made a detailed power point presentation on E Shakti – Project for digitization of SHGs for the awareness of the forum.*

The forum enquired whether

- (a) Since personal data of individuals are involved whether the entity collecting the data is a registered credit information agency or is expressly authorize the RBI for the same.*
- (b) Whether appropriate protocols are developed to ensure security of the information at the time of collection, transmission and storage of data.*
- (c) Who will ultimately own the data and would be responsible for the data security.*

Sri. Nagesh Kumar B, Deputy General Manager, NABARD responded that he would come back on the same.

The forum felt that approval from RBI may be taken.

The Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

Note by SLBC Cell: *In the light of the guidelines vide its letter No. FIDD (T) LBS No.1690/03.02.002 /2015-16 dated 2016 June 16th circulated by SLBC Cell through E-mail dated 2016 June 18th, the matter of collection and sharing of personal information of customers to an outside agency is to be in consonance with RBI guidelines.*

2.5.6. Monitoring of NPA under SHG Lending (Suggested by NABARD)

- SLBC may review NPA position under SHG/NHGs, so as to take stock of the movement in NPA in the sector and to suggest necessary action for rectification / reduction in NPA.
- All stake holders to be advised to extend support to FIs in their NPA reduction efforts
- A format for collecting data in this regard is shown below :

Name of the bank	Number of SHGs credit linked	Amount of loan outstanding to SHGs	Amount of NPA under SHG lending	Number of SHG accounts designated as NPA

- The format, with suitable refinements may be circulated amongst all banks for submission of data within the time frame as decided by SLBC

The Steering Committee that met on 08.06.2016 decided to collect the data of NPA under SHG lending and the system wide total NPA & outstanding would be placed in the SLRM for review.

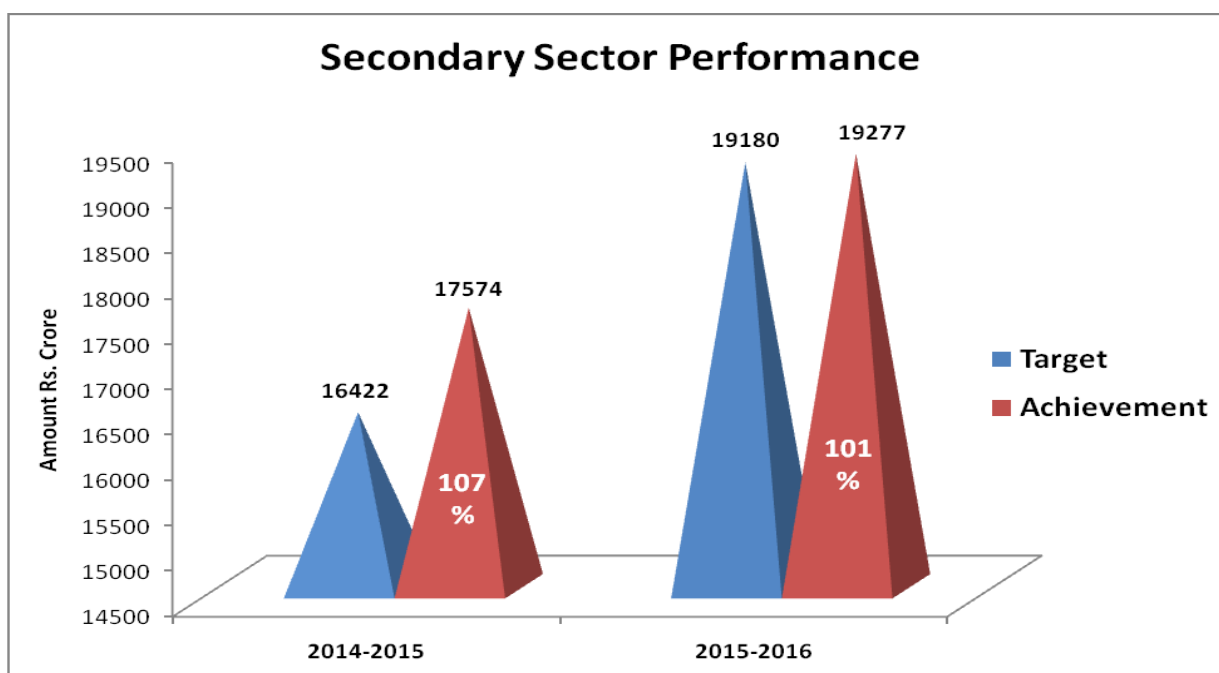
The Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

3. ISSUES FOR GROUP DISCUSSION ON SECONDARY SECTOR & GOVERNMENT SPONSORED SCHEMES (GROUP II)

3.1. Performance of Secondary Sector under Annual Credit Plan (ACP)

(Rs. in Crores)

Parameter	2014-2015	2015-2016
Target	16422	19180
Achievement	17574	19277
Percentage of Achievement	107%	101%



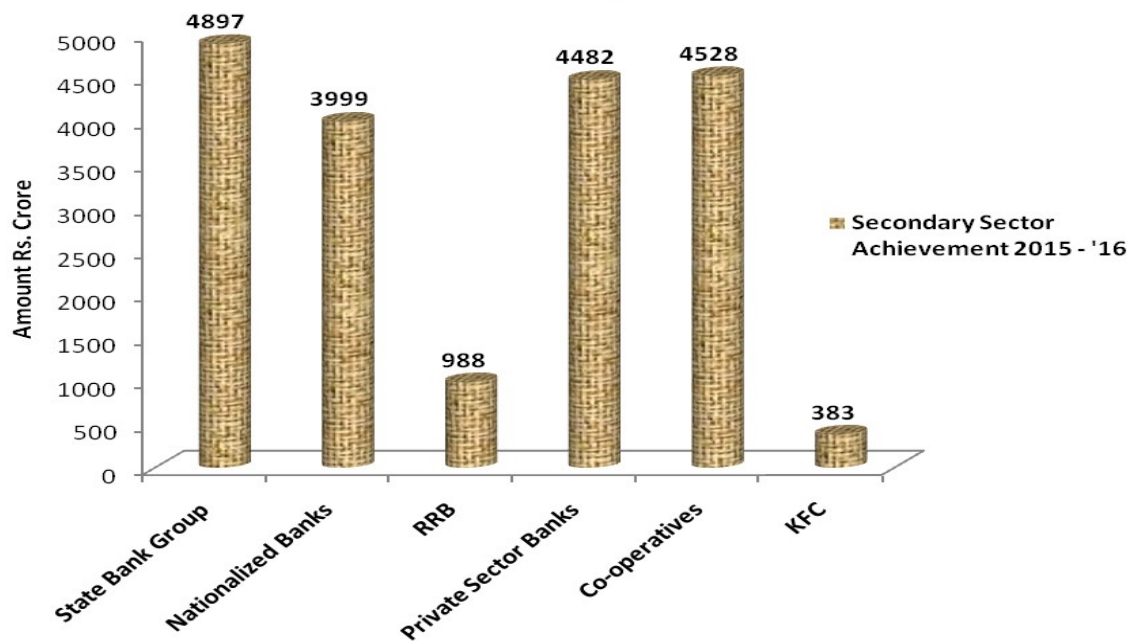
3.2. Review of Disbursements to Secondary Sector under ACP

The share of various banking groups in the disbursement to secondary sector is as follows.

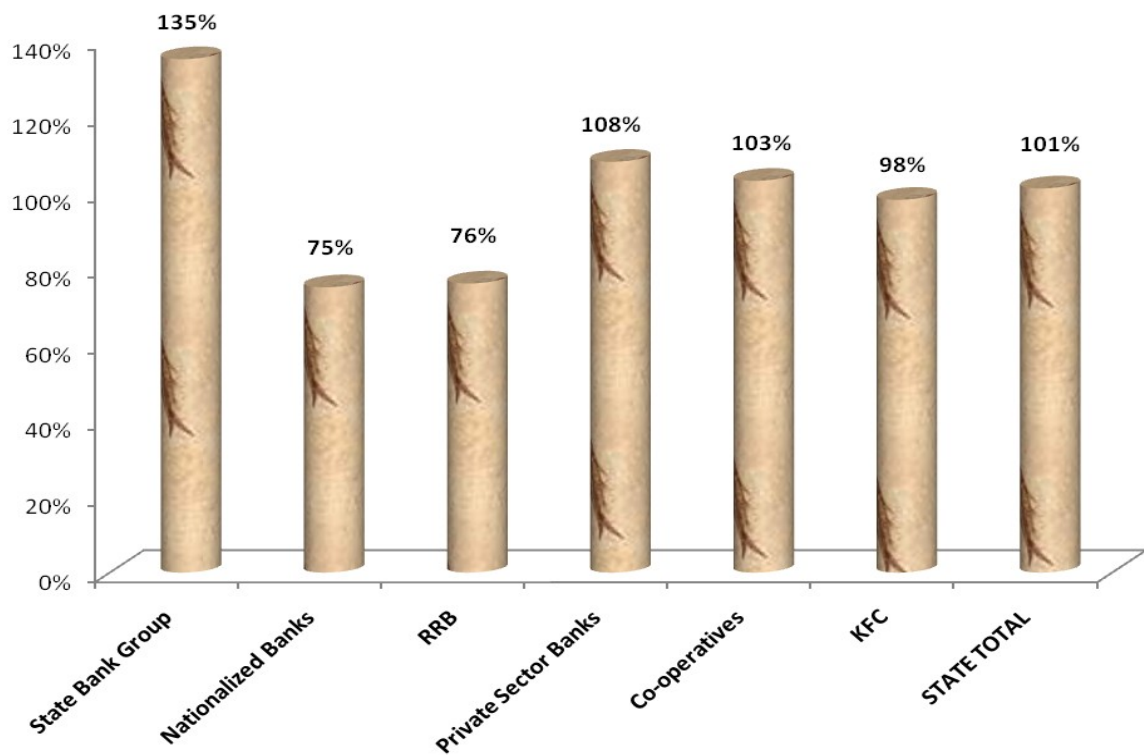
(Rs. in Crores)

Bank	Disbursement to Secondary sector			% Achievement for 2015-16
	2013-14	2014-15	2015-16	
State Bank Group	3408	4349	4897	135.08
Nationalized Banks	1874	3531	3999	75.20
RRB	131	1005	988	75.51
Private Sector Banks	1513	3239	4482	108.29
Co-operatives	707	5076	4528	102.92
KFC	259	373	383	98.31
STATE TOTAL	3675	17574	19277	100.51

Secondary Sector Performance FY 2015 - '16 - Bank Group Wise



% Achievement in Secondary Sector FY 2015 - '16 - Bank Group Wise

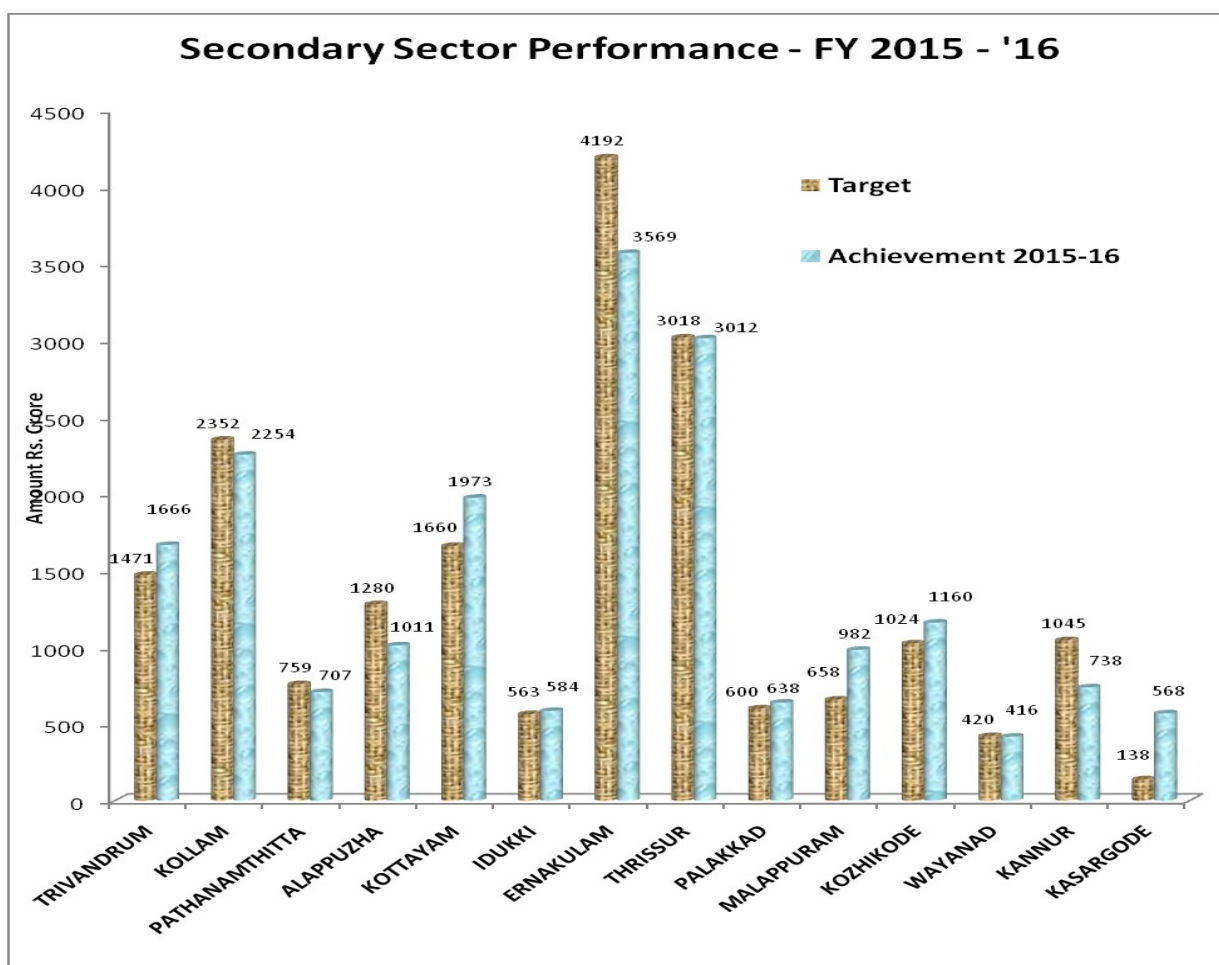


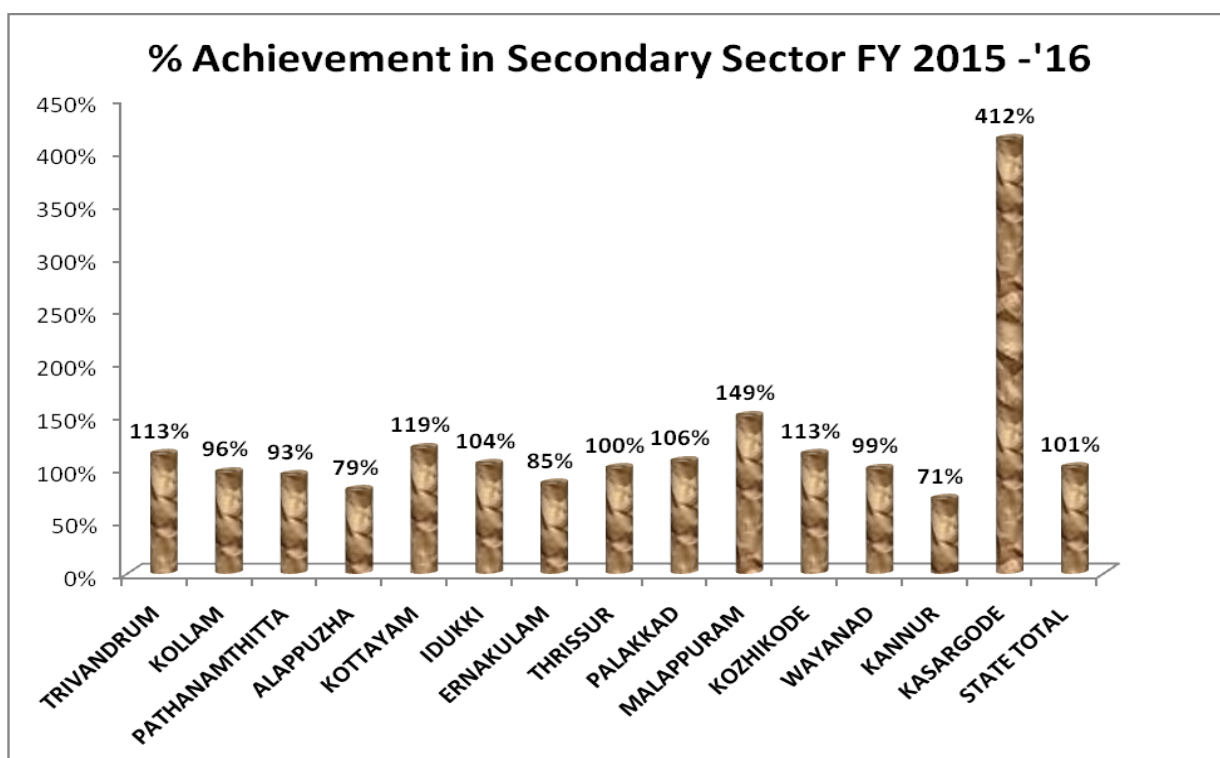
3.2.1. District wise Performance under Secondary Sector

The District wise performance details are furnished in **Annexure-7.11.**

(Rs in. Crores)

Sl. No.	District	Target	Achievement 2015-16	% Achievement
1	TRIVANDRUM	1471	1666	113
2	KOLLAM	2352	2254	96
3	PATHANAMTHITTA	759	707	93
4	ALAPPUZHA	1280	1011	79
5	KOTTAYAM	1660	1973	119
6	IDUKKI	563	584	104
7	ERNAKULAM	4192	3569	85
8	THRISSUR	3018	3012	100
9	PALAKKAD	600	638	106
10	MALAPPURAM	658	982	149
11	KOZHIKODE	1024	1160	113
12	WAYANAD	420	416	99
13	KANNUR	1045	738	71
14	KASARGODE	138	568	412
TOTAL		19180	19277	101





3.3. Performance under MSME Advances (Priority)

Micro, Small and Medium Enterprises are now part of the Priority Sector (MSME).

(Rs. in Crores)

Parameter	Outstanding				Variation		
	March 2013	March 2014	March 2015	March 2016	March'13-March'14	March'14-March'15	March'15-March'16
MSME Advances	23563	32069	35730	39463	8506	3661	3733

3.3.1. Banking Group wise MSME Advances (Refer Annexures 7.6)

Banking Group	March 2016							
	Micro Enterprises		Small Enterprise		Medium Enterprise		Total MSME	
	No.	Amt	No.	Amt	No.	Amt	No.	Outstanding Amount
State Bank Group	67919	4371	36175	4678	2532	381	106626	9430
Nationalized Banks	337746	6951	34328	6349	16957	1400	389031	14700
RRB	134874	1165	1258	126	115	7	136247	1298
Private Sector Banks	129239	4789	32202	7860	1762	1386	163203	14035
Grand total	669778	17275	103963	19014	21366	3174	795107	39463

3.3.2. 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.

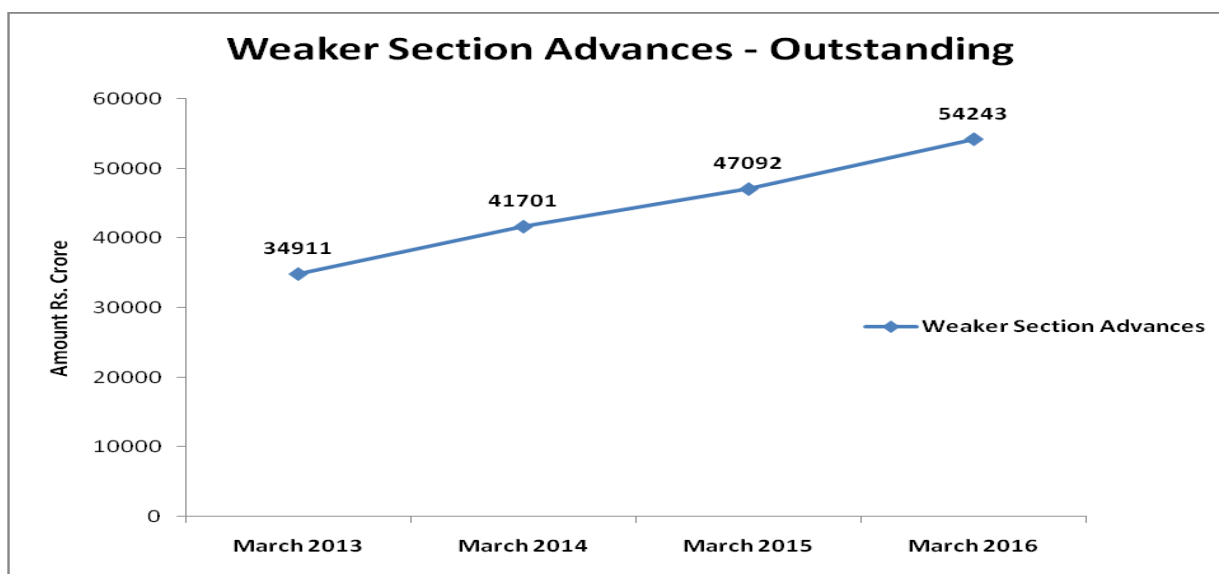
Performance of the State under above parameters is as follows:

Sl. No.	Parameter	Mar-15	Mar-16	Increase	% Increase	Target
1	No of Loan accounts under Micro Enterprise	333638	669778	336140	101%	10%
2	Credit under Micro and Small Enterprise (Rs.in Crores)	35730	36289	559	2%	20%
3	Credit under Micro Enterprise (Rs.in Crores)	13874	17275	3401	25%	xxxx
4	Share of Micro Enterprise to total MSE Credit (%)	39%	48%	xxxx	xxxx	60%

3.4. Advances to Weaker Section (Refer Annexure 7.9)

(Rs in. Crores)

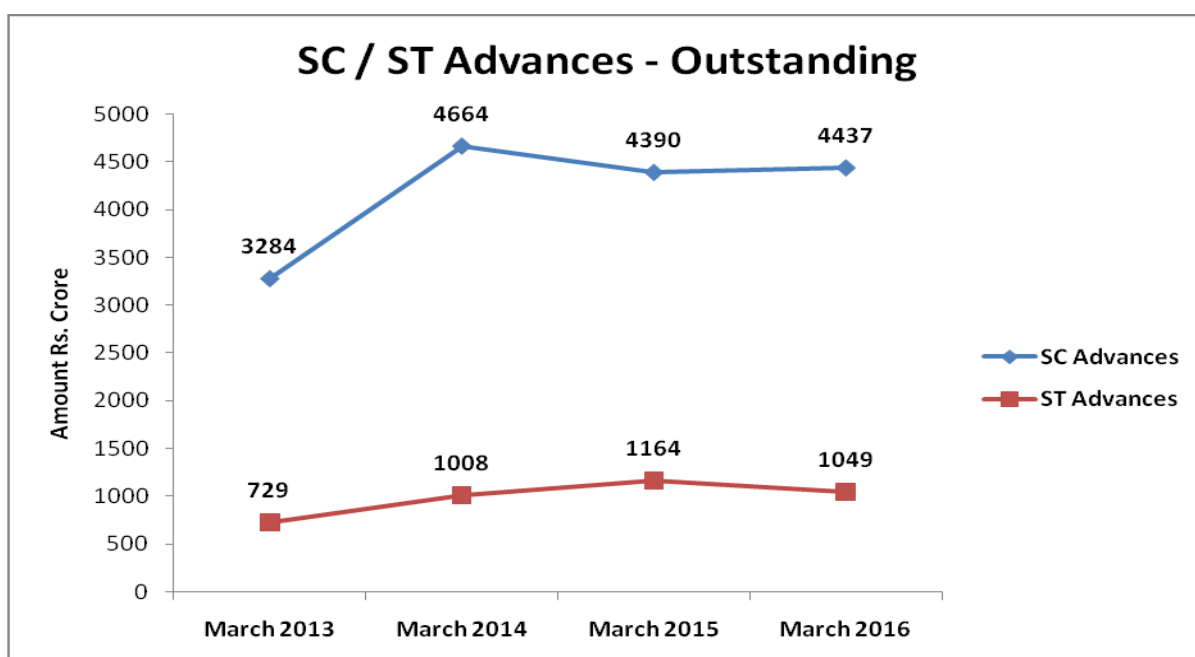
Parameter	Outstanding				Variation		
	March 2013	March 2014	March 2015	March 2016	March '13-March '14	March '14-March '15	March '15-March '16
Weaker Section Advances	34911	41701	47092	54243	6790	5391	7151



3.5. Advances to SC/STs (Refer Annexure 7.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2013	March 2014	March 2015	March 2016	March '13-March '14	March '14-March '15	March '15-March '16
SC Advances	3284	4664	4390	4437	1380	-274	47
ST Advances	729	1008	1164	1049	279	156	-115
Total SC/ST Advances	4013	5672	5554	5486	1659	-118	-68



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

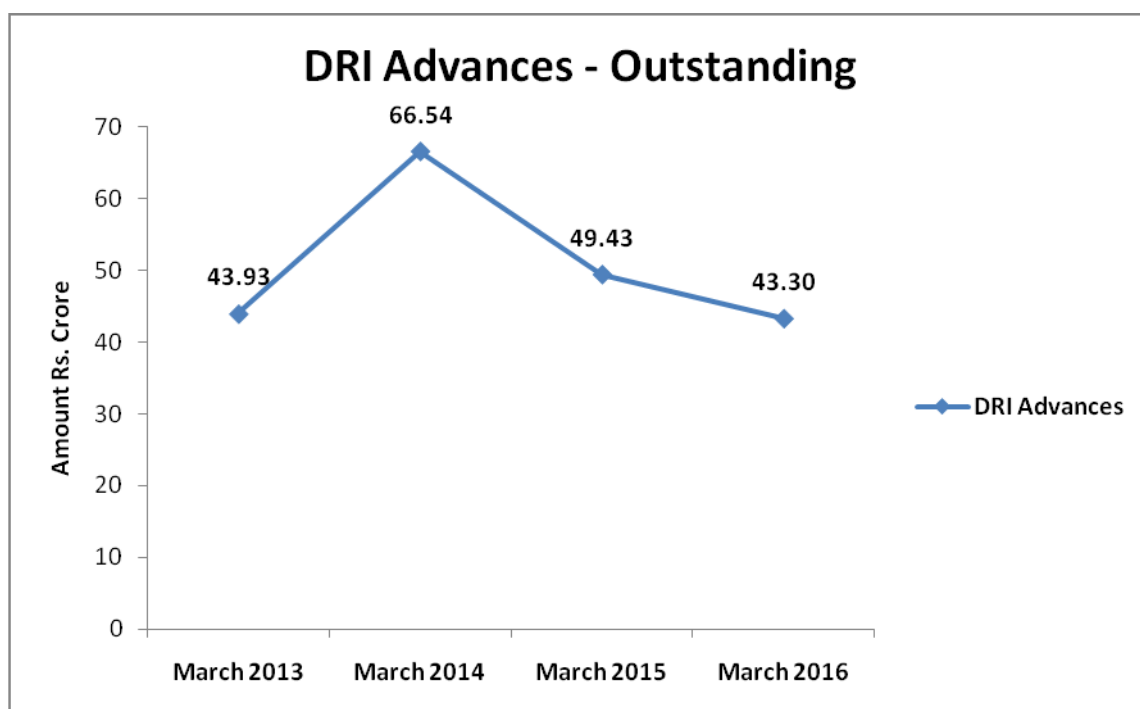
(Rs. in Crores)

Bank	SC Advances			ST Advances		
	Outstanding		% O/S to total	Outstanding		% O/S to total
	No.	Amount		No.	Amount	
State Bank Group	218335	3451	78%	74882	794	76%
Nationalised Banks	84880	728	16%	19078	198	19%
RRB	22775	129	3%	12263	43	4%
Private Sector Banks	9059	130	3%	1184	14	1%
GRAND TOTAL	335049	4437	100%	107407	1049	100%

3.6. DRI Advances (Refer Annexure 7.10)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2013	March 2014	March 2015	March 2016	March '13- March '14	March '14- March '15	March '15- March '16
DRI Advances	43.93	66.54	49.43	43.30	22.61	-17.11	-6



Banking Group Wise Performance under DRI advances As at March 2016 (Rs. in Lakhs)

Bank	DRI Advances		
	Outstanding		% O/S to total
	No.	Amount	
State Bank Group	2923	846	20%
Nationalised Banks	38842	3055	71%
RRB	1611	125	3%
Private Sector Banks	4607	304	7%
GRAND TOTAL	47983	4330	100%

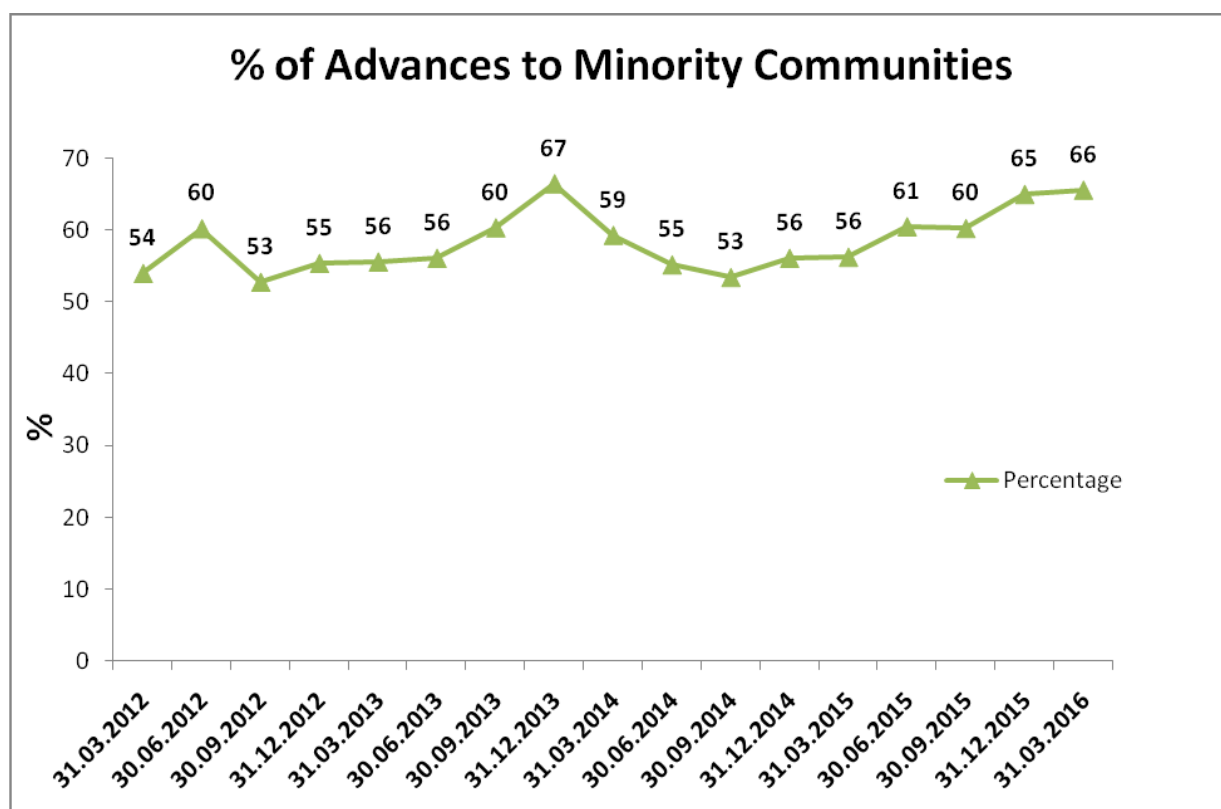
3.7. Credit Flow to Minority Communities (Refer Annexures 7.15)

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.

Data on Minority Sector Advances in the State of Kerala

(Rs. in Crores)

Year	Total Priority Sector Advances	Minority Sector Advances	Percentage
31.03.2012	85606	46247	54.02
30.06.2012	87751	52877	60.26
30.09.2012	91253	48177	52.79
31.12.2012	92844	51466	55.43
31.03.2013	99318	55248	55.63
30.06.2013	99515	55874	56.15
30.09.2013	101468	61290	60.40
31.12.2013	105160	69998	66.56
31.03.2014	113555	67406	59.35
30.06.2014	115246	63647	55.22
30.09.2014	119436	63858	53.46
31.12.2014	121360	68135	56.14
31.03.2015	128655	72431	56.30
30.06.2015	132733	80372	60.55
30.09.2015	133659	80600	60.30
31.12.2015	130645	85014	65.07
31.03.2016	132256	86853	65.67



3.8. Cumulative position of Sick units

(Rs. in Crores)

Banking Group	Cumulative Position at the end of March 2016		
	No of Units	Amount	% to total
State Bank Group	478	8.00	0.2%
Nationalised Banks	7478	1087.34	32%
RRB	0	0.00	0%
Private Sector Banks	14917	2296.96	68%
GRAND TOTAL	22873	3392.30	100%

3.9. PENDING ISSUES

3.9.1. 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.

*In the 117th Meeting of SLBC, Kerala held on 18.12.2015, **Sri. I. Jawahar**, State Director, KVIC suggested that rather than moving for a total approval, Government has to give a direction to the panchayat to give in principle approval which can be given initially in this regard.*

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala assured the forum to follow up the matter with the concerned Department.

The forum decided to pursue the matter with Government with a request to support with a speedy decision.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided to pursue the matter with Government with a request to support with a speedy decision.

SLBC Cell, vide letter No. SLBC 35 116 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Local Self Government Department, Government of Kerala requesting to examine the matter and inform the decision taken in this regard.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 116 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Local Self Government Department, Government of Kerala requesting to examine the matter and inform the decision taken in this regard.*

3.9.2. 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 Steering Committee that met on 03.03.2016 observed that so far banks are not submitted the data on subsidy outstanding under PMRY 2006–07 & 2007–08 to SLBC Cell. The SLBC cell will be re submitting the data on receipt from the member banks.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided 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.

3.10. FRESH ISSUES

3.10.1. 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.

The Steering Committee noted that the only 5 banks gave their affirmative reply on SLBC mail in this subject. But from the websites, we see that 32 banks are having the facility.

The committee opined that even if it is discussed and decisions taken in SLBC, ultimately banks have to act on that. The Committee suggested that SLBC would write to the banks concerned to get their websites fully enabled. It was decided to place the matter in the SLRM.

3.10.2. Review of Progress under Start up India Programme (Suggested 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 provided in Annexure-7.46.

The Steering Committee that met on 08.06.2016 noted that as on 2016 Mar 31, only 11 banks have participated/reported. Topper is KGB, Second is Vijaya Bank.

Total no. of branches in the State	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
6896	868	1002	6770	1188.3	8007.6

The Committee decided to place the data on Start up India Programme in SLBC.

3.10.3. Stand up India Scheme (Suggested by NABARD)

Honb'le Prime Minister Narendra Modi on 5th April 2016 has launched the 'Stand up India' scheme as part of the government's efforts to support entrepreneurship among women and SC & ST communities. The guidelines in brief is given below:

- (1) **Objective** -to facilitate bank loans between Rs. 10 lakh and Rs. 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.
- (2) The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in three potential ways:
 - *Directly at the branch or*
 - *Through SIDBI's Stand Up India portal or*
 - *Through the Lead District Manager (LDM)*
- (3) The portal will be the crucial interface layer for parameters/ metrics of the borrower (obtained through a set of about 8-10 questions) and will provide information and feedback to such borrowers. A potential borrower will have the option of registering on the portal right away or simply visiting it and registering later. Based on the response to the questions, the portal provides relevant feedback and helps categorize the visitor to the portal as a *Ready Borrower* or a *Trainee Borrower*.
- (4) The portal will be the crucial interface layer for parameters/ metrics of the borrower (obtained through a set of about 8-10 questions) and will provide information and feedback to such borrowers. A potential borrower will have the option of registering on the portal right away or simply visiting it and registering later. Based on the response to the questions, the portal provides relevant feedback and helps categorize the visitor to the portal as a *Ready Borrower* or a *Trainee Borrower*.

4.1 Ready Borrower: In case the borrower requires no handholding support, then registration on the portal as a ***Ready Borrower*** starts the process of application for the loan at the selected bank.

4.2 Trainee Borrower: In cases where the borrower indicates a need for handholding, then registration as a ***Trainee Borrower*** on the portal will link the borrower to the LDM of the concerned district and the relevant office of SIDBI/ NABARD. SIDBI (84 offices) and NABARD (419 offices) as Stand Up India Connect Centres will then arrange for support for such trainee borrowers For DPRs – Project profiles available with SIDBI/ NABARD/ DICs

(5) The LDM will monitor the process and work with local offices of SIDBI and NABARD for problem solving and easing bottlenecks. Once hand holding requirements are adequately met to the satisfaction of the LDM and the trainee borrower, then a loan application will be generated through the portal.

(6) Stand Up India Portal

The Stand Up India Portal is interactive. It hosts information about various entities providing handholding support to the borrower.

(7) Nature of Loan

The loan shall be a Composite Loan. It is expected to cover 75 % of project cost and the rate of interest would be lowest applicable rate of the bank for that category (rating) not to exceed (base rate (MCLR) + 3%+ tenor premium). It shall be repayable in up to 7 years with a moratorium of up to 18 months. A Rupay card will be issued to enable operation of the working capital component.

(8) Credit Guarantee/ Collateral

The scheme for Credit Guarantee for loans under Stand Up India has been notified (www.ncgtc.in). The norms in this respect are aligned with existing CGTMSE norms.

(9) Margin Money

The Scheme envisages 25% margin money which can be provided in convergence with eligible Central / State schemes. In all cases, the borrower shall be required to bring in minimum of 10% of the project cost as own contribution.

(10) District Level Credit Committee

The District Level Credit Committee (DLCC) under the Collector with the LDM as Convenor shall periodically review cases of both types of borrowers, meeting at least once each quarter. SIDBI and NABARD officers will join the review meetings.

The Steering Committee that met on 08.06.2016 noted that the Government of India has asked the State Government to form a State Level Implementation Committee on Stand up India Scheme.

The Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

3.10.4. Convergence of Government Schemes with Pradhan Mantri Mudra Yojana [PMMY] (Suggested by Canara Bank)

Pradhan Mantri Mudra Yojana (PMMY) launched by the Government of India envisages funding of Micro enterprises/small business with loan amount upto Rs. 10 lakhs. In this regard we like to draw your attention to the various Government of India and State Government programmes, extending support for creation of enterprise / livelihood and imparting training / skill development. There are several programmes under implementation, the major being National Rural Livelihood Mission (NRLM) implemented by the Ministry of Rural Development. Self Employment Programme (SEP) component of National Urban Livelihood Mission (NULM), Start-up Village Entrepreneurship Programme (SVEP), a sub component to NRLM, training through RSETIs, National Skill Development Corporation (NSDC), accredited training institutions, etc.

With a view to giving a boost PMMY funding, for expanding Micro-enterprises, leading to employment generation, it will be appropriate to dovetail the yojana with these initiatives.

Government of India has also been suggesting for such collaboration programmes. Ministry of Finance, Ministry of Housing & Urban Poverty Alleviation, MUDRA Ltd, and Ministry of Rural Development Departments also have been advised suitably in this regard.

It is requested to:

- Place the instructions of Government of India / MUDRA and discuss the issue in the SLBC for convergence of various Government schemes with PMMY.
- Draw suitable plan of action to extend need based finance to all the candidates trained by various Government / Bank sponsored training centres, as this will ensure better candidates to Banks for financing, and who in turn will be getting Government assistance including subsidy.
- Co-ordinate with the State Governments for positive action in this regard.

The above has to be deliberated at length in the SLBC meeting to arrive at a consensus.

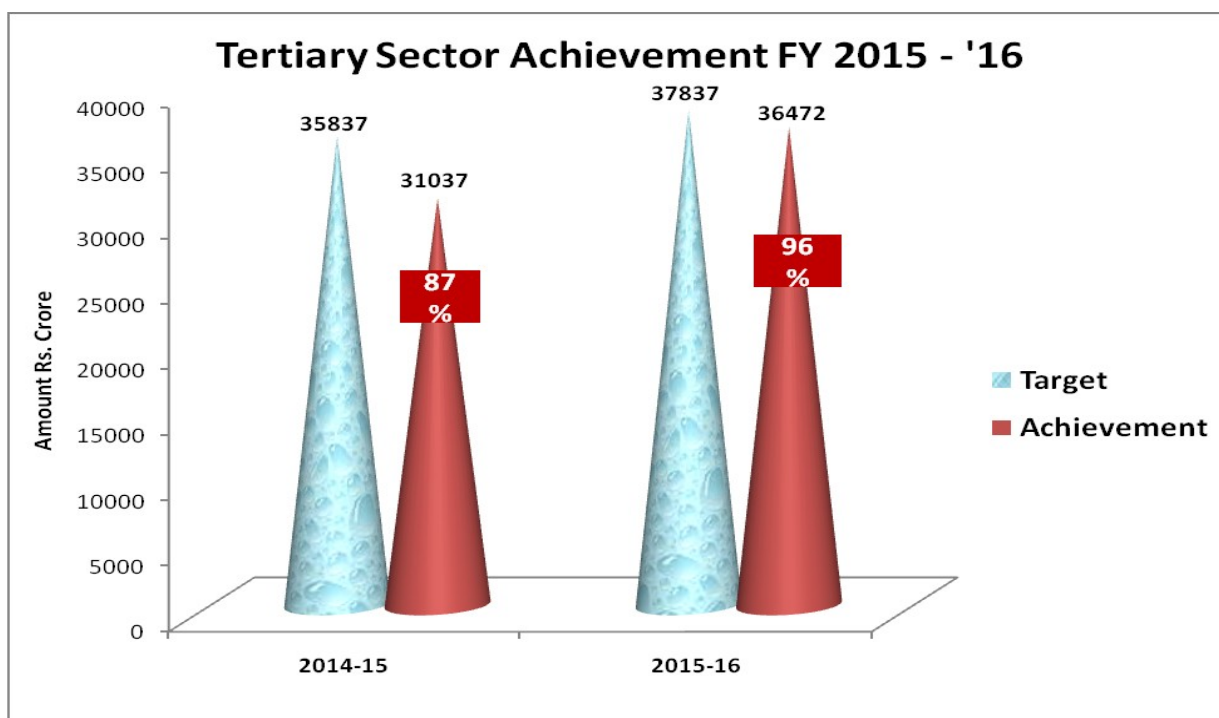
The Steering Committee that met on 08.06.2016 decided to place the matter in the Review Meeting of SLBC for information of banks.

4. ISSUES FOR GROUP DISCUSSION ON TERTIARY SECTOR (GROUP III)

4.1. Performance under Tertiary Sector of ACP

(Rs. in Crores)

Parameter	2014-15	2015-16
Target	35837	37837
Achievement	31037	36472
Percentage of achievement	87%	96%

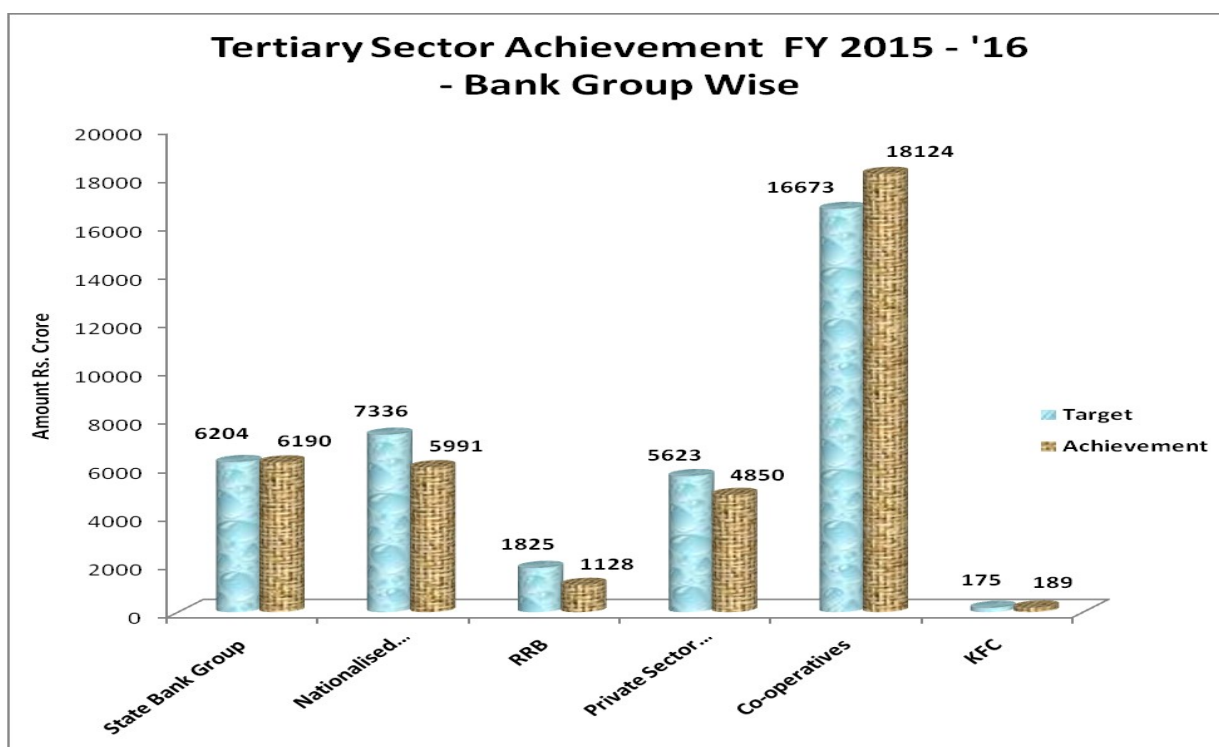


4.2. Review of Disbursements to Tertiary Sector under ACP

Banking Group-wise Performance under Tertiary Sector of ACP 2015-16

(Rs. in Crores)

Bank	Tertiary Sector			
	Target	Achievement	% Achievement	% Share in Disbursement
State Bank Group	6204	6190	99.77%	17%
Nationalised Banks	7336	5991	81.66%	16%
RRB	1825	1128	61.77%	3%
Private Sector Banks	5623	4850	86.25%	13%
Co-operatives	16673	18124	108.70%	50%
KFC	175	189	108.17%	1%
State Total	37837	36472	96.39%	100%

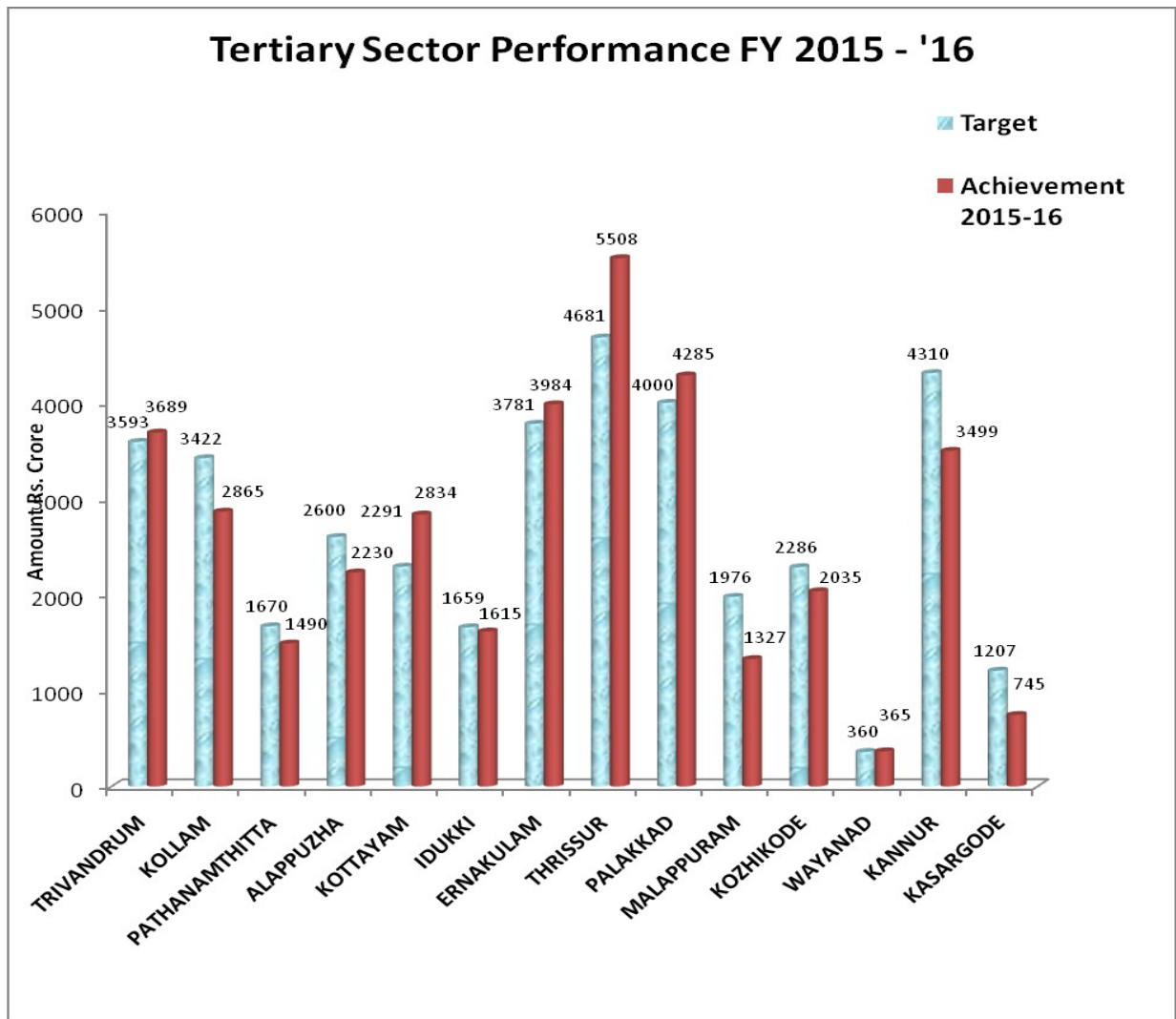


4.3. District wise Performance under Tertiary Sector

The District wise performance details are furnished in **Annexure-7.11.**
Toppers of the financial year 2015-16 are listed below:

(Rs in. Crores)

Sl. No.	District	Target	Achievement 2015-16	% Achievement
1	TRIVANDRUM	3593	3689	103%
2	KOLLAM	3422	2865	84%
3	PATHANAMTHITTA	1670	1490	89%
4	ALAPPUZHA	2600	2230	86%
5	KOTTAYAM	2291	2834	124%
6	IDUKKI	1659	1615	97%
7	ERNAKULAM	3781	3984	105%
8	THRISSUR	4681	5508	118%
9	PALAKKAD	4000	4285	107%
10	MALAPPURAM	1976	1327	67%
11	KOZHIKODE	2286	2035	89%
12	WAYANAD	360	365	102%
13	KANNUR	4310	3499	81%
14	KASARGODE	1207	745	62%
TOTAL		37837	36472	96%

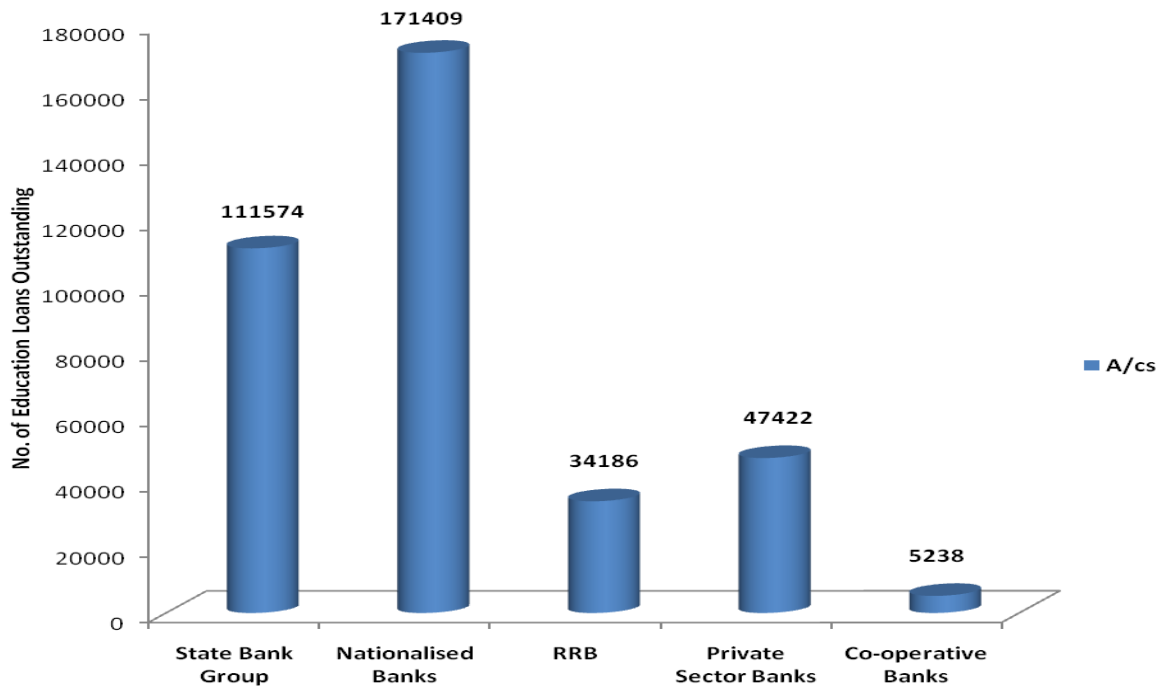


4.4. Performance under Education Loan

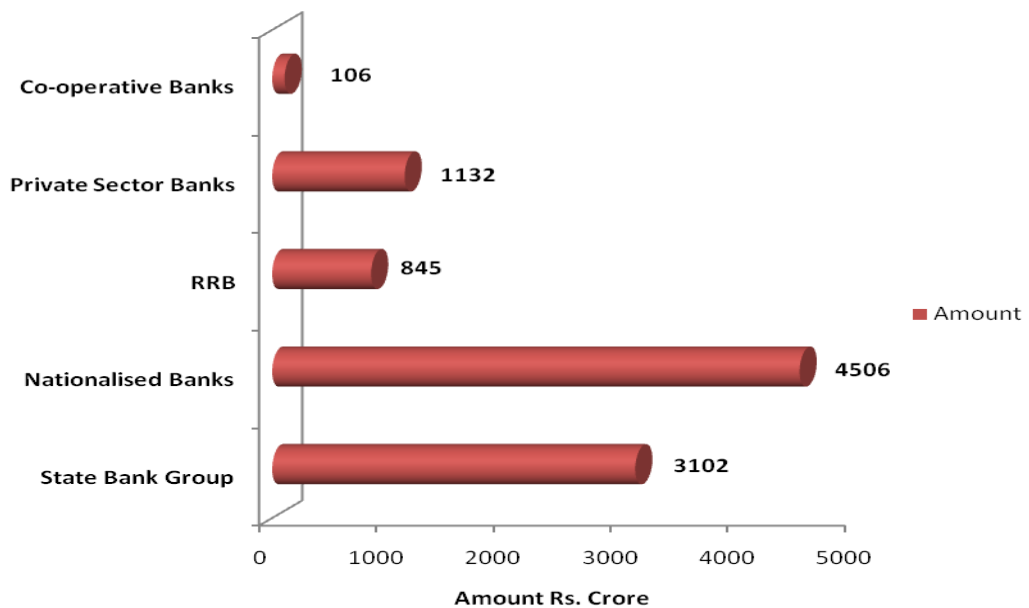
(Rs. in crores)

Banking Group	Outstanding Education loan	
	A/cs	Amount
State Bank Group	111574	3102
Nationalised Banks	171409	4506
RRB	34186	845
Private Sector Banks	47422	1132
Commercial Banks	364591	9586
Co-operative Banks	5238	106
State Total	369829	9692

Education Loan A/cs Outstanding - March 2016



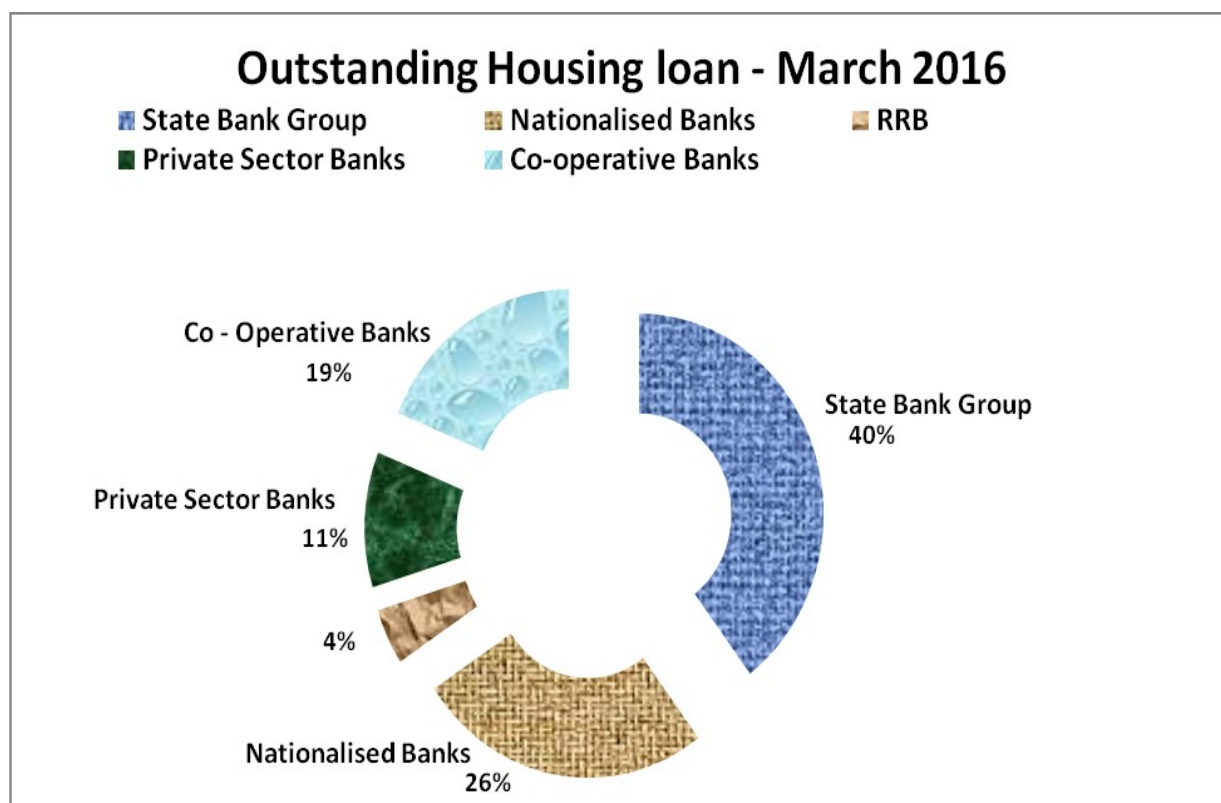
Education Loan Amount Outstanding - March 2016



4.5. Performance under Housing Loan

(Rs. in crores)

Banking Group	Outstanding Housing loan	
	A/cs	Amount
State Bank Group	207337	13409
Nationalised Banks	161089	8736
RRB	39234	1536
Private Sector Banks	61965	3699
Commercial Banks	469625	27379
Co-operative Banks	303156	6349
State Total	772781	33728



4.6. PENDING ISSUES

4.6.1. Land Allotment for construction of RSETI Buildings

(Pending since July 2012)

Land allotment pertaining to the RSETIs of the following districts are pending

	Present status	Department where the matter is pending
Kozhikode	Land not allotted	District Collector Kozhikode has to identify a suitable land
Palakkad	Land identified - Forwarded by District administration to Rural Development Commissioner - forwarded to LSGD Gok - forwarded to Revenue Department - for clearance Pending with Revenue Department.	Revenue (G) Department, Gok.
Kollam	Land identified - Forwarded by District administration to Rural Development Commissioner - forwarded to LSGD Gok - forwarded to Revenue Department - for clearance - Pending with Revenue Department	Revenue (G) Department, Gok
Pathanamthitta	MOU Signed. But writ petition filed by Block Panchayat President in the Kerala High Court against allotment - Govt has to file an affidavit - Draft waiting for Law Department approval	Law Department, Gok

The Planning & Economic Affairs Department is following up the matter with the concerned departments.

Referring the present status at Kozhikode District, the 118th Meeting of SLBC, Kerala held on 13.03.2016 at Trivandrum requested LDM, Kozhikode to get in touch with District Collector/Village Officer to pursue with the allocation of the currently identified Purambokku land.

***Smt. Manju S.,** Deputy Secretary, Revenue Department informed that no proposal has been received in this regard to Government.*

She added that in the case of Kollam District, the Land Revenue Commissioner reported that they cannot agree to the proposal because two agencies have applied for allocation the same building.

*Referring Kollam District, **Sri. P. K. Mohanan,** Joint Development Commissioner for Rural Development informed that Government Order is not yet issued. Another suitable land has to be found out for Kollam RSETI.*

In the case of Palakkad District, he informed that the District collector has recommended to the government for allotting the land of the Grama Panchayat, subject to retaining the ownership of land with the Grama Panchayat and if the permission of the Government is accorded, they are ready to transfer the land. The agreement is to be made between Grama Panchayat and RSETI.

In the case of Pathanamthitta, the progress is that, Department has traced the ownership of the building and found that it is vested with the Government only. The Government has filed a counter affidavit in the Court stating this, and it is expected that the final result would be in favour of Government.

The forum requested the Commissioner of Rural Development to seek allotment of alternative land in Kollam and Pathanamthitta Districts.

Note By SLBC Cell

- *SLBC Cell, vide letter No. SLBC 35 118 2016 GN dated 11.05.2016 has taken up the matter with Commissioner for Rural Development requesting to examine the matter and inform the present position in this regard.*
- *SLBC Cell, vide letter No. SLBC 35 117 2016 GN dated 11.05.2016 has taken up the matter with Additional Chief Secretary, Revenue Department, Government of Kerala requesting to examine the matter.*
- *The CRD has called a meeting of the concerned, on 2016 June 8th afternoon to pursue the matter.*

4.6.2. 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 117th Meeting of SLBC, Kerala held on 18.12.2015, Smt. Rachel Varghese, Additional Secretary, Revenue Department, Government of Kerala informed that computerisation process of land records is completed in almost 9 districts (Kollam, Pathanamthitta, Kottayam, Alappuzha, Ernakulam, Thrissur, Palakkad, Wayanad, Kannur). In 573 villages of these districts the Thandaper Register is computerised and Online Pokkuvaravu (Revenue record mutation) is going on.

In the 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum, Smt. Manju S., Deputy Secretary, Revenue Department, Government of Kerala informed that computerisation process of land records is going on. At present no time line has been fixed. She also informed that computerization of RR process is nearing completion.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 117 2016 GN dated 11.05.2016 has taken up the matter with Additional Chief Secretary, Revenue Department, Government of Kerala requesting to examine the matter.*

4.6.3. 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.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided to pursue the matter with Government.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 120 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Information Technology Department, Government of Kerala requesting to examine the matter.*

4.6.4. Noting of Equitable Mortgage created in favour of the banks in Revenue Records & Noting of lien of the Bank in Thandaper Register of Village Office for the loans granted by the Banks (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:

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

In the absence of representatives from Revenue Department, the forum decided to pursue the matter with Revenue Department.

(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 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided to pursue the matter with Revenue Department.

Note By SLBC Cell: *Vide letter No.1848/G1/2015/RD dated 20.05.2016 of Revenue (G) Department, Government of Kerala informed that*

- The suggestions of noting of lien of the Bank in Thandaper Register of the Village Office for the loans granted by the Banks could not be possible.*
- But, noting of the lien may be made only when revenue recovery proceedings are taken.*

4.6.5. 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.

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.

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.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 121 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.*

4.6.6. 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.

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 forum decided to pursue the matter with Taxes Department.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 121 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.*

4.6.7. 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.*

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.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala assured the forum to take up the matter with the concerned Department.

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 forum decided to pursue the matter with Taxes Department.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 121 2016 GN dated 11.05.2016 has taken up the matter with Principal Secretary, Taxes Department, Government of Kerala requesting to examine the matter.*

4.6.8. 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 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum decided to pursue the matter with Planning & Economic Affairs Department, Government of Kerala.

Note By SLBC Cell: *SLBC Cell, vide letter No. SLBC 35 122 2016 GN dated 11.05.2016 has taken up the matter with Additional Chief Secretary, Planning & Economic Affairs Department, Government of Kerala requesting to follow up with the Human Resources Ministry of the Government of India to get a favourable decision in the issues.*

4.6.9. Kiosk banking – Inactive banks – Allotted SSAs transferring to Active Banks

Kiosk banks have been started to serve the purpose of financial inclusion and Akshaya Kiosks have played a vital role in this. However, this Kiosks allocated to Akshaya of certain banks remain inactive because of software problem or lack of interest from the part of these banks. Though many attempts have been made, the Kiosks of these banks are unable to do any business. Hence, it is suggested that the Kiosks of the following banks may be permitted to transfer to other willing banks who give sufficient support to Kiosk banking.

Sl. No.	Name of Bank	No. of Allotted Locations	No. of Akshaya centres Mapped	Kiosks made operational
1	Union Bank of India	112	87	43
2	Catholic Syrian Bank	43	43	13
3	Federal Bank	182	140	140
4	Central Bank of India	30	20	15

The 117th Meeting of SLBC, Kerala that met on 18.12.2015 noted that as per the decision of the Steering Committee Meeting of 117th SLBC an exclusive meeting with Akshaya and concerned banks was convened on 8th December, 2015 and the following decisions were taken.

- The Officers of the concerned banks, LDM and officers of Akshaya jointly shall visit the affected kiosks and study the issues including the technology issues and resolve them. Wherever issues still persist, the same will be escalated to SLBC for resolution.
- The banks will also arrange a meeting of Akshaya Kiosk Operators, Link branches, technical officers of the bank and officers of Akshaya and discuss face to face and resolve the ground level issues.
- These two exercises will be completed by 15th of January 2016.
- Sub KO facility would be provided by the banks wherever required and feasible.
- The job utilization of KO/Sub KO would be measured in percentage and reviewed by periodically by the concerned banks.
- Each bank may consider providing an exclusive technical person at Central Office level to attend Akshaya issues.
- Software issues would be suitably addressed to remove the technical glitches.

The forum adopted the above decisions and requested other banks as well, to improve their Kiosk functioning. The performance can be reviewed and if it is not improving by March 2016, suitable decision may be taken to transfer these Akshaya centres to other banks.

Sri. Murugan G., Nodal Officer (Kiosk Banking), Akshaya informed that the following are the actual issues (i) no inter operability (ii) software issues.

The 118th Meeting of SLBC, Kerala held on 14.03.2016 at Trivandrum, decided to constitute a sub-committee and sort out the matter.

Note By SLBC Cell: *The issue inactivity of Banking Kiosks was discussed in the State Level Financial Inclusion Committee also. A sub-committee meeting was called by SLBC on 2016 May 18th. The minutes of the meeting is given as **Annexure-7.47.** The sub-committee made the following recommendations:*

- *Both Akshaya and Bank should have a dedicate team to handle the project.*
- *Akshaya officials should visit to KO locations and ensuring 100% activation.*
- *Technical Officers at District Levels should give timely support to resolve the issues at their level. If it cannot be resolved at their level it has to be informed to bank.*
- *Banks may enable additional services such as RD opening (CSC software has options)*
- *Remittance, repayment to loan accounts etc should be promoted.*
- *Bio metric authorization by a/c holder is required in many banks for cash deposits & remittance. Banks may revisit this and take a progressive step*
- *Banks may allow loan repayments through Kiosks*
- *The delay in authorizing newly opened accounts by the branch staff is a major operational issue. The controlling offices should closely follow up.*
- *Additional incentives can be given to VLEs to promote the account opening, activation of inoperative accounts, NPA recovery etc.*
- *The controlling offices should conduct regular joint review meetings of Branch Managers and Akshaya VLEs.*
- *CSC e-governance /Akshaya should conduct training for VLEs & Banks*

4.7. FRESH ISSUES

4.7.1. Review of Progress under Financial Inclusion Plan 2016-19 (Suggested 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-7.48.** 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.

The Steering Committee decided to place the matter in SLRM for information of all members. The data reporting mechanism of the reporting banks, LDMs/SLBC needs to be fine tuned to cover the wide range of information sought for.

4.7.2. Financial Education in School Curriculum (Suggested by RBI)

CBSE has developed financial education workbooks for classes 6 to 10 in collaboration with NCFE and all financial sector regulators. The above said workbooks will also be made available in vernacular medium soon. SLBC may consider "A discussion on the adoption of these workbooks by State education boards for inclusion in school curriculum" as an agenda item.

In the Steering Committee Meeting held on 08.06.2016, Sri. C. Saravanan, Deputy General Manager, RBI informed that CBSE has developed financial education workbooks. The adoption of the same in the State syllabus is taken up with the State Government.

The Steering Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

4.7.3. Banking environment for visually challenged people (Suggested by RBI)

RBI, Central office has issued clear guidelines with a view to creating enabling environment for visually challenged people to access banking facilities. The relevant CO circulars in this regard is provided in Annexure-7.49. 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.

In the Steering Committee meeting held on 08.06.2016, Sri. C. Saravanan, Deputy General Manager, RBI said that proper action in this regard is required and ensure that all the ATMs to be set up in future have the talking facility & Braille key pad.

The Steering Committee decided that SLBC Cell to devise a suitable format for collection of data (how many ATMs are installed after July 1, 2014, out of which how many are talking ATMs with Braille key pads) and place the same in the SLBC.

The Steering Committee decided to place the matter in the Review Meeting of SLBC for information of banks. The banks may report from the quarter ending 2016 June in the format given below

Format for Information on ATMs made accessible to persons with disabilities as on 2016 June 30th			
Name of Bank	Total No of ATMS in Kerala	Of (b), ATMS installed on or after 2014 July 1st	Of (c) , no of talking ATMs with Braille keypads
(a)	(b)	(c)	(d)

4.7.4. 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 O.LBS.BC.No.82/02.01.001/2015-16 dated December 30, 2015 to 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. The progress of opening branches in these villages may be reviewed by SLBC.

The Steering Committee that met on 08.06.2016 noted the following:

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
Kozhikode	Kozhikode	Neeleswaram	17,286	KGB
Thrissur	Talappilly	Vadakkethara	10,261	KGB
Pathanamthitta	Kozhenchery	Iravan	9,999	KGB opened

Representative of SBT informed that survey report is over and they have made recommendation to open branch at Thrikkaipatta.

Dr. P. Pugazhendi IFS, Director of ST Development Department pointed out that opening of bank branches in tribal areas like Parambikulam and Achencoil which was highlighted in the previous SLBC meeting need to be taken forward.

The Steering Committee meeting recommended to entrust the responsibility to SBT for setting up Akshaya kiosks in Parambikulam & Achencoil and to set up the same before the SLBC review for June 2016.

Sri. C. Saravanan, Deputy General Manager, RBI requested Banks to ensure provision of appropriate services to the local populace including DBT disbursement by banking correspondents rather than a technical compliance. He drew attention of the forum regarding miniscule volume of banking transactions done through CSCs in the State and wondered whether technical and HR capabilities are available with such CSCs which are considered as BCs by the banks to extent services as per RBI guidelines.

Representative of SBT stated that Akshaya centres tied up with his bank was functioning well.

The Steering Committee decided to place the matter in the Review Meeting of SLBC for information and appropriate action by KGB and SBT. Both banks may be requested to inform the proposed dates of opening the pending branches to the SLBC as well as inform proposed date of opening of BCs in the aforesaid places.

4.7.5. FL Counselling for Education Loan Borrowers (Suggested by RBI)

In the light of Increase in NPAs in education loan segment, it is suggested that prospective education loan applicants must be made to undergo a Financial Literacy session (free of charge) by FLCs before the applications taken up for processing. This session would also sensitize the prospective Education loan borrowers about the procedures, process flow and fair practices code that are expected to be followed by banks/borrowers. SLBC may include this as an agenda item to bring this suggestion to the notice of bankers. SLBC may also consider arranging a meeting of steering committee bankers who are active in Education loan segment to deliberate on this aspect.

The Steering Committee that met on 08.06.2016 noted the following:

A meeting of the major banks was called on 2016 May 6th by SLBC to discuss the matter. In this meeting it was decided that Financial Literacy camps would be organized at all blocks and SLBC would approach NABARD for funding from the Financial Inclusion Fund. As a pilot the Trivandrum LDM would conduct a camp in any one block. It was also suggested by the forum to examine the introduction of a mandatory pre – credit FLC training to Education loan beneficiaries.

Accordingly, the SLBC Cell submitted a proposal to NABARD for their approval. NABARD, while agreeing in principle to finance up to 60 % on the budget, requested SLBC to call a meeting of the Banks with Lead Bank responsibility, to discuss the operational details of the campaign. This meeting was held on 2016 May 31st. In the meanwhile a pilot camp was conducted by Trivandrum LDM at Perumkadavila block. The experience in this pilot camp was shared in the bankers meeting of May 31st.

Based on the discussions made in the meeting on 2016 May 31st, SLBC Cell placed the following action plan.

Name

The campaign shall be called “Education Loan Counseling Town Hall Meets”

Subjects

The campaign shall be a multi disciplinary one, to meet the requirements of DFS. It shall cover

1. Aspects of Education Loans
2. Jan Suraksha Schemes (PMJJBY, PMSBY, APY)
3. PMFBY (Pradhan Mantri Fasal Bima Yojana)
4. Water Resource Conservation

Education loan shall be the main subject. The other three also being the focus areas of the Govt of India shall get brief coverage in the classes

Campaign Period

2016 July 1st to 2016 July 31st (One month)

Target Group

- Students who have just completed plus 2 and are aspiring to go for higher studies by availing education loans
- Their parents
- Any member of general public is also welcome
- Expected No of participants per meeting 150
- The forum observed that the parents in Kerala are in one way or other connected to the other three disciplines also. Besides , students are the best messengers of water conservation

Area coverage & organizer

- All block is Kerala
- One meeting in each district shall be the District Level camp , which shall be organized by the LDM and all the Banks in the District shall participate
- In Trivandrum one meeting shall be the State Level meeting which shall be conducted by LDM with SLBC. All the banks operating in the state shall participate
- The block level meeting shall be organized by the respective BLBC conveners, with the support of the FLC. All the banks in the block shall participate
- In total there shall be 152 meetings

Participation

District level meeting

- Principals / Heads of important institutions in the District may be invited to address
- LDO & DDM are to be invited
- An expert on Career guidance & Education counseling may be invited
- Participation of People's representatives , Local bodies etc may be decided by the LDM

Block level meeting

- ITI Principals / Poly Technic Principals in the locality may be invited
- LDM , LDO, DDM to be invited
- An expert in career guidance & education counseling to be invited
- Participation of local people's representatives may be decided by the organizers

Expected Number of Participants : 150 per meeting

Literacy Material& Publicity

- For education loans the talking points prepared by SLBC (with a few additions based on the FLC meeting at Perumkadavilla Block) will be circulated to all FLCs & banks
- The Malayalam power point presentation material prepared by SLBC and posted in the website may be used
- SLBC cell shall arrange for printing 25000 hand outs each in Malayalam for Education Loan and PMFBY, as literacy material to be used in town hall meetings

- Each LDM may spent additional Rs.2000 for local publicity in the District
- At state level additional Rs.4000 may be spent on publicity
- At block levels , publicity may be met from per meeting budget allotted

Budget & Cost Sharing

- Forum authorized the SLBC cell to prepare a revised budget and submit to NABARD for approval
- The forum also authorized SLBC cell to draw up an equitable sharing formula for banks
- The expenses for each meeting have to be within the approved limit which shall be conveyed to the banks from SLBC. The BLBC convenors may incur these expenses and claim it from SLBC, through the LDMs.
- SLBC shall take over these expenses and make an aggregate claim to NABARD.
- NABARD shall provide 60 % of the approved claim from FIF
- The remaining 40 % shall be shared equitably by all the scheduled commercial banks operating in the state based on the formula drawn by SLBC cell

Reporting

- The LDMs may report the schedule of meetings to SLBC
- A final report of the campaign is to be submitted by the LDM to SLBC as on 30th of Sept 2016
- SLBC shall aggregate the same and submit to NABARD

FLC campaign for education loan aspirants						
District	Block	Date of meeting	No. of persons benefitted	No. of Education Loan Sourced **	No. EL sanctions **	No. of Jan suraksha enrolments sourced **

** Data should cover cases sourced and sanctioned during the period as a result of the campaign and not just those received on the date of camp

Budget

1. State Level meeting : Rs.25000
2. District level : Rs.15000 per meeting
3. Block Level
 - Where hall is available free of cost : Rs.5000
 - Where hall rent is required : Rs. 7000
4. Printing of literacy material (25000 copies @ 35 paise per page)

Education loan material 8 pages	: Rs. 70000
PMFBY material 2 Pages	: Rs. 17500
Despatch Charges	: Rs. 25000
Total cost of Literacy Material	: Rs. 112500
5. Local publicity

@ 2000 per 13 Districts	: Rs.26000
@ 4000 for state level function at TVM	: Rs.4000
Total publicity estimate	: Rs.30000

Item	Budget per meeting	No of meetings	Total budget
State Level	25000	1	25000
Dist Level	15000	13	195000
Block level(with hall rent)	7000	100	700000
Block level without hall rent	5000	38	190000
Cost of Literacy Material	xx	xx	112500
Publicity budget	xx	xx	30000
Grand Total	xx	152	1252500
Amount expected from FIF	60%	xx	751500
Amount to be shared by Banks	40%	xx	501000

Cost Sharing formula

Cost Sharing	Estimated Cost 501000				
Categorization Based on no. of Branches	200-400	100-200	100-20	20-5	<5
No of Banks in respective Class	9	11	9	10	5
% Share	36%	33%	22%	7%	2%
Total cost to be shared by the category	180360	165330	110220	35070	10020
Per bank share in the bank category	20040	15030	12247	3507	2004

Bank	Branches	Bank	Branches	Bank	Branches	Bank	Branches
SBT	852	ICICI BANK	166	UCO BANK	47	KARUR VYSYA BANK	15
FEDERAL BANK	601	PNB	165	ANDHRA BANK	36	YES BANK	13
KGB	595	DHANLAXMI BANK	151	KOTAK MAHINDRA BANK	32	LAKSHMI VILAS BANK	12
SBI	471	INDIAN BANK	133	INDUS IND BANK	28	BANK OF MAHARASHTRA	10
SIB	449	CBI	125	ALLAHABAD BANK	21	SBH	9
CANARA BANK	442	VIJAYA BANK	125	ORIENTAL BANK OF COMMERCE	20	BHARATIYA MAHILA BANK	7
CSB	280	CORPORATION BANK	112	TMB	20	PUNJAB & SIND BANK	3
UNION BANK OF INDIA	248	BANK OF BARODA	105	DENA BANK	16	SBBJ	2
SYNDICATE BANK	227	BANK OF INDIA	103	SBM	15	JAMMU & KASHMIR BANK	2
IOB	186	AXIS BANK	76	UNITED BANK OF INDIA	15	KARNATAKA BANK	2
HDFC BANK	166	IDBI BANK	52	CITY UNION BANK	15	SBoP	1

*In the Steering Committee meeting held on 08.06.2016, **Sri. C. Saravanan**, Deputy General Manager, RBI stated the core purpose of Education loan counselling programme is to sensitize the prospective Education loan borrowers about the procedure, process flow and fair practices code that are expected to be followed by banks/borrowers. Hence inclusion of other subjects may not be fully appropriate for the target audience and could lead to dilution of focus. The other agenda items may therefore be included in separate campaigns.*

***Sri. Nagesh Kumar B**, Deputy General Manager, NABARD and **Sri. Regi Varghese**, Manager, NABARD stated that sans inclusion of crop insurance and water conservation, it would not be possible for funding from FIF.*

***Sri. N. Sivasankaran**, Convenor SLBC, Kerala and General Manager, Canara Bank opined that separate leaflets could be provided covering the above two aspects. NABARD representative stated that the same was not agreeable. In view of the above, **Sri. C. Saravanan**, Deputy General Manager, RBI stated that the funding would be done by RBI.*

The Steering Committee decided to place the matter in the Review Meeting of SLBC for information of banks and appropriate action. It also authorized SLBC cell to go ahead with the action plan in consultation with RBI after suitable modification as deemed to fit so as to ensure proper and focused coverage.

4.7.6. NORKA Department Project for Return Emigrants [NDPREM] (Suggested by Non-Resident Keralites' Affairs (A) Department, Government of Kerala)

NORKA Department Project for Return Emigrants (NDPREM) is one of the most prestigious schemes of Government of Kerala for the rehabilitation of returnee migrants. Union Bank of India, South Indian Bank and State Bank of Travancore are joining hands with NORKA – Roots for the implementation of the scheme. Since, the agreement with Canara Bank expired on 31.03.2016, the issue of extension of MoU was raised in the previous SLBCs. Being the Lead Bank in the SLBC, Canara Bank may take initiative for signing extension of MoU for smooth continuance of the scheme. As the NDPREM Scheme is an ongoing scheme the support from more banks like Federal Bank, State Bank of India, Indian Bank etc. may be obtained and wholehearted co-operation and support from the Banks for implementation of this scheme is once again solicited.

*In the Steering Committee Meeting held on 08.06.2016, the representative from **NORKA Department** explained the details of the scheme and extended thanks to Canara Bank for its association with the Department since inception 2013. SBT, SBI, Union Bank of India and South Indian Bank have subsequently joined hands with NORKA for the implementation of the scheme. He requested all other banks to join hands with NORKA Department because so many applications under the scheme are pending with banks. He made a request to Canara Bank to renew their agreement with NORKA Department which was expired on 31.03.2016.*

Sri. N. Sivasankaran, Convenor, SLBC Kerala and General Manager, Canara Bank informed that Canara Bank was the only bank in the forefront in associating with NORKA Department since inception. At present NPA under the particular scheme in Canara Bank is 14.57 %. If the special watch accounts are also taken, the overall stress level in the scheme is nearly 30%. With this background Canara Bank has taken up all the issues pertaining to this and is rethinking on renewing the agreement. One area that attributed most to this type of stress levels is that most of loans were for purchase of vehicles for taxi operations and most of these loans have turned NPA.

Representative from NORKA Department informed that it was decided during the last meeting that not to support further for taxi services. Department is also planning to have tie ups with taxi services of tour operators with Tourism Department. Now Department has introduced a new scheme having 3% interest subvention for the first 4 years and those who are remitting the loan without any default would only get this exact benefit. Department is also having discussion with Canara Bank on strategies to reduce the NPA. With the New Ministry in place, the Government would be realigning the scheme after collecting the suggestions from all.

Sri. C. Saravanan, Deputy General Manager, RBI requested the NORKA Department to identify focus areas and provide the list of specific projects under the scheme. He suggested to provide skill developments through Kerala Skill Academy, ASAP etc. so that the potential entrepreneurs shall have required knowledge and competency.

Representative from NORKA Department informed that Department has identified 4 areas like services, manufacturing, retails and agriculture. NRIs are to submit specific projects to the Department. Department have skill acquisition programmes and through the new ministries projects, Department is trying to upgrade the skills of returned NRIs. He assured to bring the matter to the notice of the new Ministry in Kerala.

In view of the above, the Committee decided to place the matter in the Review Meeting of SLBC.

4.7.7. Loan Waiver Scheme of Scheduled Tribes Development Department (Suggested by SC/ST Development (D) Department)

The Loan Waiver Scheme of STDD had been included as agenda in the previous SLBC meetings. The Director, Scheduled Tribes Development Department has informed that the scheme is in the implementing stage but the Department had not received cooperation from the part of the Cooperation Department. The list of scheduled tribe beneficiaries of the scheme from the banks under the Cooperation Department had not yet been received and hence Director has requested to include this matter as an agenda in the next SLBC meeting.

In the Steering Committee meeting held on 08.06.2016, Dr. P. Pugazhendi IFS, Director of ST Development Department informed that the matter was discussed in the earlier SLBC 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. Department have received another list from 97 branches belonging to 13 banking institutions pertaining to 2605 beneficiaries with a claim of Rs. 9.05 crores. These are being processed by the Department. He informed that hardly any response received so far from cooperative sector. 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.

Sri. C. Saravanan, Deputy General Manager, RBI expressed concern at the slow pace of implementation of this important scheme that can provide succor to marginalized sector. He drew attention of the forum to repeated persuasions in the SLBC meeting for the successful implementation of the scheme.

The forum directed SLBC Cell to direct the LDMs of Palakkad, Malappuram, Idukki, Wayanad and Trivandrum districts to conduct meetings of banks to work out action plan for the completion of the claim process. The LDMs have to submit monthly progress report to RBI and SLBC Cell in the next 3 months. SLBC Cell to conduct separate meeting of Controlling Offices of Banks to review the performance.

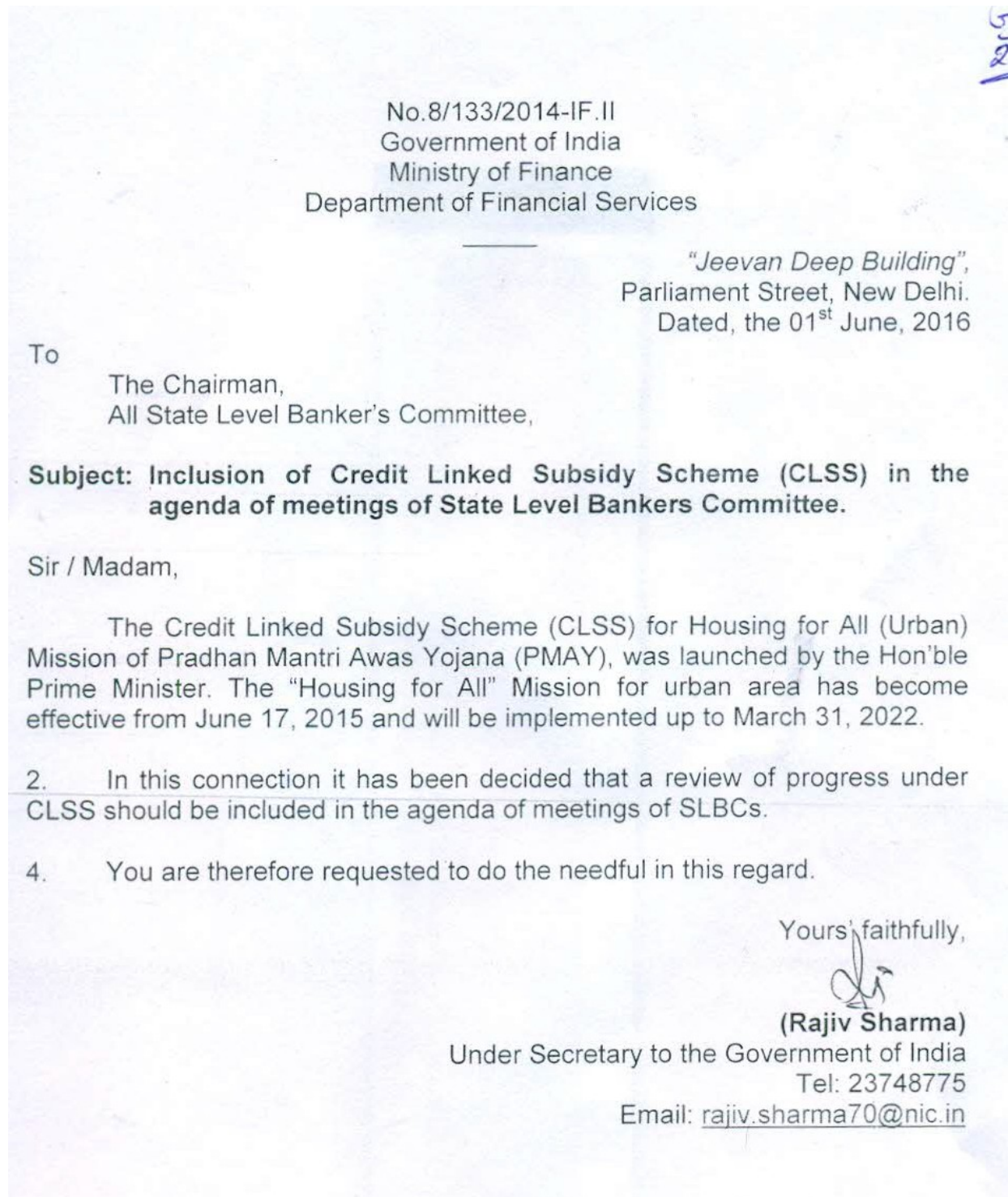
The forum decided to place the matter in the Review Meeting of SLBC.

4.7.8. Organizing Special Aadhaar Seeding Camps for the Central Government Pensioners (Suggested by Department of Pension & Pensioners' Welfare, Ministry of Personnel, Public Grievances & Pensions, Government of India)

This is regarding Aadhaar seeding camps for the central government pensioners to be organized by the Banks at their pension paying branches between 30th May to 10th June 2016. Copy of the letter received from Smt. Vandana Sharma, Joint Secretary (Pension) with request to play a pivotal role in the success of these camps and suggested form of SMS and text message for publicizing the camp which is provided in **Annexure-7.50**.

The Steering Committee that met on 08.06.2016 noted that the scheme is helpful and beneficial to the customers. However, the forum opined that branches may make it clear that seeding is voluntary. It was decided to place the matter in the Review Meeting of SLBC for information of banks on conducting enrolment activities.

4.7.9. Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (Suggested by DFS)



The Steering Committee that met on 08.06.2016 noted that PMAY was an agenda for discussion in 118th SLBC. The committee noted the further developments under the scheme.

- *In Kerala, the State Level Nodal Agency is Kudumbasree Mission*
- *They held a conference of the Secretaries of ULBS, SLBC, NHB & HUDCO*

- *A state level work shop is organized by NHB on 10th June at Trivandrum*
- *SLBC will be releasing a literacy material in Malayalam on that occasion.*
- *There are 93 statutory towns in Kerala of which 59 are as per 2011 Census and 34 were notified by the Govt of Kerala as statutory towns subsequently All the 93 have been covered under CLSS*
- *Town codes are available for the 59 towns. Government of Kerala has written to MoHUPA for allotting town codes to the remaining covering the remaining 34 towns also*
- *SLNA has sourced 47 applications. The statistics of cases directly sourced by bank will be given by NHB*

The Committee decided to place the matter in the Review Meeting of SLBC for information of banks.

4.7.10. Decisions of the first Meeting of State Level Financial Inclusion Committee held on 11.05.2016 (Suggested by SLBC Cell)

The first meeting of State Level Financial Inclusion Committee for reviewing the performance under PMJDY, PMSBY, PMJJBY, PMMY & APY held at 9.30 a.m. on 11.05.2016 at Chief Secretary's Committee Room, Government Secretariat, Trivandrum. After having detailed deliberations, the following decisions were taken.

- (1) SLBC shall call a meeting of Banks and Akshaya Kendras to analyze the issues causing inactiveness of CSC model banking kiosks and report to the committee.
- (2) The Bank with Sub Service Area responsibility in Edamalaikudi shall be advised to go for Ultra Small Branch (USB) model in the village.
- (3) Bank wise review of all FI initiatives to be an agenda of review in SLBC meetings.
- (4) To prepare a proposal for funding FLCs and submit in the next SLBC meeting.
- (5) SLBC may arrange financial literacy campaign for schools, including preparation of a simple literacy material in sufficient quantity (approx 25 lakh copies) and conducting of District & Block level competitions.
- (6) A separate meeting participating Secretary (LSGD) and the Executive Director of Kudumbashree Mission shall be convened to discuss their possible role in Business Correspondent Model and Financial Literacy campaigns.
- (7) A meeting of banks shall be convened by SLBC to work out modalities for effective participation of banks in the Vizhinjam Hinterland development programme.
- (8) A workshop on Mudra with participation of Banks, Industries, Industrial Training, SC/ST Departments, Kudumbashree Mission, Associations of entrepreneurs shall be arranged by SLBC.

The Steering Committee that met on 08.06.2016 decided to place the matter in the Review Meeting of SLBC for information of banks.

5. Review of Performance under various Segments

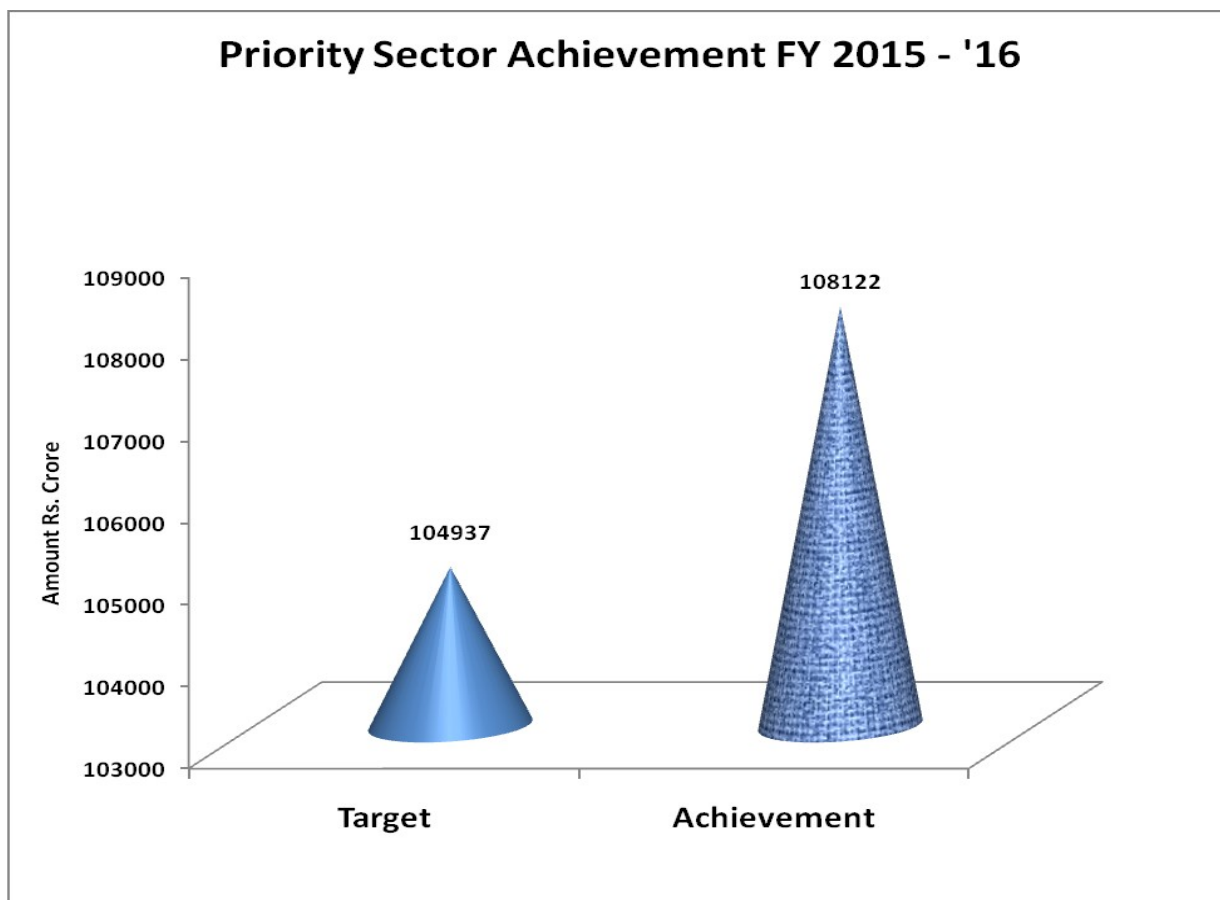
5.1. Review of Priority Sector Advances (Disbursement) as at March 2016 – ACP achievements (Refer Annexures 7.11 & 7.12)

The performance of banks with reference to the Annual Credit Plan 2015-2016 as at March 2016 with Bank-wise and District-wise break up is furnished in the annexure. The abstract of the performance as at March 2016 under ACP 2015-2016 is as follows.

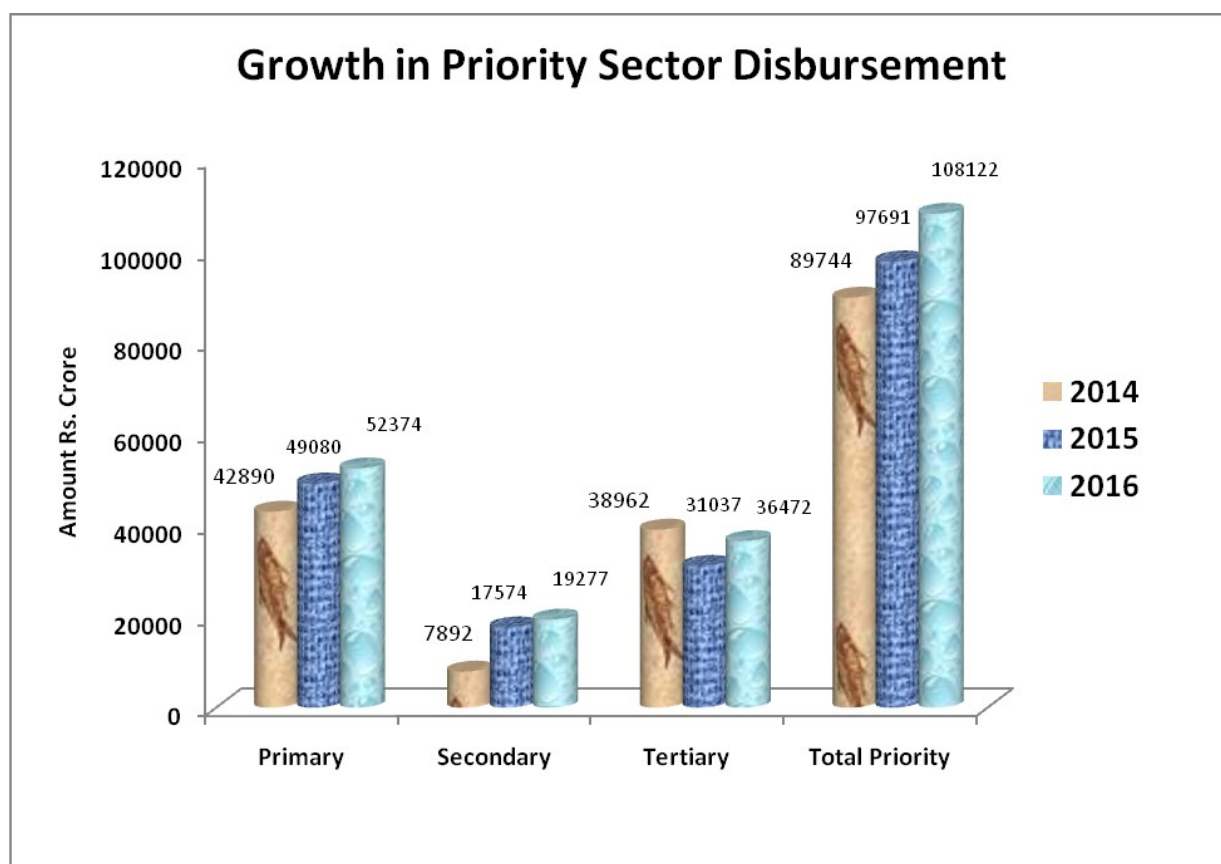
5.2. Review of Disbursements to Priority Sector under ACP

(Rs. in Crores)

Parameter	2015-2016
Target	104937
Achievement	108122
Percentage of Achievement	103%



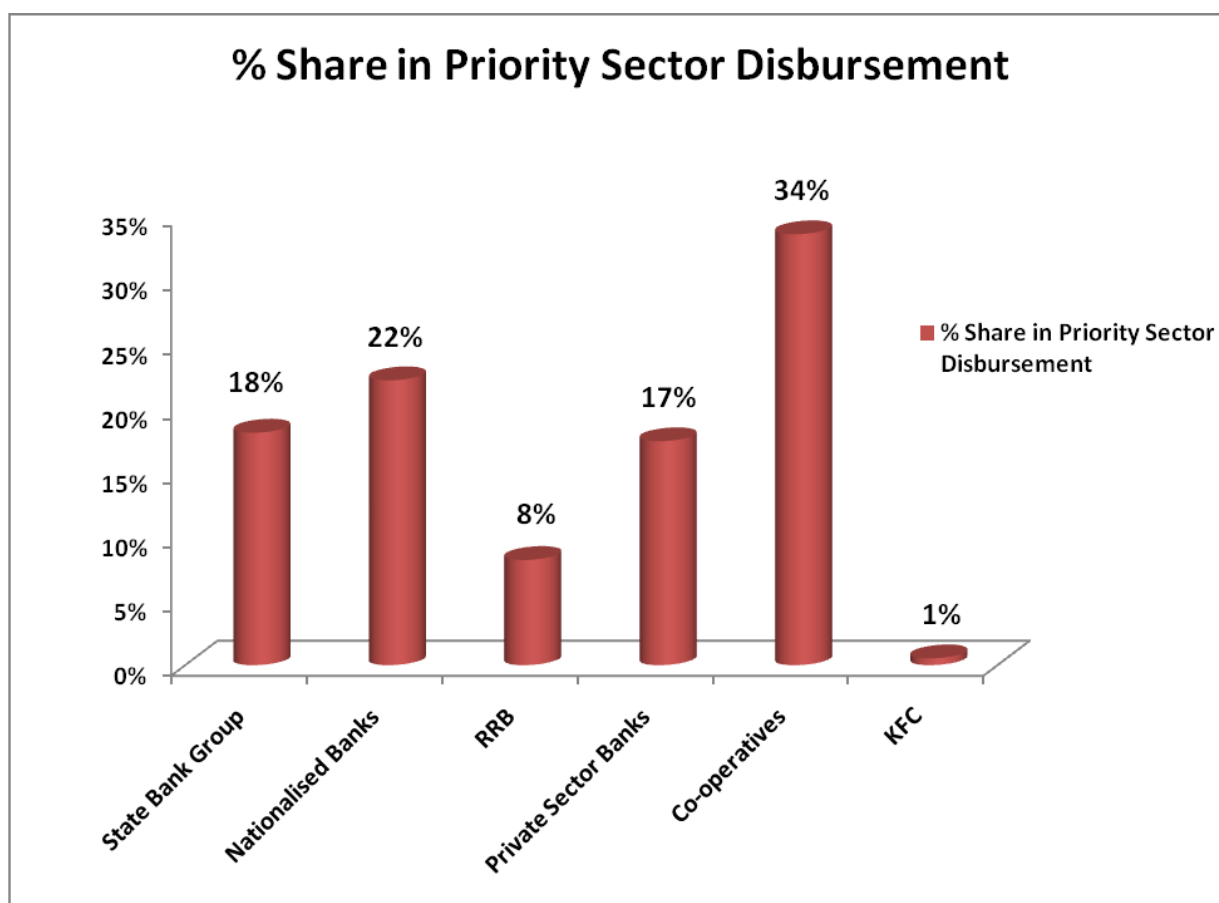
Sector	Disbursement (Rs. in crores)			% growth over the previous year	
	2014 Actual	2015 Actual	2016 Actual	2014-15	2015-16
Primary	42890	49080	52374	14%	7%
Secondary	7892	17574	19277	123%	10%
Tertiary	38962	31037	36472	-20%	18%
Total	89744	97691	108122	9%	11%

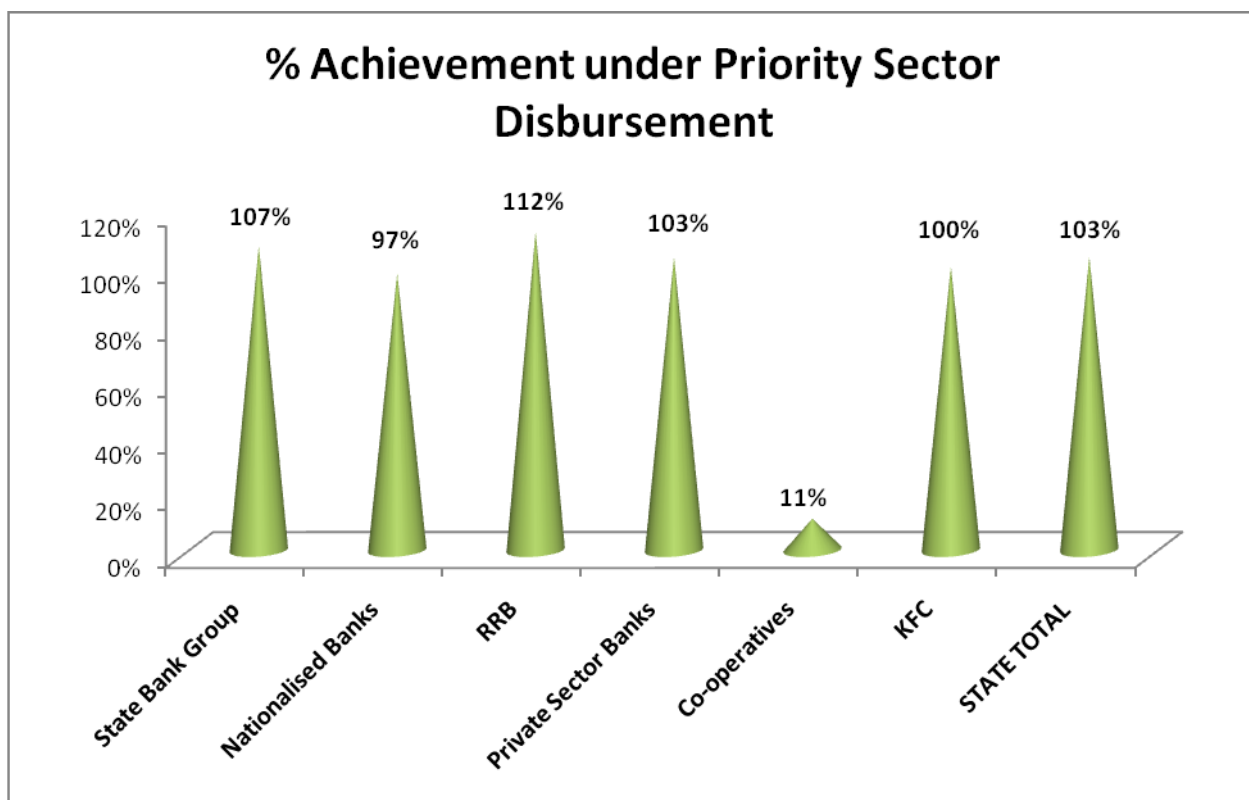


The share of various banking groups in the disbursement to priority sector is as follows.

(Rs. in Crores)

Banking Group	Disbursement	% Share in Total Disbursement	% Achievement of the target
State Bank Group	19574	18%	106.90
Nationalised Banks	23982	22%	97.22
RRB	8855	8%	111.91
Private Sector Banks	18856	17%	102.99
Co-operatives	36282	34%	110.65
KFC	572	1%	99.57
STATE TOTAL	108122	100%	103.04



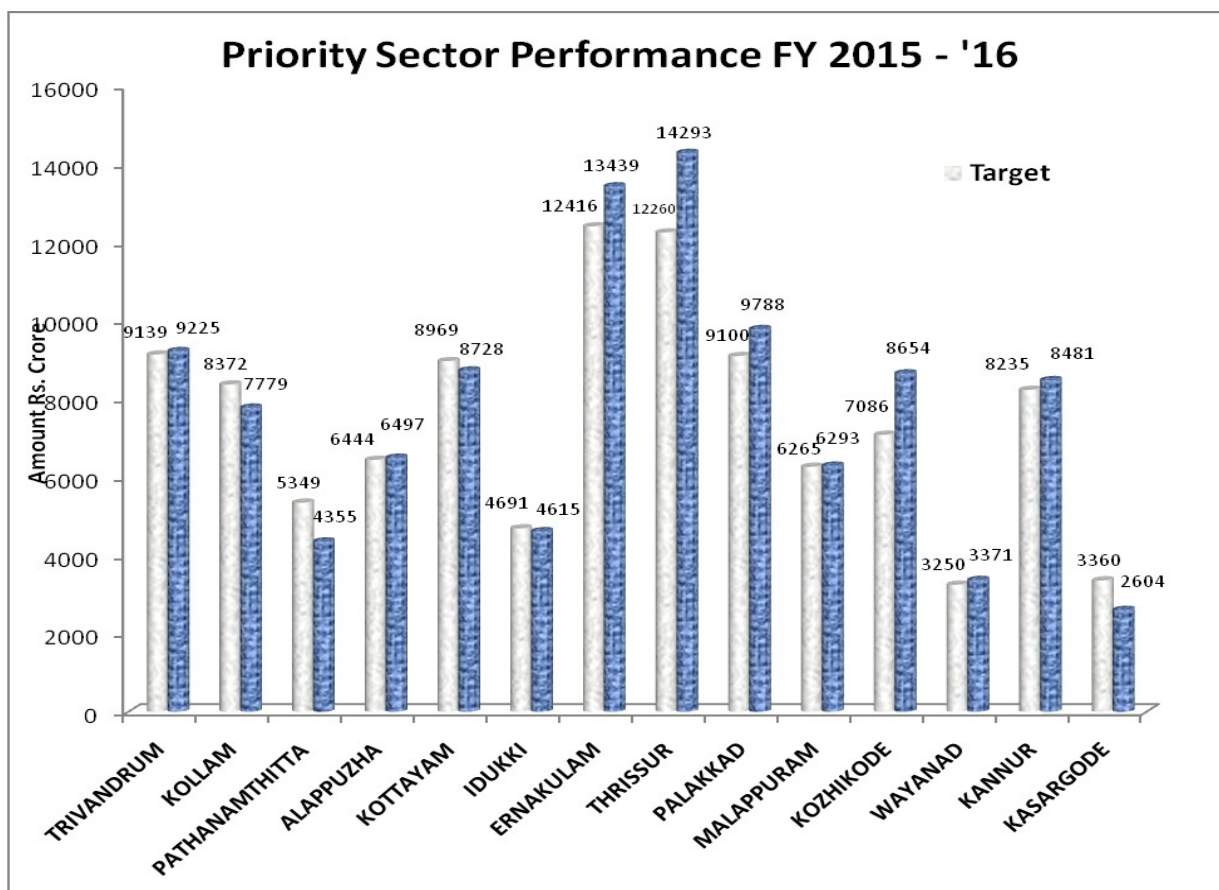


5.3. District wise Performance under Priority Sector

The District wise performance details are furnished in **Annexure-7.11.**

(Rs in. Crores)

Sl. No.	District	Target	Achievement 2015-16	% Achievement
1	TRIVANDRUM	9139	9225	101%
2	KOLLAM	8372	7779	93%
3	PATHANAMTHITTA	5349	4355	81%
4	ALAPPUZHA	6444	6497	101%
5	KOTTAYAM	8969	8728	97%
6	IDUKKI	4691	4615	98%
7	ERNAKULAM	12416	13439	108%
8	THRISSUR	12260	14293	117%
9	PALAKKAD	9100	9788	108%
10	MALAPPURAM	6265	6293	100%
11	KOZHIKODE	7086	8654	122%
12	WAYANAD	3250	3371	104%
13	KANNUR	8235	8481	103%
14	KASARGODE	3360	2604	78%
TOTAL		104937	108122	103%



5.4. Performance under total priority sector

(Rs. in Crores)

Bank/Banking Group	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
State Bank Group	8481	8487	100%	3625	4897	135%	6204	6190	100%	18311	19574	107%
Nationalised Banks	12016	13993	116%	5318	3999	75%	7336	5991	82%	24669	23982	97%
RRB	4779	6739	141%	1309	988	76%	1825	1128	62%	7913	8855	112%
Private Sector Banks	7279	9523	131%	4139	4482	108%	5623	4850	86%	17041	18856	111%
Cooperatives	15365	13631	89%	4399	4528	103%	16673	18124	109%	36438	36282	100%
KFC	0	0	-	390	383	98%	175	189	108%	565	572	101%
Total	47919	52374	109%	19180	19277	101%	37837	36472	96%	104937	108122	103%
% to Total Disbursement	xx	48%	xx	xx	18%	xx	xx	34%	xx	xx	100%	xx

Comparison with previous year

Year	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
2014-15	40866	49080	120%	16422	17574	107%	35837	31037	86.6%	93124	97691	105%
2015-16	47919	52374	109%	19180	19277	101%	37837	36472	96%	104937	108122	103%

The breakup of target under primary sector for the current financial year (2016-17) is given in **Annexures -7.43 & 7.44.**

5.5. Review of Priority Sector Advances (Outstanding) as at March 2016 (Refer Annexure 7.4)

5.5.1. Performance versus National goals

(Figures in percentage)

Sl. No.	Parameter	Goal %	March 2012	March 2013	March 2014	March 2015	March 2016	Variation			
								Mar'12 -Mar'13	Mar'13 -Mar'14	Mar'14 -Mar'15	Mar'15 -Mar'16
1	Priority Sector Advances to Total Credit	40	57.34	56.72	59.14	58.83	56.9	-0.62	2.42	-0.31	-1.93%
2	Agriculture Advances to Total Credit	18	24.25	25.73	25.42	26.36	23.6	1.48	-0.31	0.94	-2.74%
3	Weaker Section Advances to Total Credit	10	19.33	19.94	21.72	21.53	23.3	0.61	1.78	-0.19	1.81%
4	DRI Advances to Total Credit	1	0.02	0.03	0.03	0.02	0.02	0.01	0	-0.01	0%
5	Credit Deposit Ratio	60	75.57	76.41	68.66	68.30	64.28	0.84	-7.75	-0.29	-4

The achievements of the banking sector of the State under total priority sector advances, Agriculture Advances, Weaker Section advances and CD ratio are above the national goals.

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

(Rs in. Crores)

Parameter	Outstanding					Variation			
	March 2012	March 2013	March 2014	March 2015	March 2016	March'12 -March'13	March'13 -March'14	March'14 -March'15	March'15 -March'16
Priority Sector Advances	85606	99318	113555	128655	132256	13712	14237	15100	3601
Agriculture Advances	36209	45055	48812	57656	54888	8846	3757	8844	-2768
MSE Advances - Priority	20593	23563	32069	35730	39463	2970	8506	3661	3733
Weaker Section Advances	28865	34911	41701	47092	54243	6046	6790	5391	7151
SC Advances	2957	3284	4664	4390	4437	327	1380	-274	47
ST Advances	606	729	1008	1164	1049	123	279	156	-115
DRI Advances	33.98	43.93	66.54	49.43	43.30	9.95	22.61	-17.11	-6

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

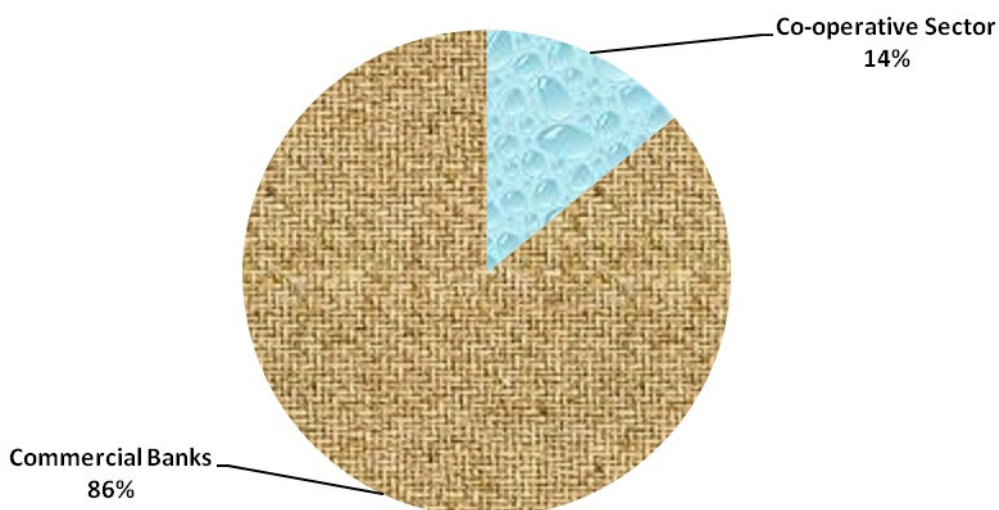
The performance of the banking sector inclusive of Co-operatives is summarised as follows:

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

(Rs in. Crores)

Parameter	March 2016		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	936	7122	13.1%
Total Deposits	59734	421327	14.2%
Total Advances	36784	269201	13.7%
Total Business	96518	690528	14.0%
Priority Sector Advances	25111	157366	16.0%
% Priority Sector Advances	68%	37%	xx
Agriculture Advances	6033	60921	9.9%
% Agriculture Advances	16%	23%	xx
SME Advances	960	40423	2.4%
CD Ratio	62	64	xx

Share of Co-operative Sector in Total Business



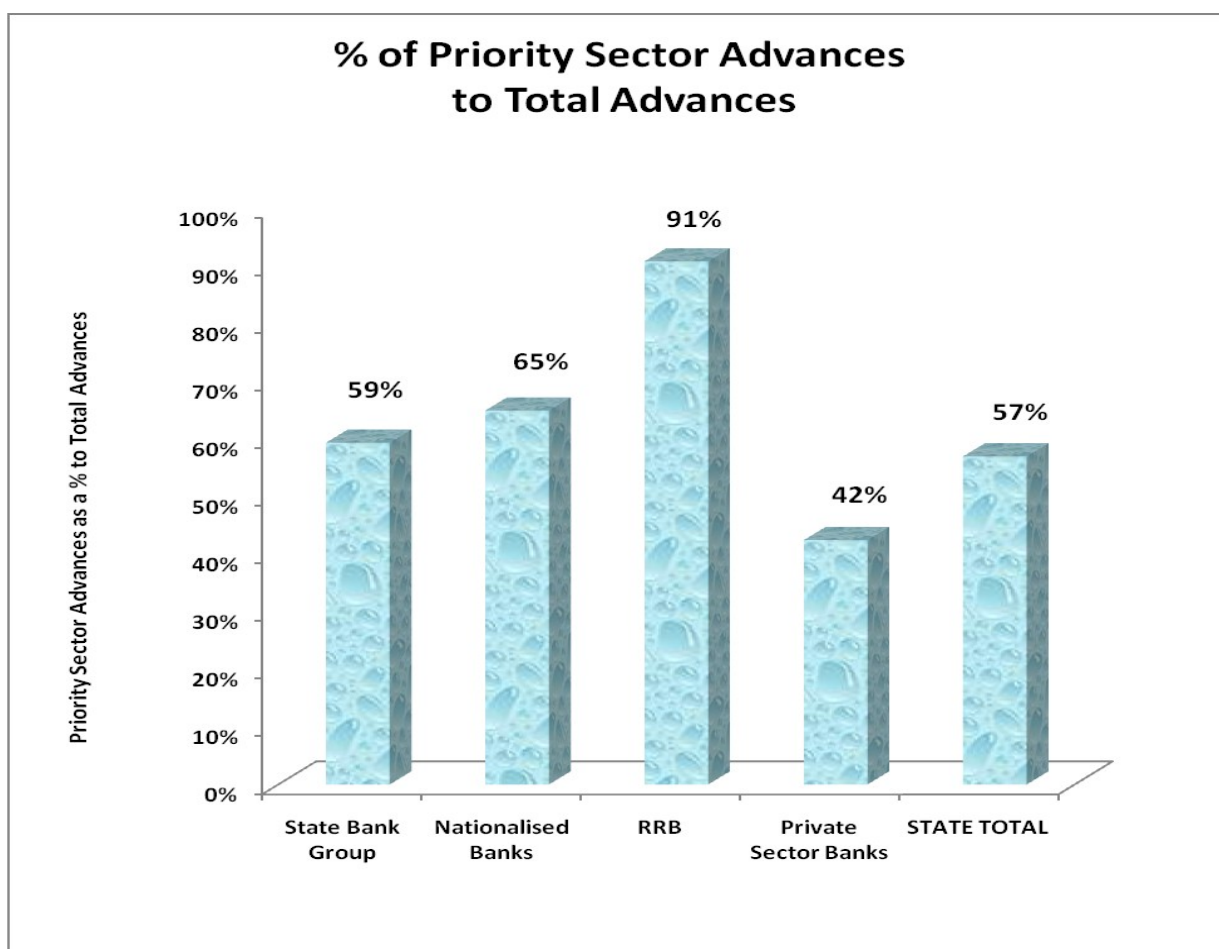
5.5.3. Priority Sector Advances in Total Advances – Bank Group-wise (Refer Annexure 7.4)

Against the mandatory norm of 40% under priority sector advances, as at March 2016, **59 %** of the total advances of the banks in the State were to priority sector.

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

(Rs in. Crores)

BANK	Total Advances			Priority Sector Advances			% PSA to Total Adv. (March'16)
	March 2015	March 2016	Growth March'15-March'16	March 2015	March 2016	Growth March'15-March'16	
State Bank Group	63175	63848	673	37506	37857	351	59%
Nationalised Banks	74734	76394	1660	48237	49555	1318	65%
RRB	10467	11928	1461	9447	10824	1377	91%
Private Sector Banks	70330	80247	9917	33466	34020	554	42%
GRAND TOTAL	218706	232418	13712	128655	132256	3601	57%



6. Review of Performance of the Banking Sector

6.1. Banking Statistics as at March 2016 (Refer Annexure 7.1 to 7.3)

The detailed banking statistics of commercial banks in Kerala as at March 2016 is furnished in the Annexure. A comparative analysis of the data over the previous fiscals is presented below.

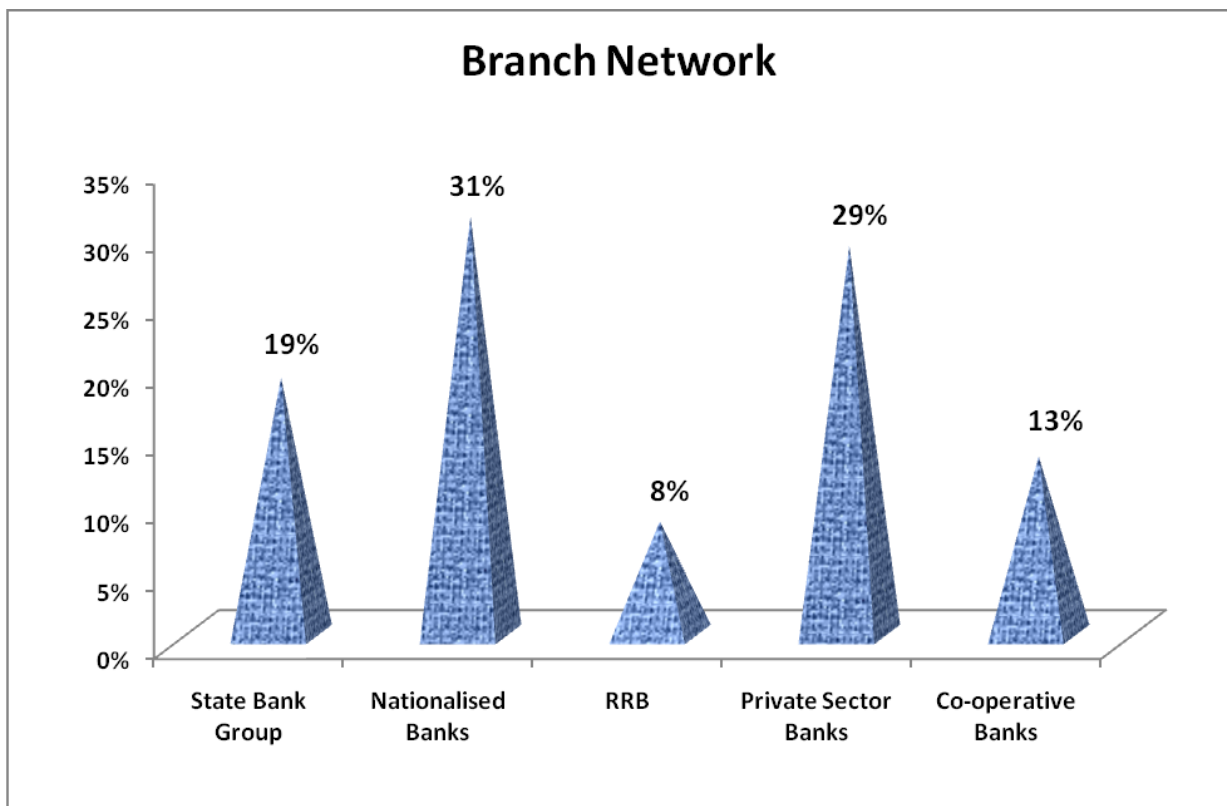
(Rs. in Crores)

Parameter	Outstanding			Variation	
	March 2014	March 2015	March 2016	March' 14-March'15	March' 15-March'16
No. of Branches	5688	5984	6186	296	202
Total Deposits	279655	319890	361593	40235	41703
Domestic Deposits	185772	210287	225985	24515	15698
NR Deposits	93883	109603	135609	15720	26006
Total Advances	192010	218706	232418	26696	13712
Advances + Investment	202993	234292	242718	31299	8426
Credit Deposit Ratio	68.66	68.37	64.28	-0.29	-4.09
C+ I : D Ratio	72.59	71.18	67.12	-1.41	-4.06

6.2. Branch Network

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

Banking Group	Number of Branches				Percentage distribution			
	Rural	S.Urban	Urban	Total	Rural	S.Urban	Urban	Total
State Bank Group	97	916	337	1350	1%	13%	5%	19%
Nationalised Banks	119	1459	620	2198	2%	20%	9%	31%
RRB	84	476	35	595	1%	7%	0%	8%
Private Sector Banks	177	1390	476	2043	2%	20%	7%	29%
Co-operative Banks	135	43	758	936	2%	1%	10.64%	13%
GRAND TOTAL	612	4284	2226	7122	9%	60%	31%	100%

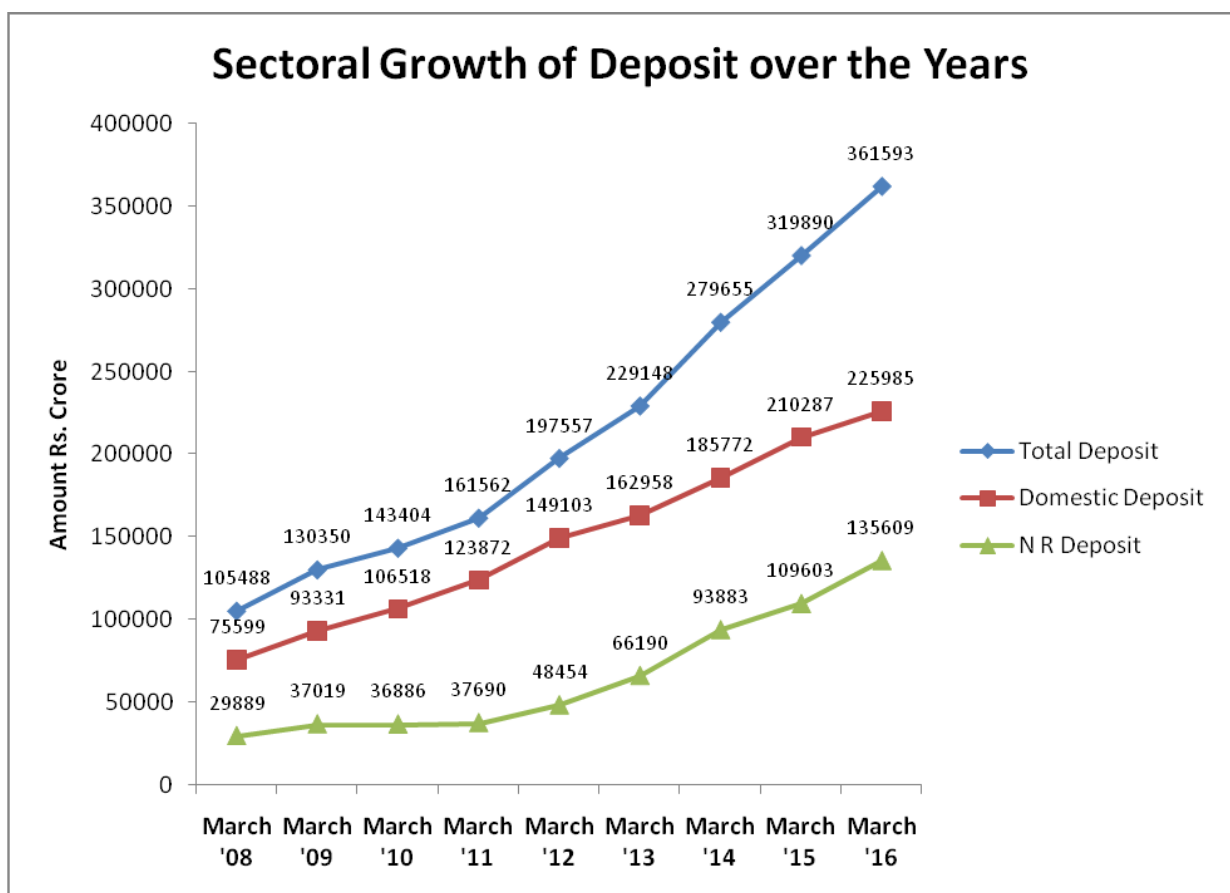


6.3. Deposit growth

Sectoral Growth of Deposit over the Years

(Rs. in Crores)

Type of deposit	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016
Total Deposit	105488	130350	143404	161562	197557	229148	279655	319890	361593
Domestic Deposit	75599	93331	106518	123872	149103	162958	185772	210287	225985
N R Deposit	29889	37019	36886	37690	48454	66190	93883	109603	135609
% Share of Domestic Deposits	71.67	71.6	74.28	76.67	75.47	71.11	66.42	65.74	62.5%

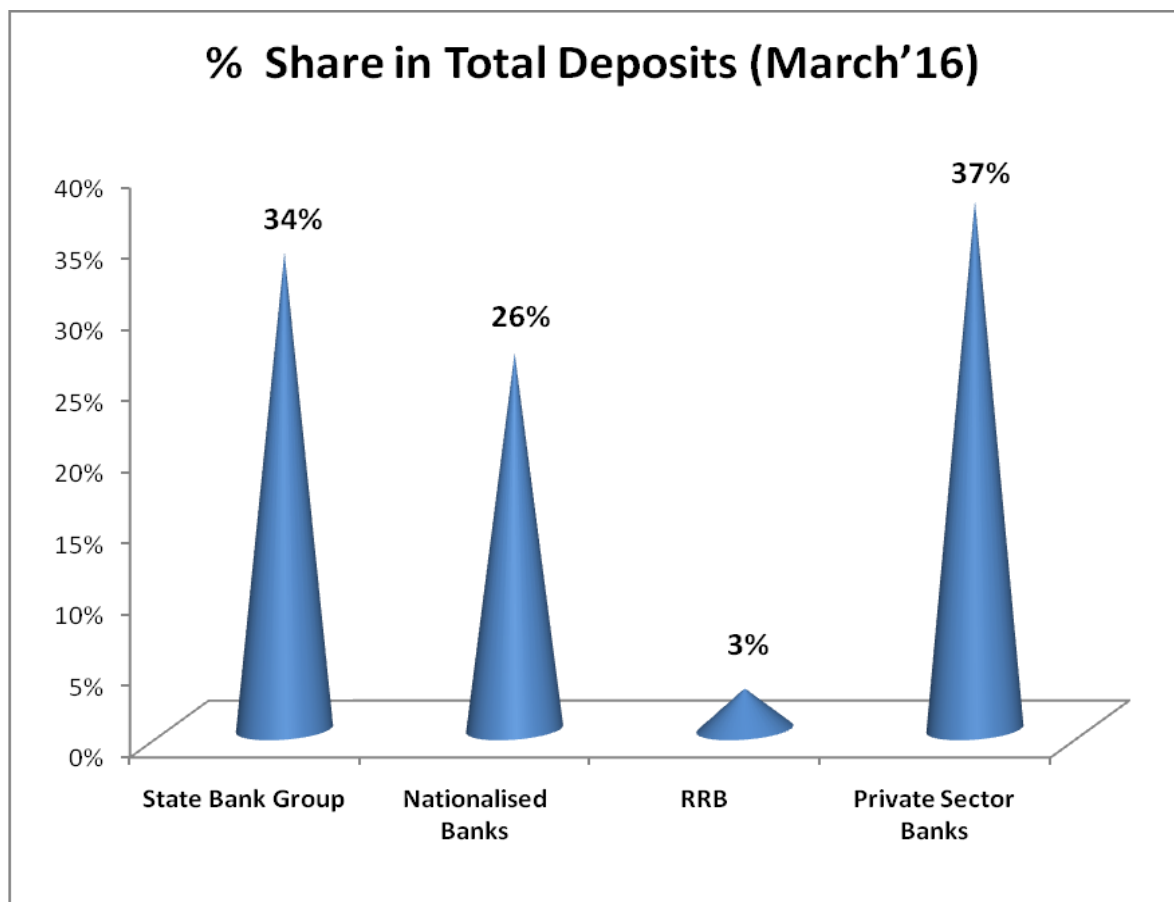


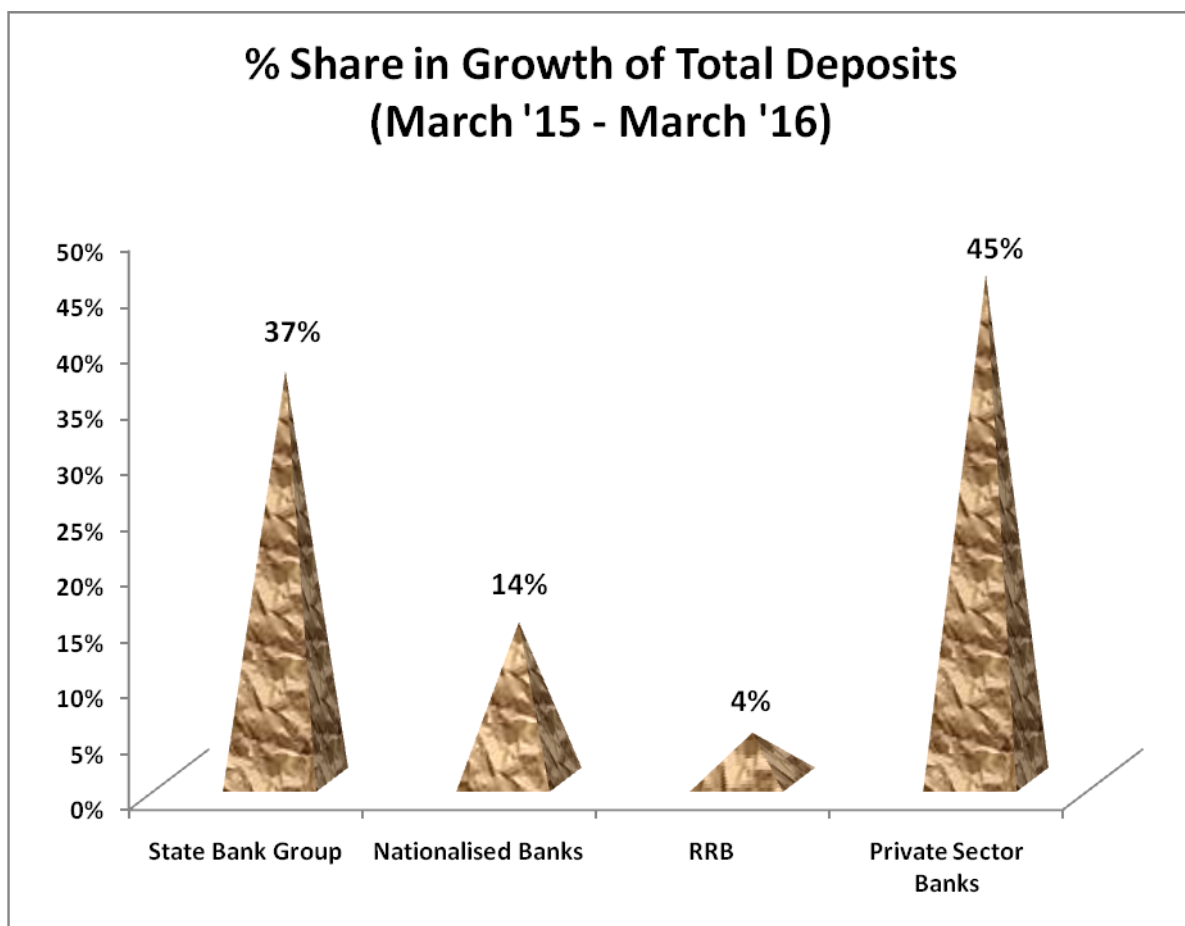
A. Banking Group wise Growth in Deposits

Banking Group wise Growth in Deposits

(Rs. in Crores)

Banking group	Total Deposits		% Share in Total Deposits (March'16)	Variation (March'15-March'16)	% Share in Growth
	March 2015	March 2016			
State Bank Group	106004	121241	34%	15237	37%
Nationalised Banks	89761	95637	26%	5876	14%
RRB	8582	10334	3%	1752	4%
Private Sector Banks	115543	134382	37%	18839	45%
TOTAL	319890	361593	100%	41703	100%





B. Population GroupWise/Banking Group Wise Distribution of Deposits

Population Group wise Distribution of deposits

(Rs. in Crores)

Banking Group	Total deposits				Percentage Distribution				Share of Banking Group in Total Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
State Bank Group	4075	71744	45422	121241	3%	59%	37%	100%	34%
Nationalised Banks	3194	52060	40383	95637	3%	54%	42%	100%	26%
RRB	1225	7021	2088	10334	12%	68%	20%	100%	3%
Private Sector Banks	5561	77191	51631	134382	4%	57%	38%	100%	37%
TOTAL	14054	208016	139523	361593	4%	58%	39%	100%	100%

6.4. NR Deposits (Refer Annexure 7.2)

Population Group wise /Banking Group wise Distribution of NR Deposits

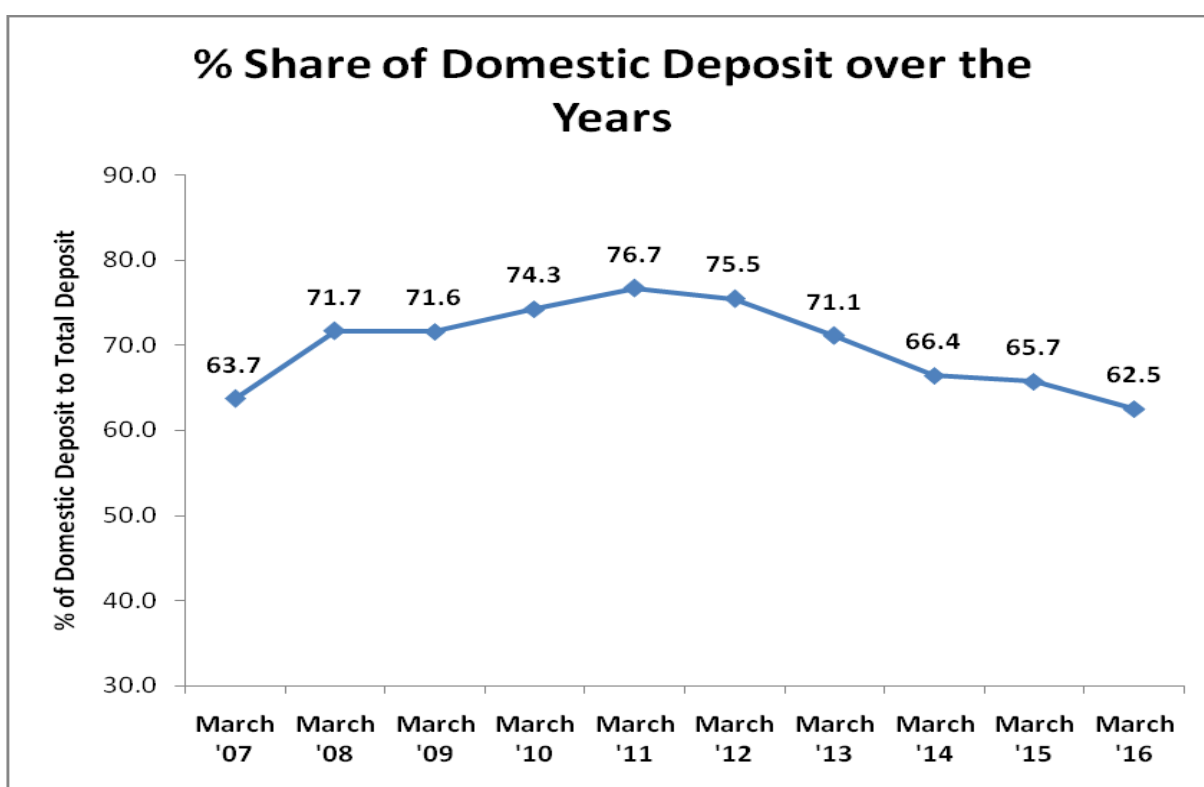
(Rs. in Crores)

Banking Group	N R Deposits				Percentage Distribution				Share of Banking Group in Total NR Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
State Bank Group	1446	31126	16462	49033	3%	63%	34%	100%	36%
Nationalised Banks	730	17770	9156	27655	3%	64%	33%	100%	20%
RRB	72	385	32	489	15%	79%	7%	100%	0%
Private Sector Banks	2352	38460	17619	58431	4%	66%	30%	100%	43%
TOTAL	4599	87741	43268	135609	3%	65%	32%	100%	100%

6.5. Domestic Deposits

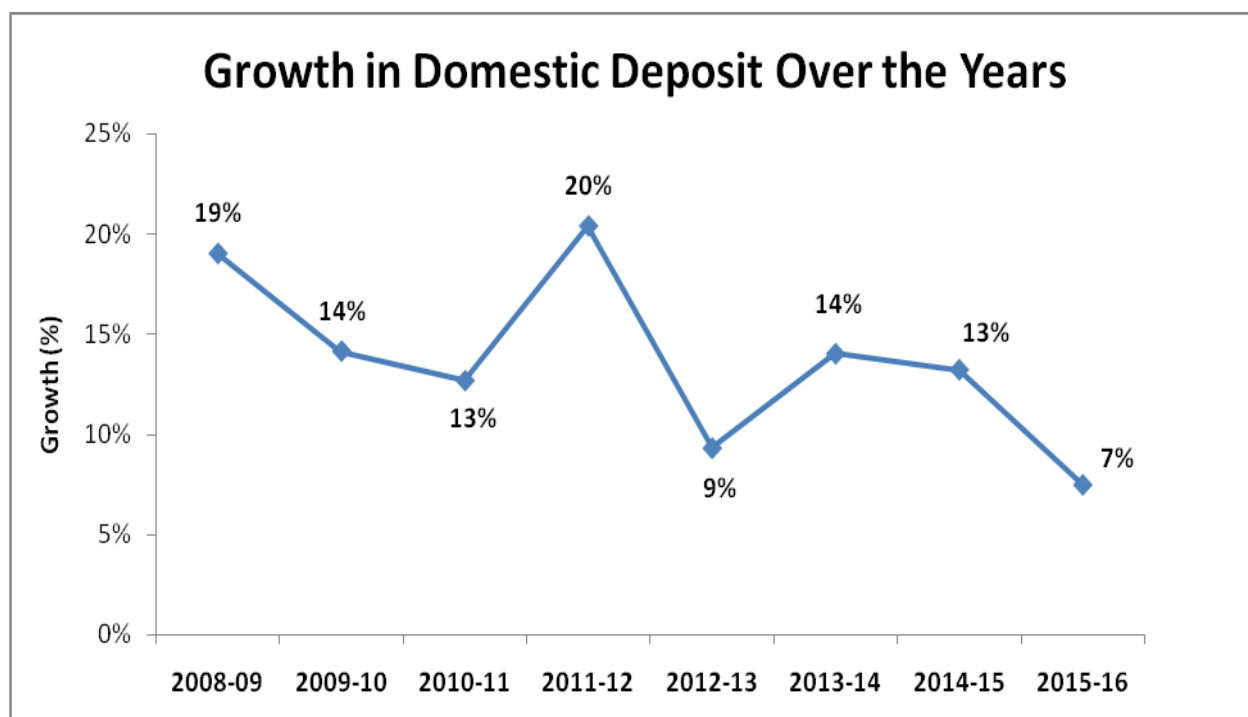
Share of Domestic Deposits in Total Deposits (%)

March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016
63.7%	71.7%	71.6%	74.3%	76.7%	75.5%	71.1%	66.4%	65.7%	62.5%



Growth Rate in Domestic Deposits during last 8 years (%)

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
19%	14%	13%	20%	9%	14%	13%	7%

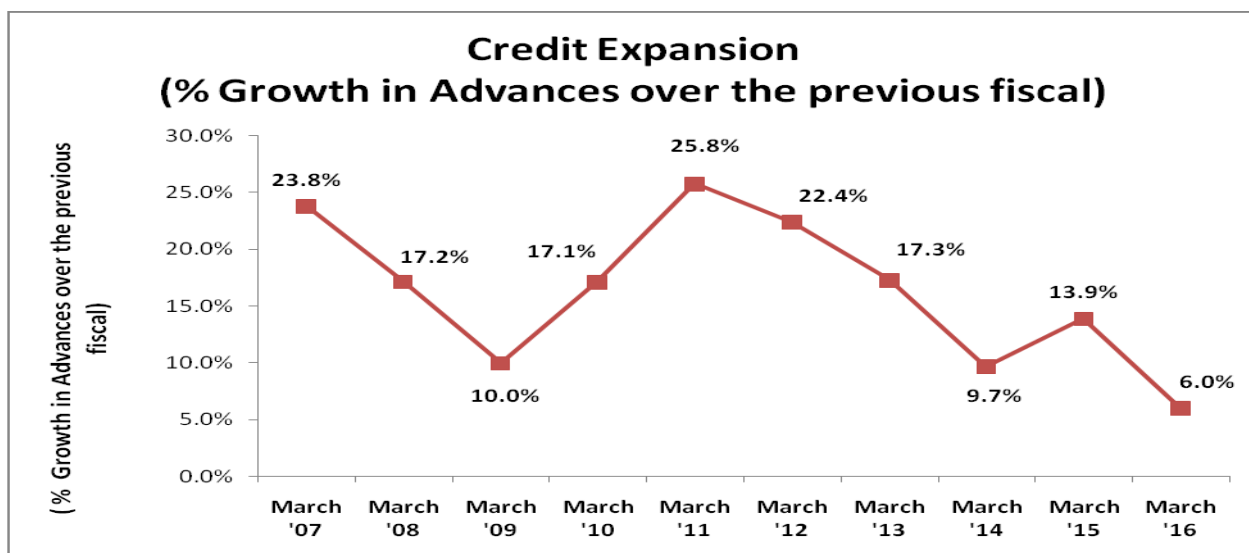


6.6. Credit Expansion (Refer Annexure 7.2)

Growth in Advances of the Commercial Banking sector in the State

(Rs. in Crores)

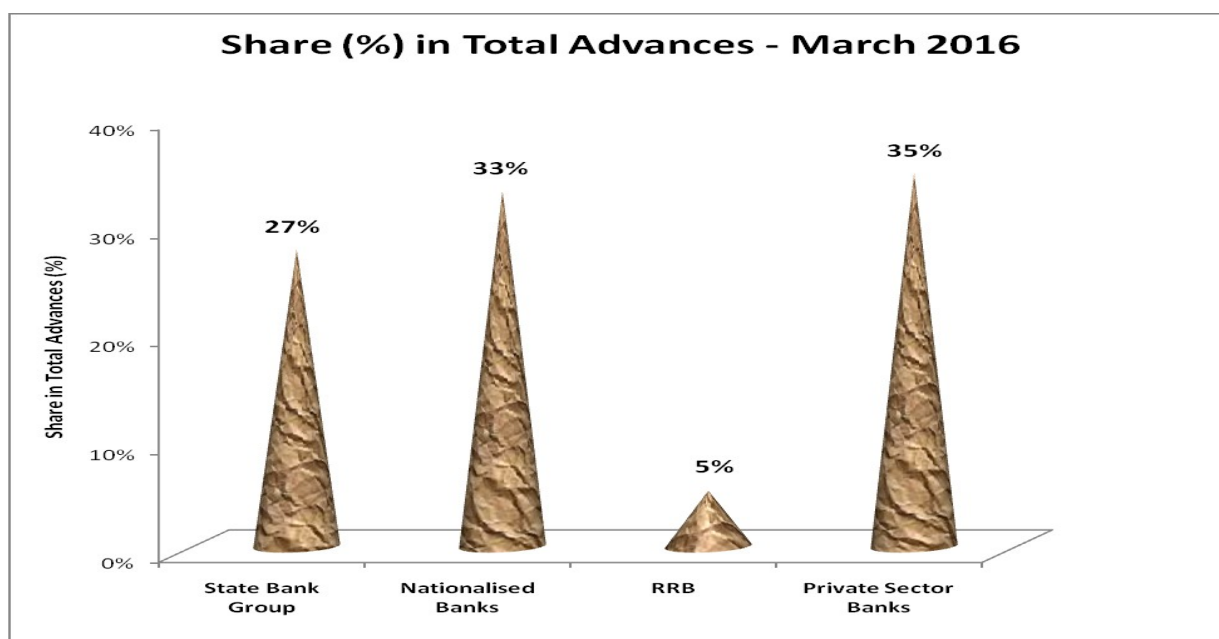
Parameter	Total Advances Outstanding over the Years									
	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016
Total Advances	64273	75305	82819	96987	121980	149293	175087	192010	218706	232418
% Growth over the previous fiscal	23.8	17.2	9.97	17.1	25.8	22.4	17.3	9.7	13.9	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	Total	
State Bank Group	3707	31744	28397	63848	6%	50%	44%	100%	27%
Nationalised Banks	2655	37230	36509	76394	3%	49%	48%	100%	33%
RRB	1616	9286	1026	11928	14%	78%	9%	100%	5%
Private Sector Banks	2217	34712	43318	80247	3%	43%	54%	100%	35%
Commercial Banks Total	10196	112972	109250	232418	4%	49%	47%	100%	100%



6.7. Credit-Deposit Ratio [C D Ratio] (Refer Annexure 7.3)

Banking Group wise C D ratio as at March 2016

Banking Group	C D Ratio - Percentage Distribution			
	Rural	Semi-Urban	Urban	Total
State Bank Group	91%	44%	63%	53%
Nationalised Banks	83%	72%	90%	80%
RRB	132%	132%	49%	115%
Private Sector Banks	40%	45%	84%	60%
Commercial Banks Total	73%	54%	78%	64%

