STATE LEVEL REVIEW MEETING 2015

1. ADOPTION OF MINUTES

The minutes of the 115th meeting of SLBC, Kerala held on 16th March, 2015 has already been forwarded to the members vide Convener's letter SLBC 35 97 2015 GN dated 04.04.2015.

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 2014-2015

2.1.1. Bank wise Performance – Primary Sector

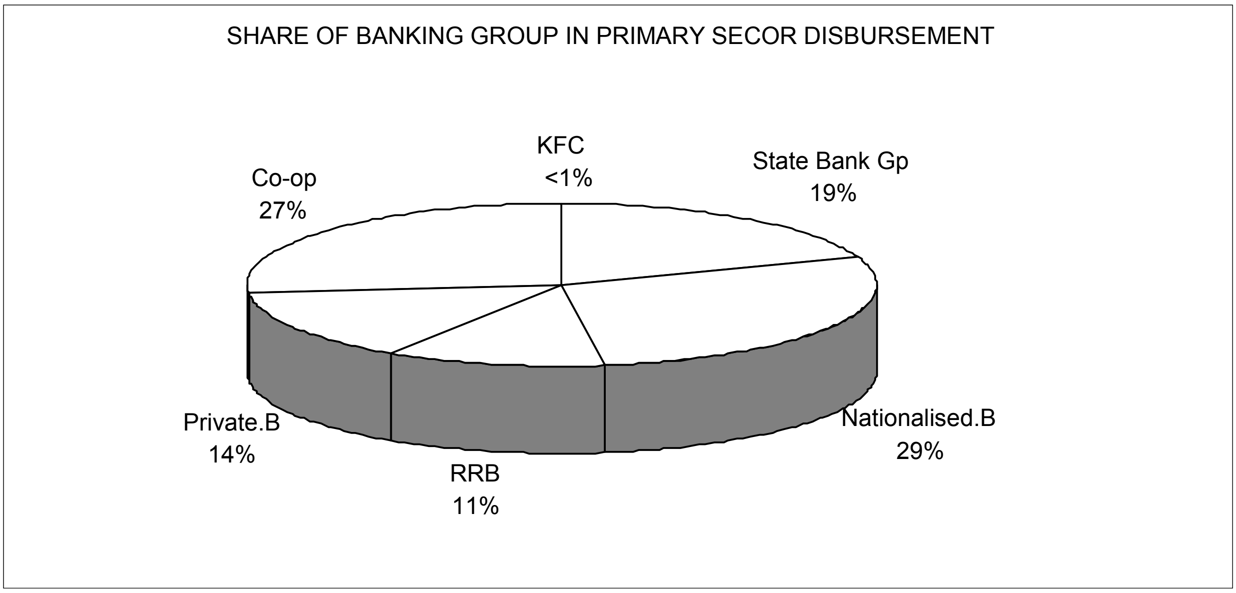
(Rs. in Crores)

Parameter	2013-2014	2014-2015
Target	34736	40866
Achievement	42890	49080
Percentage of Achievement	123.48	120.10

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	9488	19	140
Nationalised Banks	14010	29	136
RRB	5486	11	134
Private Sector Banks	7025	14	110
Co-operatives	13064	27	98
KFC	6	0	0
STATE TOTAL	**49080**	**100**	**120**



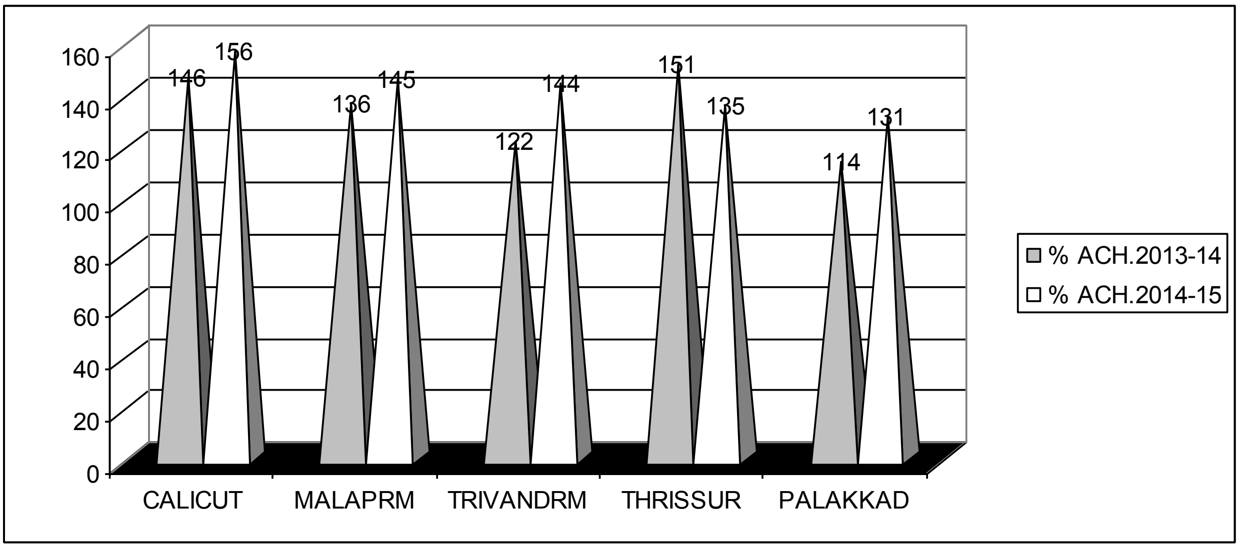
2.1.2. District wise Performance under Primary Sector

The District wise performance details are furnished in **Annexure-7.11.** Toppers of the financial year 2014-15 are listed below:

(Rs in. Crores)

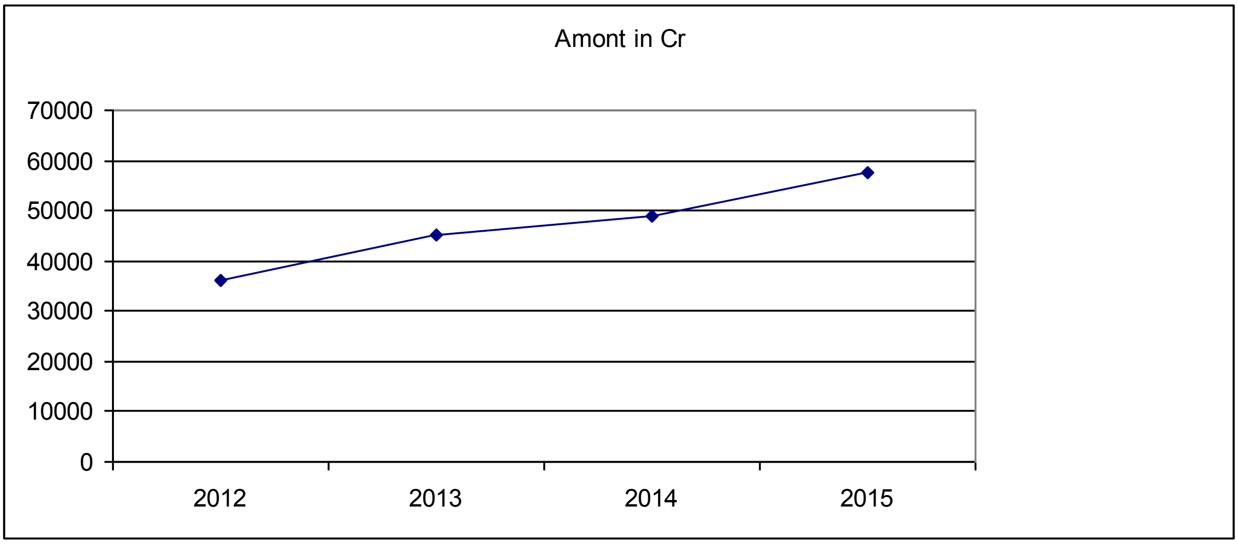
Sl. No.	District	Target	Achievement 2014-15	% Achievement
1	KOZHIKODE	2984	4661	156
2	MALAPPURM	3071	4454	145
3	TRIVANDRUM	3942	5666	144
4	THRISSUR	3750	5071	135
5	PALAKKAD	4177	5468	131

Performance of the toppers from last financial year to this financial year is shown below:



Kasargod (85%), Ernakulam (87%) and Pathanamthitta (98%) should take corrective steps so that this important target is not missed during the current fiscal.

2.2. Agriculture Advances (Refer Annexure 7.5)



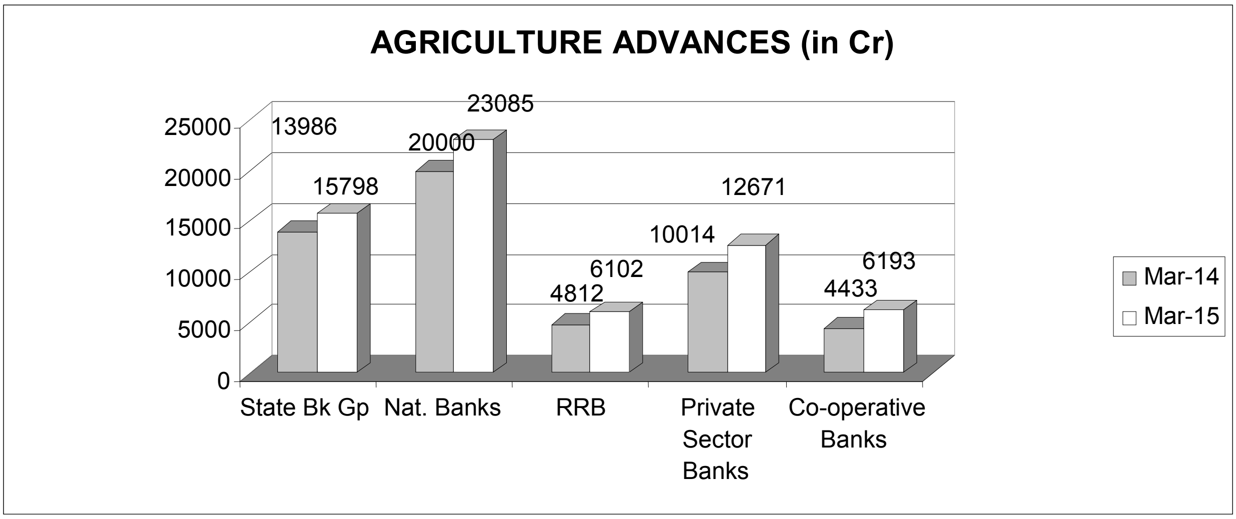
Parameter	Outstanding (Amt in Cr)				Variation (Amt in Cr)		
	March 2012	March 2013	March 2014	March 2015	March '12-March '13	March '13-March '14	March '14-March '15
Agriculture Advances of Commercial banks	36209	45055	48812	57656	8846	3757	8844

The outstanding agriculture sector for Commercial Banks is **25.59%** of the total advances outstanding in the State and is well above the mandatory norm of 18% fixed by RBI.

Banking Group wise Performance under Agriculture Advances as at March 2015

(Rs in. Crores)

Bank	Total Advances			Agriculture Advances			% Agri. Advances to Total Advances (March 2015)
	March 2014	March 2015	Growth March '14-March '15	March 2014	March 2015	Growth March '14-March '15	
State Bank Group	57402	63175	5773	13986	15798	1812	25
Nationalised Banks	65728	74734	9006	20000	23085	3085	31
RRB	9041	10467	1426	4812	6102	1290	58
Private Sector Banks	59839	76927	17088	10014	12671	2657	18
Co-operative Banks	28954	33514	4560	4433	6193	1760	18
GRAND TOTAL	220964	258817	37853	53245	63849	10604	25

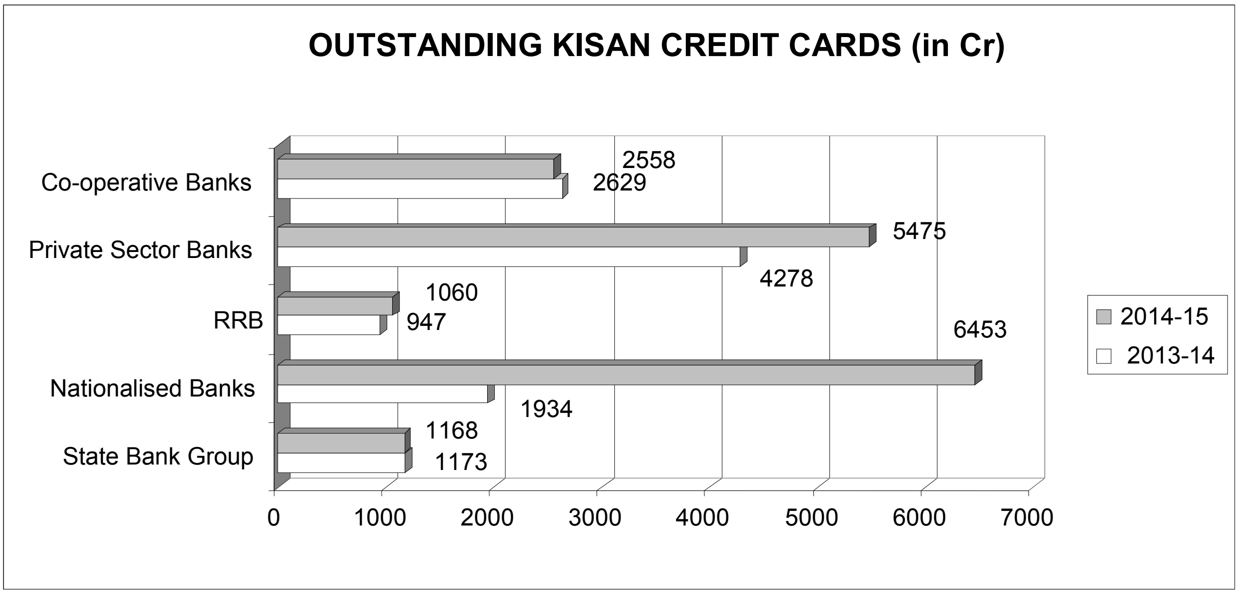


2.3. Performance under Kisan Credit Card Scheme (Refer Annexure 7.17)

Bank wise data is given in the annexure.As per the reports available with the Convenor SLBC for the financial year 2014-15,

(Rs in. Crores)

Bank	Outstanding during 2013-14		Outstanding during 2014-15	
	No.	Amt	No.	Amt
State Bank Group	115034	1173	120529	1168
Nationalised Banks	159487	1934	192152	6453
RRB	150059	947	152384	1060
Private Sector Banks	159580	4278	178008	5475
Co-operative Banks	1146519	2629	1217804	2558
GRAND TOTAL	1730679	10961	1860877	16714



2.4. **Agri Business Centres** (Refer Annexure 7.16)

4600 Agri-Business Centres opened in this financial year 2014-15 with an amount of **Rs. 38.35 crores**. As at March 2015, 4897 Agri-Business centres loans exist with an outstanding amount of **Rs. 63.26 crores.**

2.5. FRESH ISSUES

2.5.1. **Implementation of crop insurance scheme** (Suggested by NABARD)

a. Notification of Crops and areas for Kharif 2015 under MNAIS (Modified National Agricultural Insurance Scheme) and WBCIS (Weather Based Crop Insurance Scheme) will be issued by GoK shortly.

b. Insurance is compulsory for loanee farmers and non loanee farmers and they have to submit to banks duly filled proposal forms along with appropriate insurance charges well before the season within the prescribed Cut-off date as indicated in the Government Order.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, the representative from NABARD suggested the following:

- *Publicity to be given in each district regarding the scheme.*
- *New crops or areas to be included in MNAIS or WBCIS may be communicated to Agriculture Insurance Company.*

The meeting decided to place the matter in SLRM for information of banks.

2.5.2. **Proposals for revision of Unit Cost for the year 2015-16** (Suggested by NABARD)

The State Level Unit Cost Committee (SLUCC) meeting for the FY 2015-16 for deliberation and finalization of Unit costs for potential investment activities under various sectors viz. Animal Husbandry, Plantation and Horticulture, Minor Irrigation, Farm Mechanization, Land Development, Fishery etc. will be convened by NABARD in June 2015. Banks and Govt. Departments are requested to forward their suggestions/ proposals for revisions / modifications in Unit Cost to NABARD, Kerala RO latest by 15 June 2015.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, the representative from NABARD requested all banks to provide suggestion in this regard.

The meeting requested all banks to work out the details and provide suggestion to NABARD.

The member banks may work out the details in this regard and send suggestions to NABARD. The meeting decided to place the matter in the SLRM.

2.5.3. Promotional grant assistance from NABARD under the JLG linkage programme (Suggested by NABARD)

To facilitate promotion of JLGs, banks and other institutions are eligible for grant assistance from NABARD. Grant assistance will be extended to banks for formation, nurturing and financing of JLGs over a period of 3 years. NABARD would consider supporting capacity building programmes for Bank's staff and other publicity measures, such as publication of pamphlets/ leaflets, use of media (print as well as others), etc. for greater awareness and orientation.

To avail of assistance from NABARD, a prior approval /sanction for formation of specified number of JLGs may be obtained. All banks involved in promotion of JLGs are requested to avail of promotional grant as mentioned above

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information.

2.5.4. MIS on JLG (Suggested by NABARD)

The Controlling offices of all CBs are requested to furnish information on formation and linkage of JLGs on a quarterly basis as per format enclosed below:

Name of the bank	Cumulative number of JLGs formed as on 31 March 2015	Number of JLGs formed from 1 April 2015 to the end of the quarter	Amount of Loan issued to the groups from 1 April to end of the quarter	Total loan outstanding to JLGs as at the end of the quarter

The Steering Committee of SLBC Kerala that met on 03.06.2015 took a decision that Controlling offices of all CBs to furnish information on formation and linkage of JLGs on a quarterly basis as per format prescribed by NABARD.

The meeting decided to place the matter in SLRM.

2.5.5. Dairy Entrepreneurship Development Scheme - continuation during 2015-16 (Suggested by NABARD)

The Department of Animal Husbandry, Dairying & Fisheries (DAHD &F), Ministry of Agriculture, Govt. of India, vide their administrative approval No.F.No.1-1/2009-DP dated 10 April 2015, has advised provision of Rs.127.00 crore for 2015-16 under DEDS. This includes a budget provision of Rs. 99.00 crore under General / ST component. This amount is just sufficient to clear the pending claims at NABARD level. However, sufficient fund is available under SC component.

The salient features of the scheme remain unchanged.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM to bring to the notice of all banks and requested banks to focus on lending to SC beneficiaries under DEDS.

2.5.6. Dairy Entrepreneurship Development Scheme – submission of undertaking by Banks (Suggested by NABARD)

It is observed that some of the Banks are submitting claims in respect of the same beneficiary more than once resulting in double release of subsidy under the scheme. This is being viewed seriously by GoI. In view of the above, Banks are advised to forward an undertaking (as given below), along with all claims under the scheme in future.

UNDERTAKING

This is to certify that we have not claimed any subsidy under DEDS in respect of the claims enclosed with the covering letter No……………………… dated ………………………..

Signature of the Bank with Seal

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information and compliance of banks.

2.5.7. Agriclinics and Agribusiness centres (ACABC) scheme – continuation for the financial year 2015-16 (Suggested by NABARD)

Govt. of India, vide their administrative approval No.F.No.6(4)/2014-EM dated 10 April 2015, has advised continuation of the scheme during financial year 2015-16. The salient features of the scheme remain unchanged.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information.

2.5.8. Capital Subsidy Scheme for Commercial Production Units of Organic Inputs under National Project on Organic Farming – continuation during 2015-16 (Suggested by NABARD)

MoA, Govt. of India, has advised continuation of the scheme during 2015-16 and has kept a budget provision of Rs 5.00 crore for the scheme. Projects financed by Banks during 01 April 2015 to 31 March 2016 will be considered eligible for subsidy, subject to the terms and conditions of the scheme and instructions by GoI from time to time.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information.

2.5.9. MNRE scheme for promoting Solar Photovoltaic Water Pumping Systems for Irrigation Purpose (Suggested by NABARD)

MNRE, Govt. of India, has advised continuation of the scheme during 2015-16 with effect from 01 April 2015.

As regards margin money, the stipulation of 20% of the TFO has been withdrawn and the Banks shall follow RBI guidelines in this regard.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information

2.5.10. Agricultural Marketing Infrastructure (AMI) – sanction of subsidy for projects sanctioned on or before 05.08.2014 (Suggested by NABARD)

Department of Agriculture & Cooperation, MoA, GOI, vide their letter dated 13 May 2015, has advised us to sanction subsidy, for all the eligible projects for which term loan has been sanctioned by Banks on or before 05.08.2014. Confirmation in this regard, will be communicated on receipt of the same from NABARD, HO.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information

2.5.11. Submission of Utilization Certificate (Suggested by NABARD)

In spite of repeated reminders, the Banks are not submitting utilization certificates, in respect cases where subsidy has been received, under various Government sponsored subsidy schemes.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided that all Banks to submit the Utilization Certificate urgently and strictly adhere to the time limits for submission of Utilization Certificate, as per the guidelines of the schemes.

The committee decided to place the matter in SLRM for information and compliance by banks.

2.6. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

2.6.1. 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 recommended to suggest introduction of a Guarantee Scheme similar to CGTMSE, particularly for Term Loans under Agriculture.

*The Steering Committee of SLBC Kerala that met on 03.06.2015 noted that in response to the recommendation, SLBC Cell has taken up with the Government of India. The decision is that of the Government of India. Pending the same, the meeting recommended to **drop** the agenda.*

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)

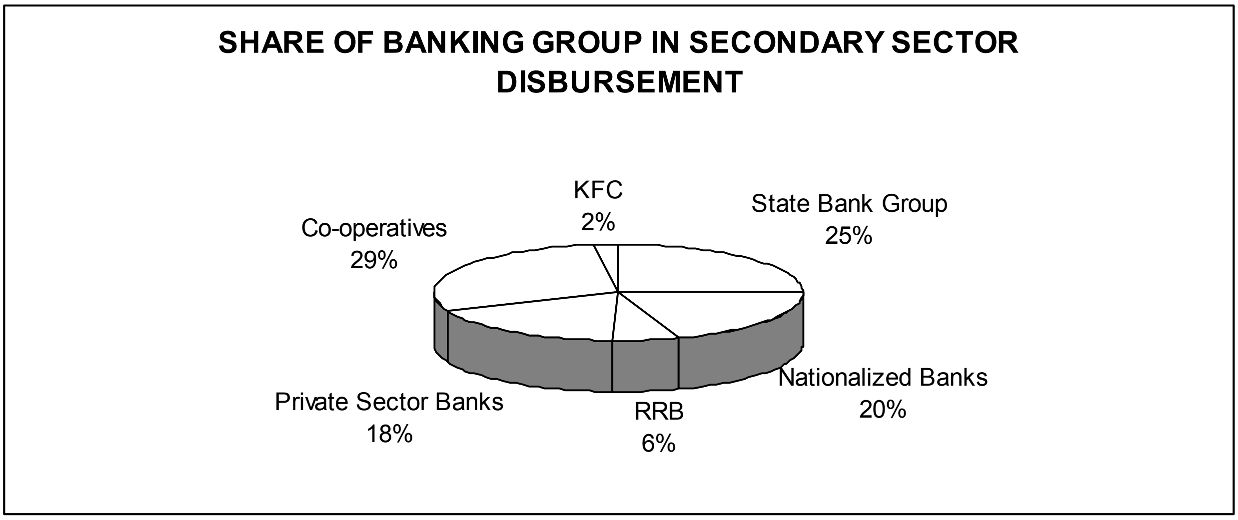
Parameter	2013-2014	2014-2015
Target	7127	16422
Achievement	7892	17574
Percentage of Achievement	110.74	107.01

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 2014-15
	2012-13	2013-14	2014-15	
State Bank Group	762	3408	4349	164
Nationalized Banks	680	1874	3531	77
RRB	88	131	1005	66
Private Sector Banks	1131	1513	3239	87
Co-operatives	823	707	5076	141
KFC	190	259	373	107
STATE TOTAL	**2613**	**3675**	**17574**	**107**



3.2.1. District wise Performance under Secondary Sector

The District wise performance details are furnished in **Annexure-7.11.** Toppers of the financial year 2014-15 are listed below:

(Rs in. Crores)

Sl. No.	District	Target	Achievement 2014-15	% Achievement
1	PATHANAMTHITTA	185	545	295
2	PALAKKAD	551	1603	291
3	KOTTAYAM	438	1167	266
4	IDUKKI	199	525	264
5	KANNUR	949	1072	113

LDMs especially Malappuram (49%), Trivandrum (64%), Calicut (83%) & Kasargod (84%) districts and Controlling Offices of Banks are requested to take remedial measures to overcome the shortcomings.

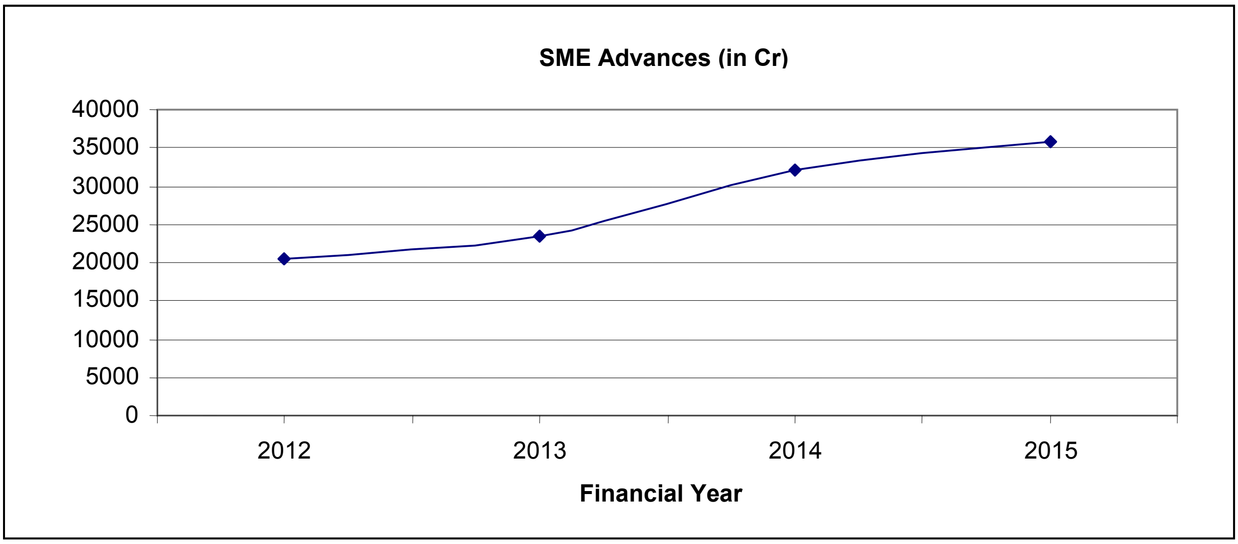
3.3. Performance under Outstanding Advances in SME sector

3.3.1. Performance under SME Advances under priority sector

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

(Rs. in Crores)

Parameter	Outstanding				Variation		
	March 2012	March 2013	March 2014	March 2015	March'12-March'13	March'13-March'14	March'14-March'15
SME Advances	20593	23563	32069	35730	2970	8506	3661

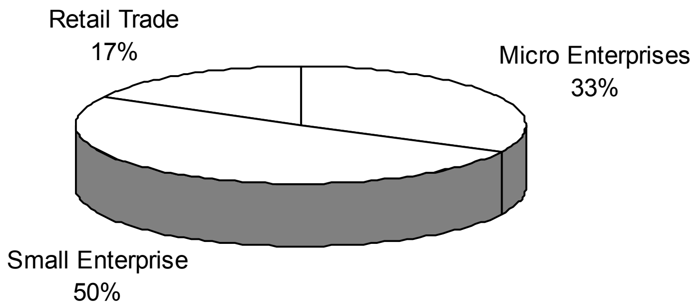


As per the data, the performance of banks in the State is as follows:

(Rs. in Crores)

Banking Group	SME Outstanding (Priority)											
	March 2014						March 2015					
	Micro Enterprises		Small Enterprise		Retail Trade		Micro Enterprises		Small Enterprise		Retail Trade	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
State Bank Group	28881	3344	51169	2849	31079	982	24210	2748	32004	2293	24383	1232
Nationalized Banks	214417	4529	41649	5439	47097	1198	240190	4889	42719	6106	45825	1828
RRB	60205	497	727	101	133052	867	28420	233	88549	646	57258	484
Private Sector Banks	126058	4129	26566	6689	27945	1445	40818	3768	110646	8969	90269	2533
GRAND TOTAL	**429561**	**12499**	**120111**	**15078**	**239173**	**4492**	**333638**	**11638**	**273918**	**18014**	**217735**	**6078**

TOTAL SME OUTSTANDING 2014-15



3.3.2. Small and Medium Enterprises (SME) Advances (Refer Annexures 7.6 & 7.27)

Consequent on the promulgation of MSMED Act, 2006 the advances classified under SME comes under priority (Micro & Small Enterprises) as well as Non-Priority (Medium Enterprises). The bank wise details are given in the **Annexure 7.6 & 7.27.**

Banking Group	Micro Enterprises				Small Enterprises				SME	
	Manufacturing Sector		Services Sector		Manufacturing Sector		Services Sector		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
State Bank Group	15494	1265	8922	1490	2495	1420	53686	2098	80597	6273
Nationalized Banks	31481	1307	201165	3874	11877	2315	84211	5327	328734	12823
RRB	39742	296	131688	1000	1334	20	1463	47	174227	1363
Private Sector Banks	64742	1866	38759	2776	19613	4553	118619	6075	241733	15270
GRAND TOTAL	**151459**	**4733**	**380534**	**9140**	**35319**	**8308**	**257979**	**13548**	**825291**	**35730**

Banking Group	Medium Enterprises (Non-Priority)				Large Enterprises (Non-Priority)			
	Manufacturing Sector		Services Sector		Manufacturing Sector		Services Sector	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
State Bank Group	681	734	835	136	9876	3573	11815	2088
Nationalized Banks	2207	737	9218	1592	10219	1688	67	2044
RRB	0	0	0	0	0	0	0	0
Private Sector Banks	870	980	1471	1076	650	1696	600	2344
GRAND TOTAL	**3758**	**2451**	**11524**	**3527**	**20745**	**6957**	**12482**	**9301**

3.3.3. 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 commercial banks under above parameters is as follows:

Sl. No.	Parameter	March 2014	March 2015
1	**Credit under Micro Enterprises** (Rs.in Cr)	14293	13874
2	**Credit under Micro and Small Enterprise (MSE)** (Rs.in Cr)	32069	35730
3	**Share of Micro Enterprise to total MSE Credit** (%)	44.57	38.83

3.4. Performance under Government Sponsored Schemes

3.4.1. Balance outstanding under NRLM, NULM & PMEGP as at March 2015

(Refer Annexures 7.10)

(Rs. in Crores)

BANK	NRLM		NULM		PMEGP	
	No.	Amt.	No.	Amt.	No.	Amt.
State Bank Group	9021	117	564	3	2459	61
Nationalized Banks	8868	154	3151	20	2270	59
RRB	1974	45	0	0	599	13
Private Sector Banks	1455	39	41	0.2	794	9
GRAND TOTAL	21318	355	3756	23.2	6122	142

PMEGP Cumulative performance of the year 2014-15 is given in the **Annexure - 7.15.**

3.5. **Performance under General Credit Card Scheme** (Refer Annexure 7.16)

Balance outstanding under GCCs as at March 2015

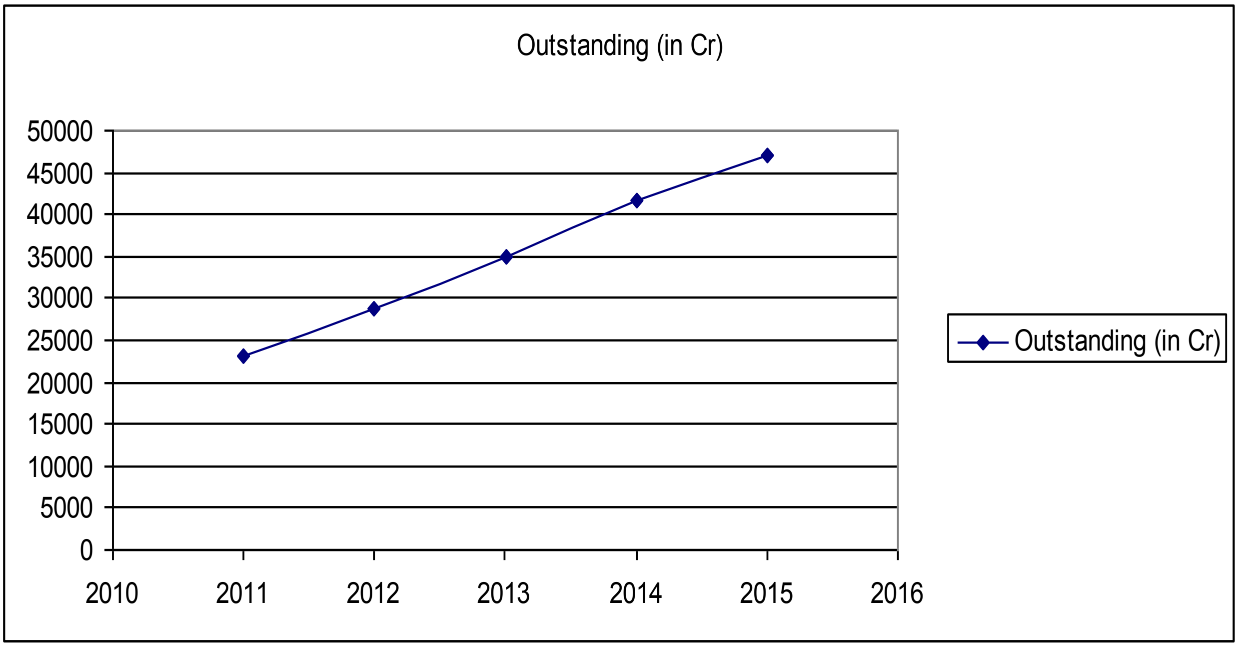
(Rs. in Crores)

Banking Group	No.	Amt.
State Bank Group	753	1
Nationalized Banks	27945	625
RRB	27866	54
Private Sector Banks	8988	460
GRAND TOTAL	**65552**	**1141**

3.6. **Advances to Weaker Section** (Refer Annexure 7.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2012	March 2013	March 2014	March 2015	March '12-March '13	March '13-March '14	March '14-March '15
Weaker Section Advances	28865	34911	41701	47092	6046	6790	5391



3.7. **Advances to SC/STs** (Refer Annexure 7.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2012	March 2013	March 2014	March 2015	March' 12-March'13	March' 13-March'14	March' 14-March'15
SC Advances	2957	3284	4664	4390	327	1380	-274
ST Advances	606	729	1008	1164	123	279	156
Total SC/ST Advances	**3563**	**4013**	**5672**	**5554**	**450**	**1659**	**-118**

Banking Group wise Performance under SC/ST advances as at March 2015

(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	216234	3237	74	59833	962	83
Nationalised Banks	99956	940	21	19052	158	14
RRB	19659	94	2	10032	31	3
Private Sector Banks	10056	119	3	1326	13	1
GRAND TOTAL	**345905**	**4390**	**100**	**90243**	**1164**	**100**

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

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

3.8. DRI Advances (Refer Annexure 7.10)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2012	March 2013	March 2014	March 2015	March' 12- March' 13	March' 13- March' 14	March' 14- March' 15
DRI Advances	33.98	43.93	66.54	49.43	9.95	22.61	-17.11

Banking Group Wise Performance under DRI advances
As at March 2015 (Rs. in Crores)

Bank	DRI Advances		
	Outstanding		% O/S to total
	No.	Amount	
State Bank Group	3779	3	6
Nationalised Banks	46418	40	81
RRB	1643	1	3
Private Sector Banks	7366	5	11
GRAND TOTAL	59206	49	100

3.9. Credit Flow to Minority Communities (Refer Annexures 7.26)

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

3.10. Cumulative position of Sick units

(Rs. in Crores)

Banking Group	Cumulative Position at the end of March 2015		
	No of Units	Amount	% to total
State Bank Group	703	12.36	1
Nationalised Banks	1782	359.16	28
RRB	0	0.00	0
Private Sector Banks	7974	893.46	71
GRAND TOTAL	**10459**	**1264.98**	**100**

3.11. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

3.11.1.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 Steering Committee of SLBC Kerala that met on 03.06.2015 decided that the matter would be followed up with RBI by SLBC Cell and final decision in this regard would be placed in SLBC on receipt from RBI.

The meeting recommended to ***drop*** *the agenda.*

3.11.2.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.

The Steering Committee of SLBC Kerala that met on 03.06.2015 noted that during 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 view of what has been stated by the LSGD, the Steering Committee recommended to ***drop*** *the agenda.*

3.12. INFORMATION NOTE

3.12.1. Budget Allocation under MM of PMEGP for the year 2015-16 - Information Note by KVIC

Directorate of Prime Minister's Employment Generation Programme
KHADI AND VILLAGE INDUSTRIES COMMISSION
Ministry of Micro, Small, & Medium Enterprises
Govt. of India
'Gramodaya', 3rd, Irla Road, Vile Parle (West),
Mumbai 400 056
Tele/Fax : 91-022-2671 3686
E-mail regpkvic@gmail.com

Y.K.BARAMATIKAR
DIRECTOR(PMEGP)

No:PMEGP/Bud.Alloc./BE-MM/2015-16 Date: 30.04.2015

By Speed Post

To
The State Office,
Office of the Commissioner for Khadi & V.I.
Thiruvananthapuram- 695 001(Kerala)

Sub: Budget Allocation under M.M. of PMEGP for the year 2015-16..reg

Sir,

The Ministry of MSME, Govt. of India has communicated the margin money targets of Rs.1019.00 Crores for the year 2015-16 vide letter No. PMEGP/Targets/1/2015-16 dated 09.04.2015. Further, it is also indicated that. 10.60 % of the total allocation has been earmarked for North Eastern Region (NER). Accordingly, the above targets have been worked out in respect of KVIC, KVIB and DIC along with SC and ST targets.

2. With the approval of F.A, CEO, KVIC and Commissioner, OCKVI and in anticipation of S.F.C.(VI.) approval, the margin money targets for the year 2015-16 in respect of your State/Divisional Office/Union territory is communicated herewith. The agency wise tentative margin money, number of projects to be set up and the employment to be generated is also worked out and agency wise Margin Money, Project and employment is given as below to place the same before SLMC/SLBC for direct-wise and bank wise re-allocation. The State/Divisional office/UT wise SC/ST targets under SC/ST sub plan-wise worked out and enclosed herewith to achieve the targets.

Sr. No	Name of the Agency	Target for 2015-16		
		No. of Projects	MM (Rs. in Lakhs)	Employment in nos.
1	KVIC	393	839.51	3144
2	KVIB	392	839.51	3136
3	DIC	524	1119.35	4192
	Total	**1309**	**2798.38**	**10472**

Target for SC and ST are as below:

SC			ST		
No. of Projects	MM (Rs. in Lakhs)	Employment in nos.	No. of Projects	MM (Rs. in Lakhs)	Employment in nos.
253	365.60	2024	168	243.40	1348

3. The available unspent balance under Margin Money as on 01.05.2015 should be liquidated on top-most priority by clearing backlog of sanction of project during the year 2014-15 against the target set for 2015-16 at priority basis after completing EDP training.

4. As State Offices should ensure not to exceed the above allocated target for 2015-16.

5. While giving extension upto 30.04.2015, the Ministry has categorically mentioned that **"it may kindly be noted that no further extension will be given and any amount lying undisbursed with Nodal Bank Branches will have to be adjusted against the funds to be released for 2015-16."**

6. The utilization certificate in the prescribed format i.e. 19-A under GFR in respect of margin money utilized during 2014-15 be furnished immediately after 30.04.2015.

7. The utilization figures of margin money for the year 2014-15 should be in consonance (tally) with the annual report figures as well as utilization certificate figures. There should not be any discrepancies in the figures of the above reports which may be noted.

8. The conditions stipulated by the Ministry of MSME in the sanction order in respect of PMEGP Margin Money from time to time should be complied with while utilizing the funds by the State/ Divisional Directors.

9. The above direction should be strictly complied with by all implementing agencies, KVIC,KVIB and DIC. Zonal Dy. C.E.Os may please monitor and review compliance on regular basis.

This may be treated as Most Urgent.

Your's faithfully,

Director (PMEGP)

Copy for information to:-
1) All Zonal Dy. CEOs (South Zone), KVIC, Bangaluru(KNT)
2) OSD to CEO/Commissioner, OCKVI
3) Dy.CEO (PMEGP), KVIC, New Delhi
4) Director (Budget), KVIC, Mumbai
5) Director (Accounts), KVIC, Mumbai
6) Account Wing of PMEGP, KVIC, Mumbai

Director (PMEGP)

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM for information.

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

4.1. Performance under Tertiary Sector of ACP

(Rs. in Crores)

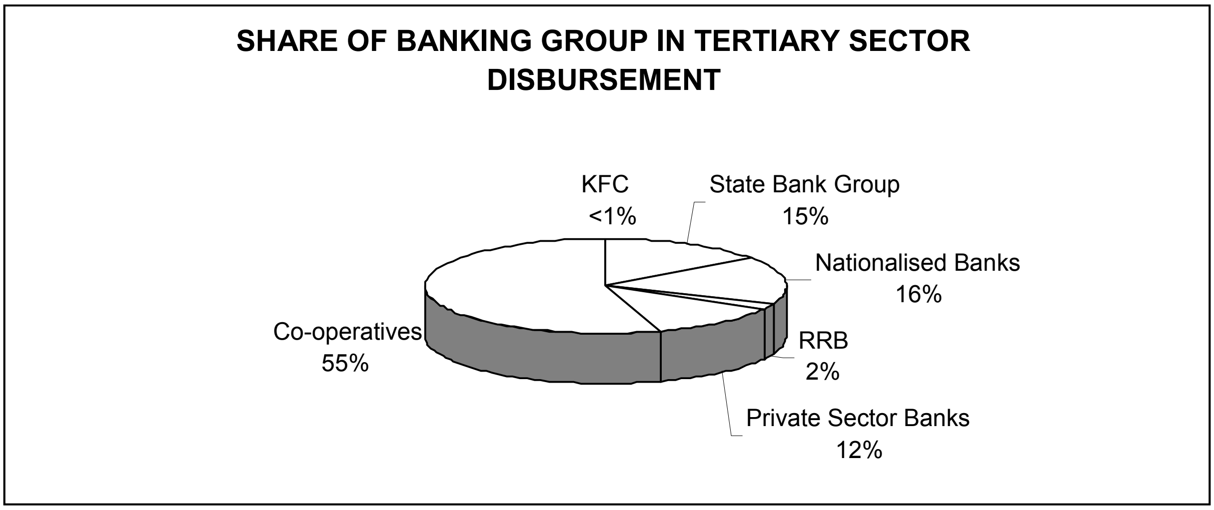
Parameter	2013-14	2014-15
Target	38600	35837
Achievement	38962	31037
Percentage of achievement	100.94	86.61

4.2. Review of Disbursements to Tertiary Sector under ACP

Banking Group-wise Performance under Tertiary Sector of ACP 2014-15

(Rs. in Crores)

Bank	Tertiary Sector			
	Target	Achievement	% Achievement	% Share in Disbursement
State Bank Group	6460	4529	70.10	15
Nationalised Banks	6688	4892	73.14	16
RRB	1285	694	54.02	2
Private Sector Banks	5628	3613	64.20	12
Co-operatives	15645	17204	109.97	55
KFC	131	106	80.67	0
State Total	**35837**	**31037**	**86.61**	**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 2014-15 are listed below:

(Rs in. Crores)

Sl. No.	District	Target	Achievement 2014-15	% Achievement
1	MALAPPURAM	273	1627	595
2	KANNUR	3567	4279	120
3	ERNAKULAM	3196	3559	111
4	WAYANAD	300	305	102
5	KOZHIKODE	2017	1845	91

LDMs especially Kasargod (50%), Kottayam (60%), Palakkad (64%), Pathanamthitta (70%), Trivandrum (70%), Thrissur (79%), Idukki (80%), Alappuzha (81%), Kollam (90%) and Calicut (91%) districts and Controlling Offices of Banks are requested to take remedial measures to overcome the shortcomings. A

4.4. Performance under Education Loan

(Rs. in crores)

Banking Group	Outstanding Education loan	
	A/cs	Amount
State Bank Group	129238	3225
Nationalised Banks	172507	4226
RRB	35745	832
Private Sector Banks	48872	1036
Commercial Banks	386362	9319
Co-operative Banks	6442	122
State Total	**392804**	**9441**

4.5. Performance under Housing Loan

(Rs. in crores)

Banking Group	Outstanding Housing loan	
	A/cs	Amount
State Bank Group	196443	12180
Nationalised Banks	161503	7797
RRB	32508	1010
Private Sector Banks	75987	4134
Commercial Banks	466441	25121
Co-operative Banks	338169	6114
State Total	**804610**	**31236**

4.6. Performance under Micro-credit (Micro credit should be differentiate from Micro enterprises, which is a part of secondary sector)

SLBC had compiled the data obtained from all banks regarding the cumulative performance of banks in the State as at March 2015. The bank-wise performance is given as annexures.

(Rs. in crores)

Banking Group	Outstanding Micro Credit	
	A/cs	Amount
State Bank Group	14315	30
Nationalised Banks	40227	305
RRB	13853	140
Private Sector Banks	16753	354
Commercial Banks	85148	829
Co-operative Banks	446491	8323
State Total	**531639**	**9154**

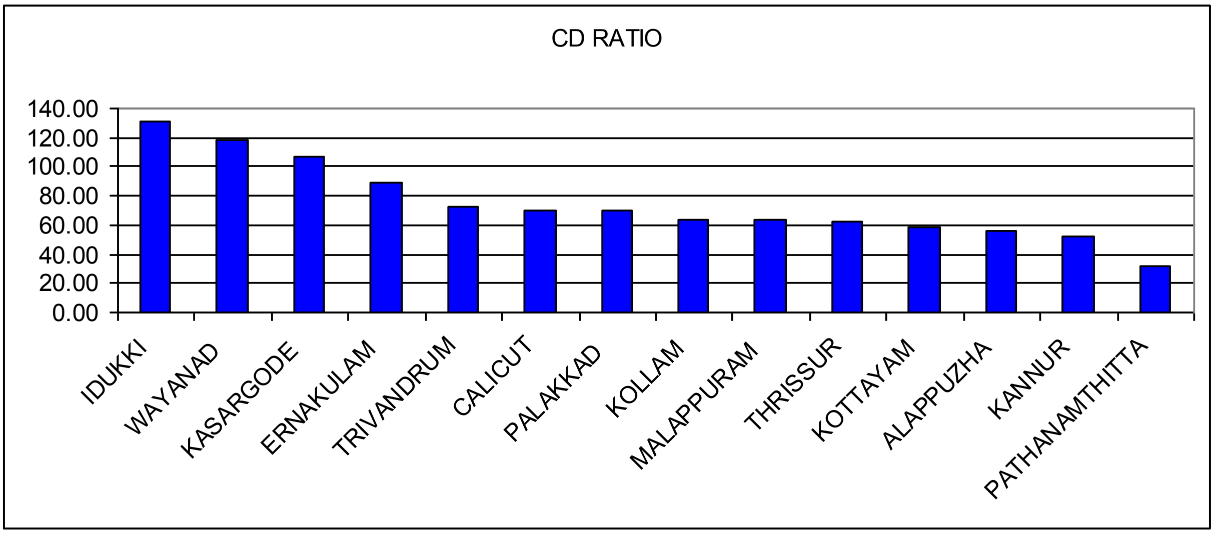
4.7. District-wise Credit Deposit Ratio in the State - Review

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

District-wise C D Ratio in the State as on 31.03.2015

(Rs. in lakhs)

Sl. No.	District	Deposits	Advances	CD Ratio (%)
1	TRIVANDRUM	5639913	4061473	72.01
2	KOLLAM	2505890	1603566	63.99
3	PATHANAMTHITTA	2826911	911563	32.25
4	ALAPPUZHA	2154562	1198579	55.63
5	KOTTAYAM	2741837	1618520	59.03
6	IDUKKI	535970	704793	131.50
7	ERNAKULAM	6962879	6246351	89.71
8	THRISSUR	4140436	2604835	62.91
9	PALAKKAD	1752623	1221194	69.68
10	MALAPPURAM	1971239	1243150	63.06
11	KOZHIKODE	2213265	1554040	70.21
12	WAYANAD	332255	392757	118.21
13	KANNUR	2129634	1116212	52.41
14	KASARAGOD	695661	744987	107.09
Total for State		**36603075**	**25222020**	**68.91**



(The above CD ratio is compiled from the banking Statistics furnished by the controlling offices of the banks which includes the business figures of Co-operative Banks)

The Group may note the position and suggest measures for improving the CD Ratio.

4.8. FRESH ISSUES

4.8.1. Denial of Housing Loans (Suggested by Planning & Economic Affairs Department)

ബാങ്ക് ഭവന വായ്പകളിൽ ഭൂമി വിലയും, ശമ്പള സർട്ടിഫിക്കറ്റും മറ്റും ജാമ്യമായി നൽകിയാൽ പോലും ചെറിയ റോഡുവശങ്ങളിൽ വീട് നിർമ്മിക്കാൻ സാധാരണക്കാർക്ക് വായ്പ ലഭ്യമല്ല. കേരളം പോലെയുള്ള ജന സാന്ദ്രതയേറിയ സംസ്ഥാനത്ത് ഇത് തികച്ചും ജനവിരുദ്ധ സമീപനമാണ്. ഇത് തിരുത്താനാവശ്യമായ ഇടപെടലുകൾ ഉണ്ടാവണം.

The Steering Committee of SLBC Kerala that met on 03.06.2015 observed that there is no clarity on the agenda.

The Convenor SLBC informed that Housing Loans are liberally given by banks considering the ownership and repayment capacity of the party.

Representative from Planning & Economic Affairs Department, Government of Kerala informed that the matter came up for discussion in the DLRC suggested by Sri. A. Sampath, Hon'ble Member of Parliament and decided to place the matter in SLBC. It was clarified by the representative from Syndicate Bank that the matter relates to banks insisting for four wheeler accesses for granting housing loans.

The meeting decided to place the agenda item in the SLRM.

4.8.2. Prevention of frauds in Vehicle Loans (Suggested by Canara Bank)

The issue of registration of vehicles and access to web portal of State Transport Authority for making a request for noting lien/cancellation of lien by banks/NBFCs and thus avoiding frauds as to non registration / registration of vehicles in the name of thirty party.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the agenda item in the SLRM.

4.8.3. PMJJBY & PMSBY Akshaya Centres Special Purpose Business Correspondent (Suggested by Kerala State IT Mission)

Pradhan Mantri Jivan Jyothi Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) are unique schemes which would be path-breaking initiatives, towards providing social security at a very nominal cost. These are designed to provide utmost convenience with auto-debit facility from the bank account of the subscriber and would provide insurance to individuals in any unfortunate event causing death or disability.

A proposal is being submitted requesting for all Akshaya Centres to be made as Special Purpose Business Correspondents of the Bank for the above mentioned insurance schemes wherein the Akshaya Centres will act as enrolment agents. As you are aware, during the launching of PMJDY, Akshaya Kiosks have played a vital role in conducting house hold survey, account opening camps, awareness class on financial inclusion etc. Presently 948 Akshaya Centre are functioning as Kiosk banks of various banks. But now, they could collect only the applications of the link bank. Hence, it is also requested that all Akshaya Centres should be empowered to enroll account holders of any bank.

Akshaya Centres has already created a long standing impact on the social and economic scenario of Kerala. Currently, there are 2500 Akshaya centres in the State and is easily accessible every citizen. As the scheme envisages social security to all sections of the society, all the 2500 Akshaya Centres may be designated as Special Purpose Business Correspondent of these schemes.

The Steering Committee of SLBC Kerala that met on 03.06.2015 decided to place the matter in SLRM.

4.9. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

4.9.1. Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank - Pending since July 2012

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

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, the representative from Planning & Economic Affairs Department, GoK informed that the matter has been pending with the Ministry of Human Resources. The matter would be pursued.

4.9.2. 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 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 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

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, the representative from Commissionerate of Rural Development informed the following:

- *Palakkad – The land identified and pending with Revenue (G) Department for clearance*
- *Pathanamthitta – the matter is pending with Law Department*
- *Kozhikode – Suitable Land has to be identified by District Collector*
- *Idukki – 50 cents land available at Thodupuzha*

The committee requested the Rural Development Commissioner and the Planning & Economic Affairs Department, Government of Kerala to follow up the matter with the concerned departments.

4.9.3. Giving Provision to Controlling offices of banks to monitor status of RR - Pending since December 2011

RR filing in the State is now online. The view option/function should be made available to the Controlling offices of banks to enable them to monitor the progress. **Sri. K. Mohammed Y Safirulla IAS,** Director, IT Mission informed in the 115th SLBC meeting that each district is operating it locally at respective Collectorate. It requires some ground work from technical angle also. Second thing is that it is not a web based system. It is located in Taluk offices only.

*In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, **Sri. Devadasan IAS**, Commissioner Land Revenue, representing the Revenue Department informed that User ID and Password has been provided to Malappuram District by NIC. NIC would be developing the User ID and Password for the remaining districts.*

The committee decided that, LDMs of remaining districts to approach respective NICs to sort out the matter.

4.9.4. Computerization of Land Records - 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 Steering Committee Meeting of SLBC Kerala held on 03.06.2015, ***Sri. Devadasan IAS****, Commissioner Land Revenue, representing the Revenue Department informed that the process is completed in 17 villages. Resurvey is not properly done and more resurvey completed in more than 500 villages. He added that the process is continuing and digitalization process is completed only in Palakkad District. The matter is under the active consideration of Government.*

In view of what has been stated by Land Revenue Commissioner, the Steering Committee recommended to ***drop*** *the agenda.*

4.9.5. Automation of Interface of State Government Treasuries with Banks - Pending since December 2011

The Department of Financial Services, Ministry of Finance, Government of India desires that full automation and interface of State Government Treasuries with the banks should be given top priority as it would help the concerned state government and the Banks to implement EBT, funds transfer to beneficiaries and credit of Govt. grants/subsidy/funds, quick credits etc.

Since E-grass system has been in place now, the Steering Committee of SLBC Kerala that met on 03.06.2015 recommended to ***drop*** *the agenda.*

4.9.6. Amendment/modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I - Pending since December 2007

*To make suitable amendment in the Registration Rules and to empower the SROs to make an entry of possession of immovable properties under SARFAESI Act 2002 also in their Book I, as done in the case of property attachment made by Civil or Revenue courts.*During the 114th Meeting of SLBC, Kerala held on 28.11.2014, representative from Registration Department informed that the amendment is made in the Registration Act itself. Overall amendment is under the consideration of the Parliament and as per their requirement Registration Department has given some proposals/remarks for several sections of the act.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative from Registration Department informed that overall amendment is under the consideration of the Parliament and as per their requirement Registration Department has given some proposals/remarks for several sections of the act.

*Since the matter requires the Parliament to amend the provisions and this under consideration, the committee recommended to **drop** the agenda item.*

4.9.7. Non availability of Central Government & State Government Interest Subsidy to Education Loans availed from District Co-operative Banks & PACS - Pending since September 2013

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.

The Steering Committee of SLBC Kerala that met on 03.06.2015 noted that Government of Kerala has written to the Ministry of Human Resources and the reply is awaited. The committee requested the Planning & Economic Affairs Department, Government of Kerala to pursue the matter with Government of India.

4.9.8. 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.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative from Planning & Economic Affairs Department, Government of Kerala informed that E-payment access for all banks is accepted by an apex committee of the Government. The GO is awaited.

4.9.9. Noting of Equitable Mortgage created in favour of the banks in Revenue Records - Pending since March 2014

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 Steering Committee of SLBC Kerala that met on 03.06.2015 decided to pursue the matter with Revenue Department, Government of Kerala.

4.9.10. Noting of lien of the Bank in Thandaper Register of Village Office for the loans granted by the Banks

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 Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative from Revenue Department, Government of Kerala informed that the matter is under consideration of the department.

4.9.11.Noting of Sarfaesi Demand Notice by Registrar Offices

The Registration Department has informed it requires amendment of the Central Act.

*Since it requires amendment of the Central Act, the Steering Committee of SLBC Kerala that met on 03.06.2015 recommended to **drop** the item.*

4.9.12.Registration of UDS [Un Divided Share]

As per the prevalent practice in the State of Kerala sale deeds of flats will be executed only after completion of construction of the entire apartment complex. Till then the lending banks normally remain virtually unsecured. Now, we propose to insist on transfer of Undivided Share in the land at the initial stage itself so that mortgage can be created with the same. However, if a sale deed is executed for the completed flat at the time of transfer of completed flat, stamp duty will have to be paid for the entire consideration. There is no provision for set off of the stamp duty paid for registration of UDS. Builders and borrowers are reluctant to cooperate when we insist on registration of UDS. Provision for set off may be brought in the Kerala Stamp Act, 1959.

In the Steering Committee Meeting of SLBC Kerala held on 03.06.2015, representative from Registration Department assured to examine the matter.

4.9.13.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 115th Meeting of SLBC, Kerala held on 16.03.2015 at Trivandrum, 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 make a proposal to Central Government.

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 committee decided to pursue the matter with Registration Department.

4.9.14.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.

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.

4.9.15.Education Loan - Management Quota (Admissions)

The Special Meeting of SLBC, Kerala held on 30.01.2015 at Trivandrum decided to constitute a sub-committee consisting of the following members to examine the issues related to Education Loan (Management Quota Admissions) in detail and the committee shall place its report in the SLBC, in its next meeting

The 115th Meeting of SLBC, Kerala held on 16.03.2015 noted that as per the decision of the Special Meeting of SLBC, Kerala held on 30.01.2015 at Trivandrum a sub-committee consisting of major banks constituted have examined the issues related to Education Loan (Management Quota Admissions) in detail and the committee arrived at a conclusion in all the issues and recommendations were placed in the agenda & background notes.

The forum decided that the recommendations of the sub-committee be placed before the boards of respective banks for approval.

Vide letter N0.571/F (RO)/2015/Plg dated 01.06.2015, Planning & Economic Affairs (F) Department, Government of Kerala informed that the recommendations of the said committee were examined by the Government of Kerala at higher level. The recommendations of the Government are as follows:

Sl. No.	Proposal of SLBC Kerala	Recommendations of the Government
A	Admission in an institution outside the state should be treated as Management Quota admission unless, It is channelled through the State/national entrance process	*The Government accepts the proposal*
B	Marks eligibility norms should be uniform for all banks. It was suggested that aggregate qualifying marks may be 60% for General/ OBC and 40% for SC/ST students for qualifying examination	*The Government proposes that aggregate marks for getting education loan may be that fixed by the Government as minimum marks for admissions.*
C	Security norms should be uniform for all banks. It was suggested that for education Loans upto 2.50 lakhs – No security. Parent to the Joint borrower. For Loans between Rs.2.50 to Rs. 4.00 Lakhs – third party guarantee having net-worth to cover the loan amount or Equitable mortgage of Landed property and for loans above Rs. 4.00 Lakhs - Equitable mortgage of Landed property	*The Government proposes to recommend Education Loans upto 4.00 Lakhs to be disbursed without security and third party guarantee to loans up to 6.00 lakhs and Equitable Mortgage of landed property only for loans above 6.00 Lakhs.*
D	Differentiation should be made between : (a) Management Quota Admissions (b) Admissions to Management Fees category through merit channel.	*The Government proposes that admissions to (b) should be considered as a merit based admission along with regular admissions*
E	The quantum of loan for Inland Study outside state should be rationalised so that it should be adequate while exorbitant claims are discouraged. Where ever state govt. publish the fee structure for management quota admissions, the same may be followed. In other cases, it is proposed as follows: (1) Rs. 2.50 Lakhs for Diploma Courses. (2) Rs. 3.00 Lakhs for Bsc. Courses (3) Rs. 3.5 Lakhs for Engineering Courses leading to Degree. (4) Rs. 2.50 Lakhs for PG Diploma (5) Rs. 3.00 Lakhs for PG Degree courses. (6) For MBBS, BDS,BAMS and PG Diploma and PG Degree course in medical sciences, the upper ceilings in each bank to continue.	*The Government proposes that banks should give the amount of education loan as per the fee structure fixed by Government from time to time.*

Sl. No.	Proposal of SLBC Kerala	Recommendations of the Government
F	Provision for discretion in conditions to be defined and authority to be specified. Each bank may take suitable decisions.	*The Government proposes to delete the proposal.*
G	A Caution List of institutions shall be maintained by SLBC and made applicable to all Banks.	*The Government accepts the Suggestions.*
H	In case of rejection of a loan proposal, the applicant should be informed in writing, mentioning the exact requirements which the applicant could not fulfil.	
I	The Government of Kerala has liberalised the entrance qualification norms in the state. So the above proposed norms may not affect the students prospects of getting admission to professional course under management fees.	
J	If a student is applying for an education loan for further studies, when he has a existing loan, the application should be entertained by the same bank and considered on merits.	

It is requested to consider the above concerns of Government and fix uniform criteria for Education Loans under Management Quota to deserving students even though SLBC, Kerala adopted the recommendations of the Sub-Committee. SLBC, Kerala may also consider the ability of the students admitted under Management Quota for repayment of Educational Loans and rising NPAs under Educational Loans before framing guidelines.

In the above circumstances, Government of Kerala request to place the above recommendations in the next SLBC meeting, Kerala and consider before taking a final decision in the matter.

The Steering Committee of SLBC Kerala that met on 03.06.2015 noted the recommendations made by the Government on management quota admissions under Education loan and decided that these recommendations would be put up before the sub-committee of SLBC for consideration.

Representative from Planning & Economic Affairs Department, Government of Kerala assured the meeting to provide the details of fee structure prescribed by Government for Management Quota admissions.

5. Review of Performance under various Segments

5.1. Review of Priority Sector Advances (Disbursement) as at March 2015 – ACP achievements (Refer Annexures 7.11 & 7.12)

The performance of banks with reference to the Annual Credit Plan 2014-2015 as at March 2015 with Bank-wise and District-wise break up is furnished in the annexure. The abstract of the performance as at March 2015 under ACP 2014-2015 is as follows.

5.2. Review of Disbursements to Priority Sector under ACP

(Rs. in Crores)

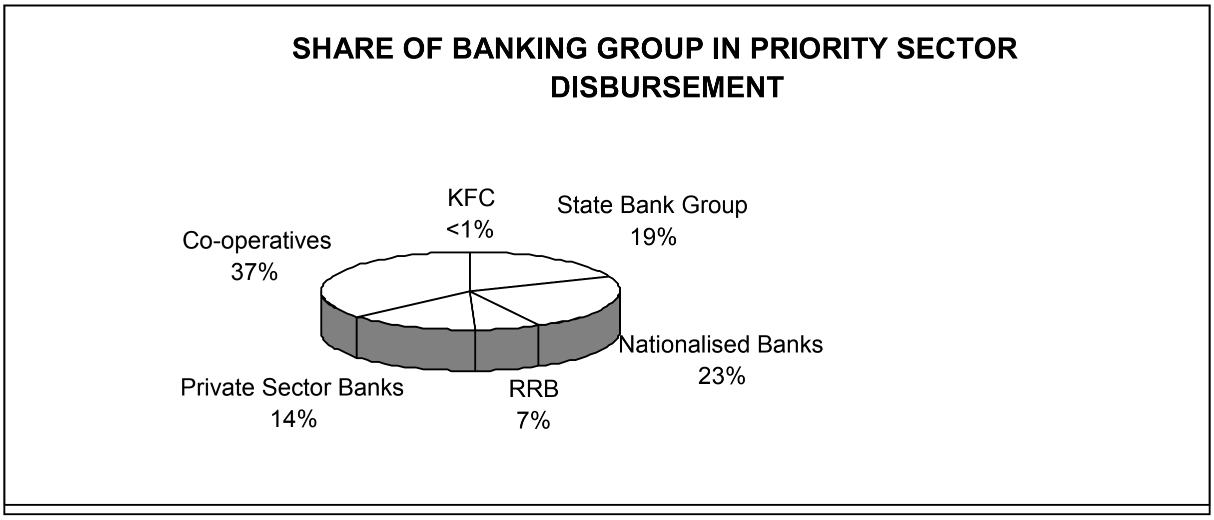
Parameter	2014-2015
Target	93124
Achievement	97691
Percentage of Achievement	104.90

Sector	Disbursement in crores			% growth over the previous year	
	2013 Actual	2014 Actual	2015 Actual	2013-14	2014-15
Primary	37710	42890	49080	14%	14%
Secondary	3675	7892	17574	115%	123%
Tertiary	35497	38962	31037	10%	-20%
Total	**76882**	**89744**	**97691**	**17%**	**9%**

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	18366	19	115.68
Nationalised Banks	22433	23	103.81
RRB	7184	7	104.08
Private Sector Banks	13878	14	88.14
Co-operatives	35345	36	108.72
KFC	485	<1	101.14
STATE TOTAL	**97691**	**100**	**104.90**



5.3. District wise Performance under Priority Sector

The District wise performance details are furnished in **Annexure-7.11.** Toppers of the financial year 2014-15 are listed below:

(Rs in. Crores)

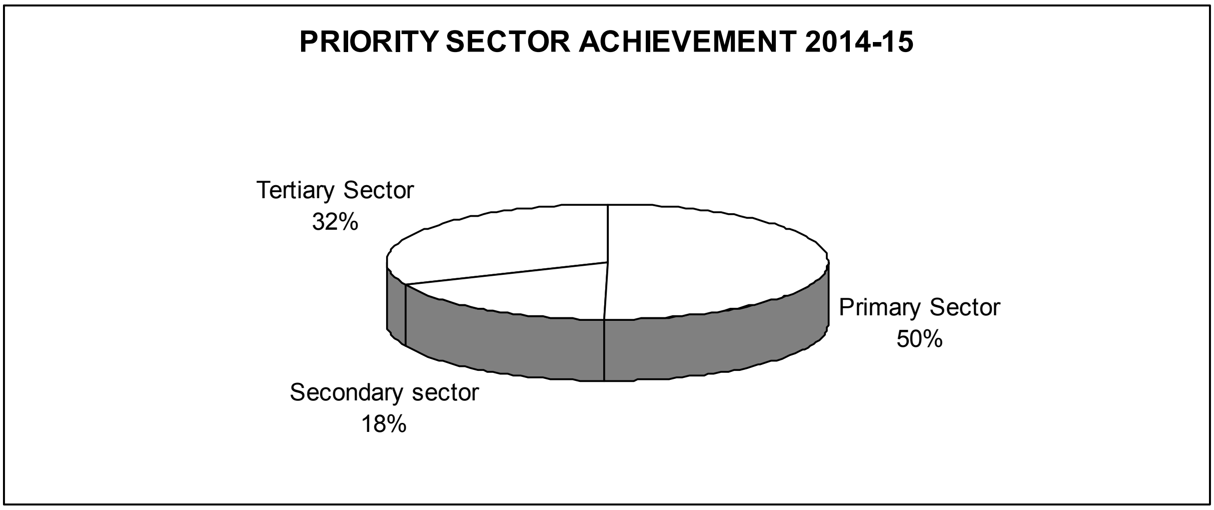
Sl. No.	District	Target	Achievement 2014-15	% Achievement
1	MALAPPURAM	5216	6990	134.01
2	KOZHIKODE	5919	7267	122.78
3	KANNUR	6916	8006	115.77
4	PALAKKAD	7962	9135	114.73
5	THRISSUR	10865	11327	104.25

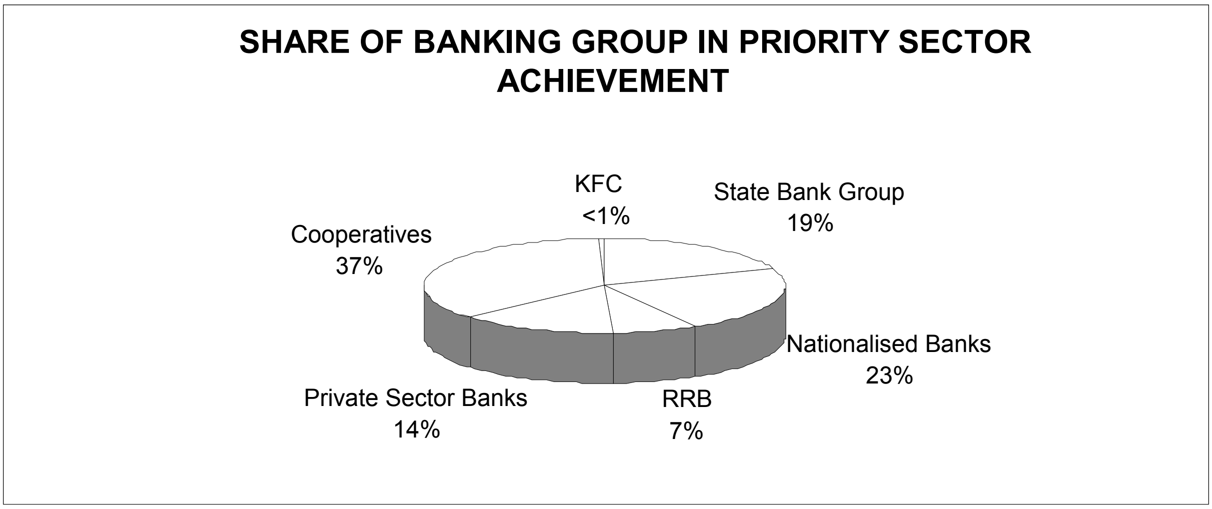
Kasargod (78%), Kottayam (93%), Pathanamthitta (93%) and Kollam (97%) should take corrective steps so that this important target is not missed during the current fiscal.

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	6770	9488	140.16	2647	4349	164.30	6460	4529	70.10	15876	18366	115.68
Nationalised Banks	10338	14010	135.52	4585	3531	77.02	6688	4892	73.14	21610	22433	103.81
RRB	4099	5486	133.82	1519	1005	66.17	1285	694	54.02	6903	7184	104.08
Private Sector Banks	6391	7025	109.94	3727	3239	86.91	5628	3613	64.20	15746	13878	88.14
Cooperatives	13269	13064	98.46	3595	5076	141.18	15645	17204	109.97	32509	35345	108.72
KFC	0	6	0	349	373	107.04	131	106	80.67	480	485	101.14
Total	40866	49080	120.10	16422	17574	107.01	35837	31037	86.61	93124	97691	104.90
% to Total Disbursement	X	50	X	X	18	X	X	32	X	X	100	X





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.
2013-14	34736	42890	123.48	7127	7892	110.74	38601	38962	100.94	80463	89744	111.53
2014-15	40866	49080	120.10	16422	17574	107.01	35837	31037	86.61	93124	97691	104.90

The break up of target under primary sector for the current financial year (2015-16) is given in **Annexures -7.33 & 7.34.**

5.5. Review of Priority Sector Advances (Outstanding) as at March 2015

(Refer Annexure 7.4)

5.5.1. Performance versus National goals

(Figures in percentage)

Sl. No.	Parameter	Goal %	March 2011	March 2012	March 2013	March 2014	March 2015	Variation			
								March'11 -March'12	March'12 -March'13	March'13 -March'14	March'14 -March'15
1	Priority Sector Advances to Total Credit	40	58.32	57.34	56.72	59.14	58.83	-0.98	-0.62	2.42	-0.31
2	Agriculture Advances to Total Credit	18	22.49	24.25	25.73	25.42	26.36	1.76	1.48	-0.31	0.94
3	Weaker Section Advances to Total Credit	10	18.39	19.33	19.94	21.72	21.53	0.94	0.61	1.78	-0.19
4	DRI Advances to Total Credit	1	0.02	0.02	0.03	0.03	0.02	0	0.01	0	-0.01
5	Credit Deposit Ratio	60	75.50	75.57	76.41	68.66	68.37	0.07	0.84	-7.75	-0.29

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 2015 is summarized as follows.

(Rs in. Crores)

Parameter	Outstanding					Variation			
	March 2011	March 2012	March 2013	March 2014	March 2015	March'11-March'12	March'12-March'13	March'13-March'14	March'14-March'15
Priority Sector Advances	71145	85606	99318	113555	128655	14461	13712	14237	15100
Agriculture Advances	27439	36209	45055	48812	57656	8770	8846	3757	8844
MSE Advances - Priority	16896	20593	23563	32069	35730	3697	2970	8506	3661
Weaker Section Advances	22435	28865	34911	41701	47092	6430	6046	6790	5391
SC Advances	3011	2957	3284	4664	4390	-54	327	1380	-274
ST Advances	553	606	729	1008	1164	53	123	279	156
DRI Advances	24.76	33.98	43.93	66.54	49.43	9.22	9.95	22.61	-17.11

5.5.2. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at March 2015

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

<u>Performance of Co-operative Sector under Vital Banking Statistics</u>

<u>(Amount Outstanding)</u>

(Rs in. Crores)

Parameter	March 2015		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	933	6917	13.49
Total Deposits	46141	366031	12.61
Total Advances	33514	252220	13.29
Total Business	79655	618251	12.88
Priority Sector Advances	21872	150527	14.53
% Priority Sector Advances	65.26	59.68	X
Agriculture Advances	6193	63849	9.70
% Agriculture Advances	18.48	25.31	X
SME Advances	1118	36848	3.03
CD Ratio	72.63	68.91	X

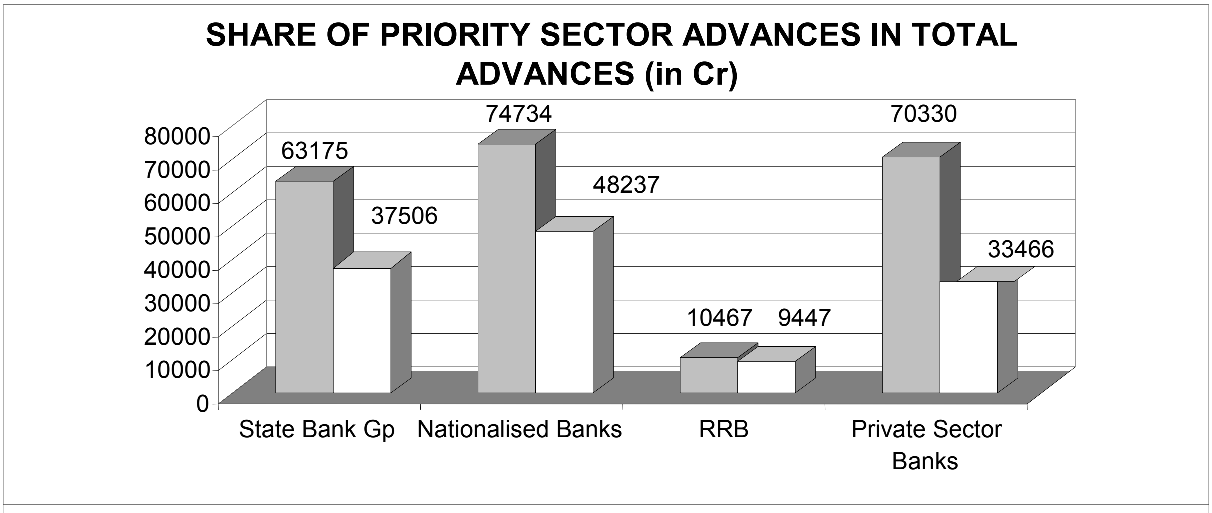
5.5.3. Priority Sector Advances in Total Advances – Bank Group-wise
(Refer Annexure 7.4)

Against the mandatory norm of 40% under priority sector advances, as at March 2015, **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 2015

(Rs in. Crores)

BANK	Total Advances			Priority Sector Advances			% PSA to Total Adv. (March'15)
	March 2014	March 2015	Growth March'14-March'15	March 2014	March 2015	Growth March'14-March'15	
State Bank Group	57402	63175	5773	36119	37506	1387	59
Nationalised Banks	65728	74734	9006	42297	48237	5940	65
RRB	9041	10467	1426	7839	9447	1608	90
Private Sector Banks	59839	70330	10491	27300	33466	6166	48
GRAND TOTAL	**192010**	**218706**	**26696**	**113555**	**128655**	**15100**	**59**



6. Review of Performance of the Banking Sector

6.1. Banking Statistics as at March 2015 (Refer Annexure 7.1 to 7.3)

The detailed banking statistics of commercial banks in Kerala as at March 2015 is furnished in the Annexure. A comparative analysis of the data over the previous fiscals is presented below.

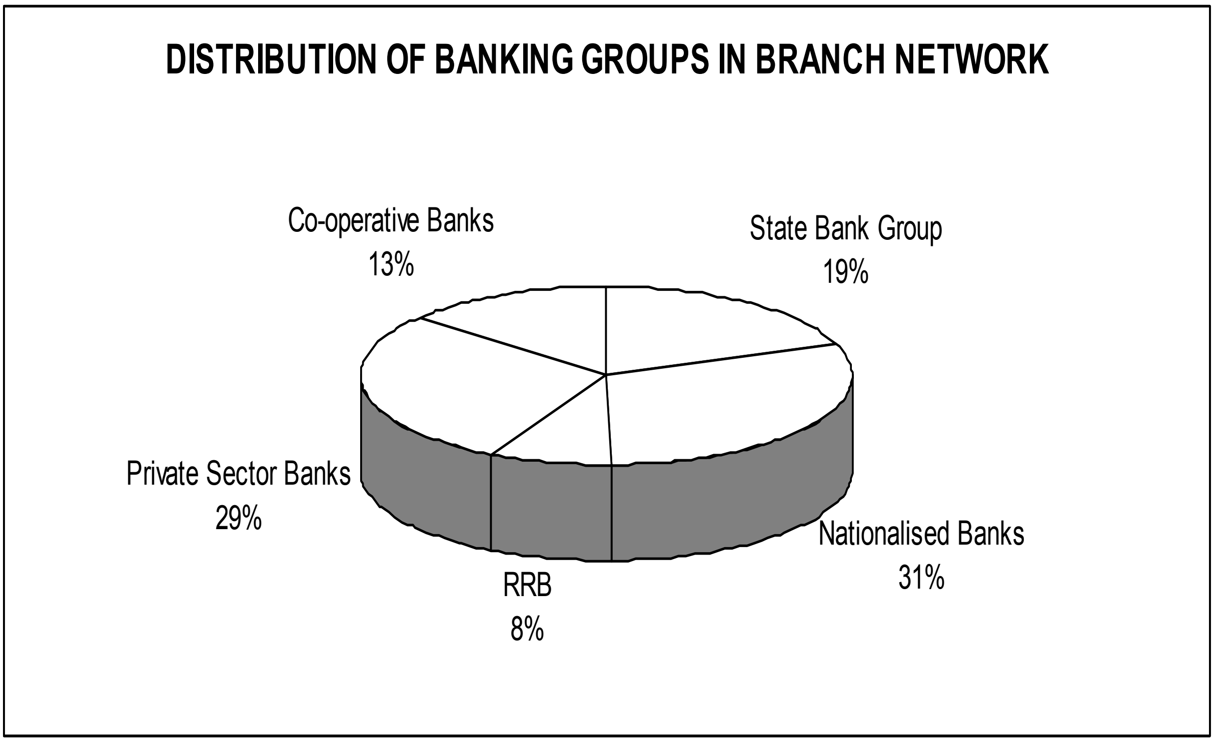
(Rs. in Crores)

Parameter	Outstanding			Variation	
	March 2013	March 2014	March 2015	March' 13-March'14	March' 14-March'15
No. of Branches	5279	5688	5984	409	296
Total Deposits	229148	279655	319890	50507	40235
Domestic Deposits	162958	185772	210287	22814	24515
NR Deposits	66190	93883	109603	27693	15720
Total Advances	175087	192010	218706	16923	26696
Advances + Investment	180739	202993	234292	22254	31299
Credit Deposit Ratio	76.41	68.66	68.37	-7.75	-0.29
C+ I : D Ratio	78.87	72.59	71.18	-6.28	-1.41

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	87	905	332	1324	15	22	15	19
Nationalised Banks	110	1428	571	2108	19	34	27	30
RRB	76	455	34	565	13	11	2	8
Private Sector Banks	189	1358	440	1987	33	32	20	29
Co-operative Banks	115	45	773	933	20	1	36	13
GRAND TOTAL	577	4191	2150	6917	100	100	100	100

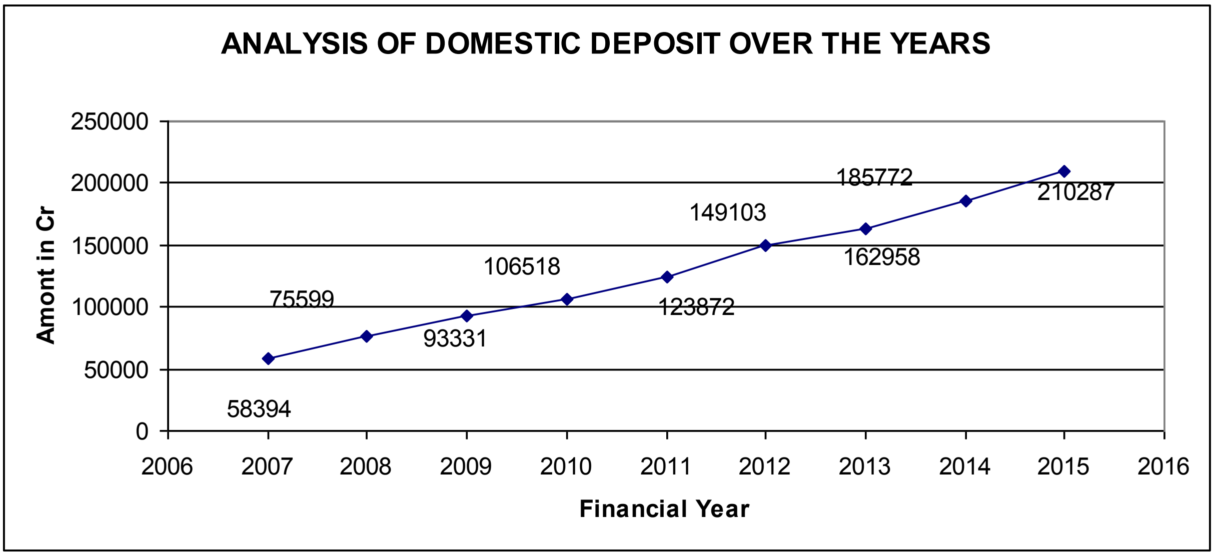


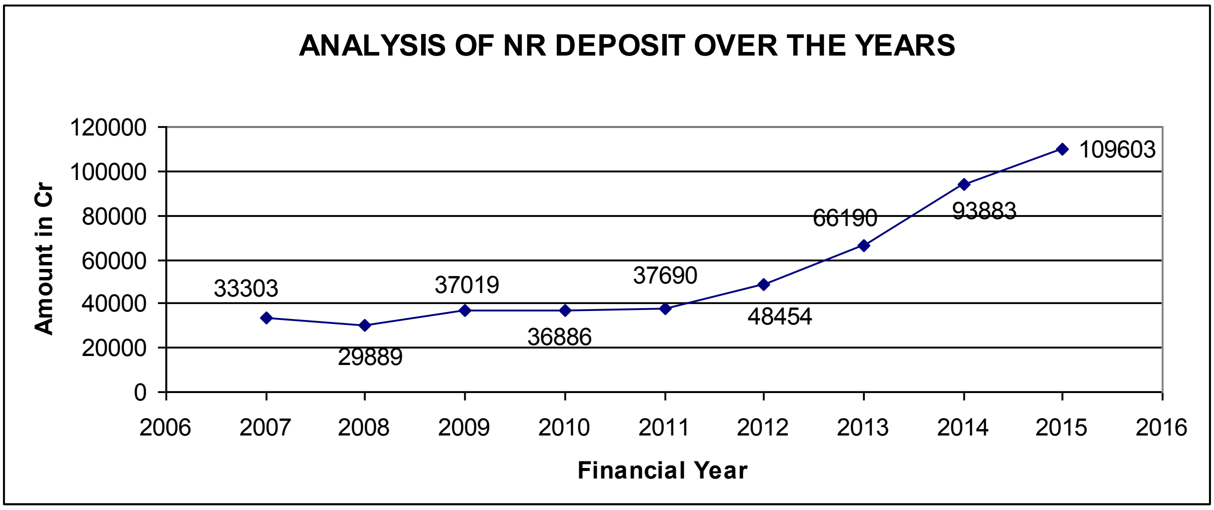
6.3. Deposit growth

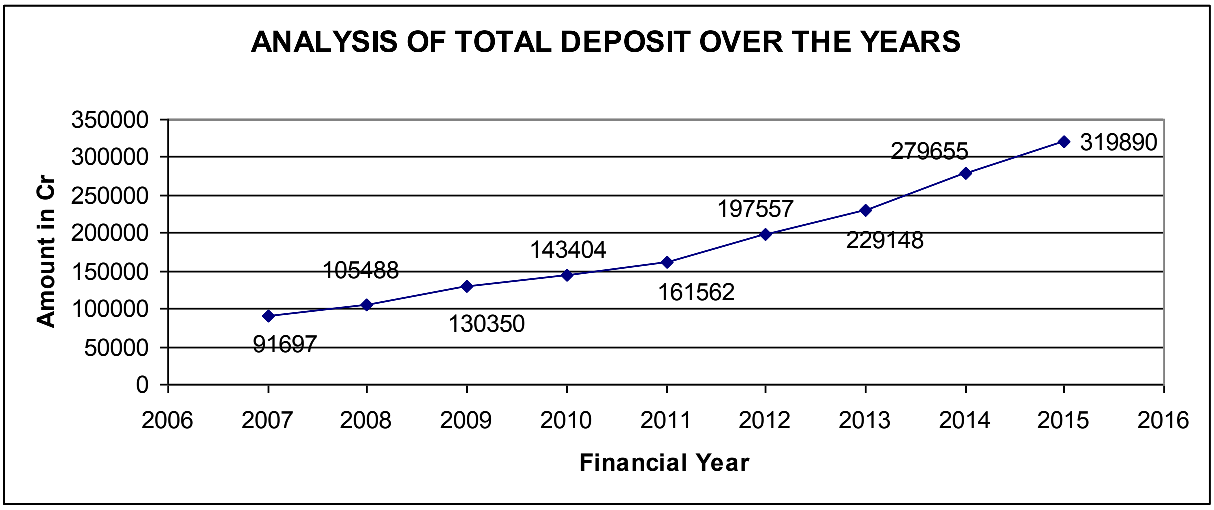
Sectoral Growth of Deposit over the Years

(Rs. in Crores)

Type of deposit	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015
Total Deposit	91697	105488	130350	143404	161562	197557	229148	279655	319890
Domestic Deposit	58394	75599	93331	106518	123872	149103	162958	185772	210287
N R Deposit	33303	29889	37019	36886	37690	48454	66190	93883	109603
% Share of Domestic Deposits	63.68	71.67	71.60	74.28	76.67	75.47	71.11	66.42	65.74


ANALYSIS OF DOMESTIC DEPOSIT OVER THE YEARS
250000
200000
150000
100000
50000
0
Amont in Cr
58394
75599
93331
106518
123872
149103
162958
185772
210287
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Financial Year


ANALYSIS OF NR DEPOSIT OVER THE YEARS
120000
100000
80000
60000
40000
20000
0
Amount in Cr
33303
29889
37019
36886
37690
48454
66190
93883
109603
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Financial Year


ANALYSIS OF TOTAL DEPOSIT OVER THE YEARS
350000
300000
250000
200000
150000
100000
50000
0
Amount in Cr
91697
105488
130350
143404
161562
197557
229148
279655
319890
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Financial Year

A. Banking Group wise Growth in Deposits

Banking Group wise Growth in Deposits

(Rs. in Crores)

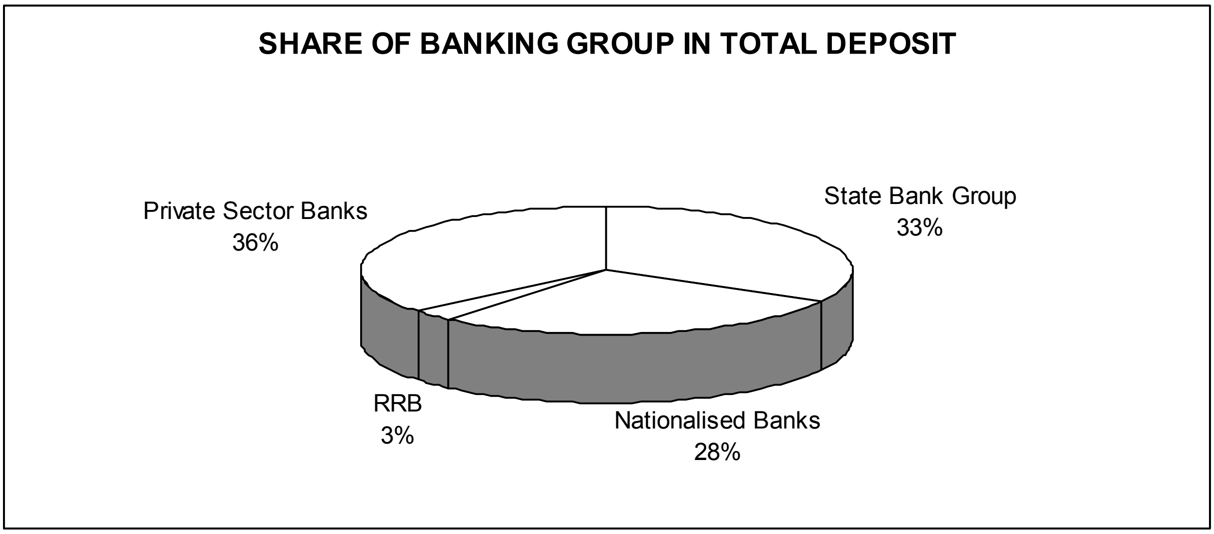
Banking group	Total Deposits		% Share in Total Deposits (March'15)	Variation (March'14-March'15)	% Share in Growth
	March 2014	March 2015			
State Bank Group	94151	106004	33	11853	29
Nationalised Banks	75598	89761	28	14163	35
RRB	7663	8582	3	919	2
Private Sector Banks	102242	115543	36	13301	33
TOTAL	**279654**	**319890**	**100**	**40236**	**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	3524	61845	40635	106004	3	58	38	100	33
Nationalised Banks	2569	45781	41411	89761	3	51	46	100	28
RRB	1064	6086	1432	8582	12	71	17	100	3
Private Sector Banks	5089	66454	43999	115543	4	58	38	100	36
TOTAL	**12247**	**180167**	**127476**	**319890**	**4**	**56**	**40**	**100**	**100**

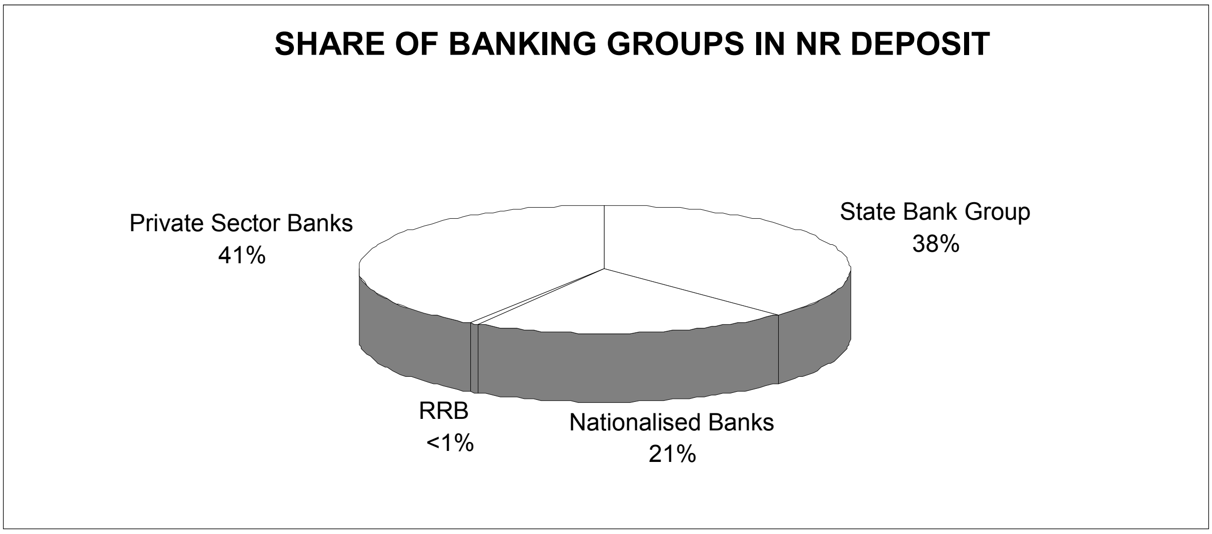


6.4. **NR Deposits** (Refer Annexure 7.2)

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	1146	25786	14228	41159	3	63	35	100	38
Nationalised Banks	626	14364	8214	23203	3	62	35	100	21
RRB	47	267	21	335	14	80	6	100	0
Private Sector Banks	1938	29794	13173	44905	4	66	29	100	41
TOTAL	**3757**	**70211**	**35635**	**109603**	**3**	**64**	**33**	**100**	**100**



6.5. **Domestic Deposits**

Share of Domestic Deposits in Total Deposits (%)

March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015
60.51	63.68	71.67	71.60	74.28	76.67	75.47	71.11	66.42	65.73

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

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
29.46	19.00	14.13	12.66	20.37	9.29	14.00	13.20

6.6. Credit Expansion (Refer Annexure 7.2)

Growth in Advances of the Commercial Banking sector in the State

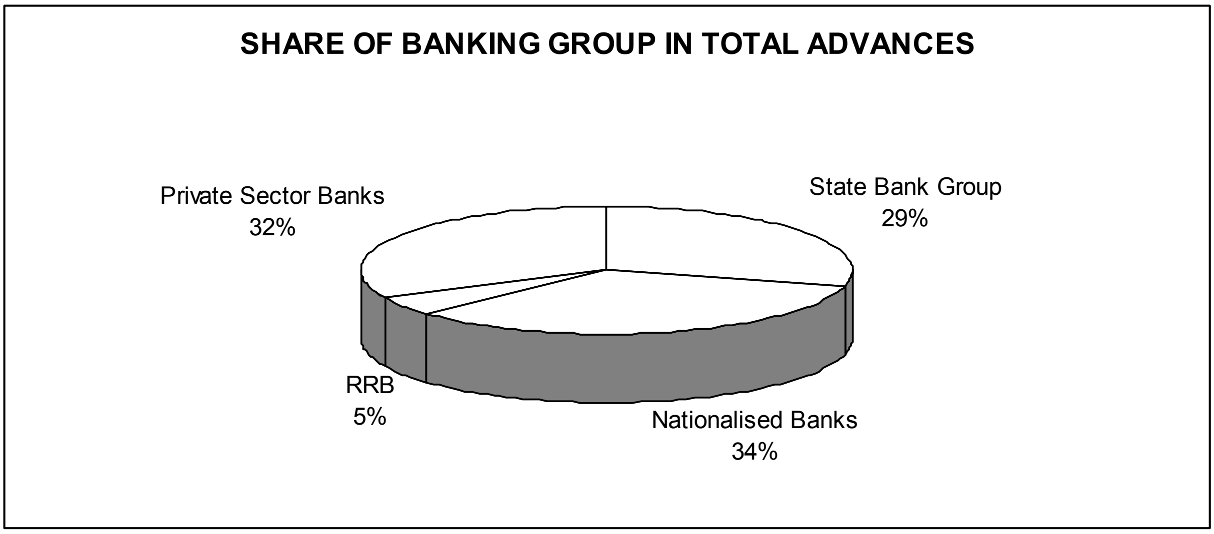
(Rs. in Crores)

Parameter	Total Advances Outstanding over the Years									
	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015
Total Advances	51919	64273	75305	82819	96987	121980	149293	175087	192010	218706
% Growth over the previous fiscal	26.79	23.79	17.16	9.97	17.11	25.77	22.39	17.28	9.67	13.90

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	3734	31421	28020	63175	6	50	44	100	29
Nationalised Banks	2269	36058	36407	74734	3	48	49	100	34
RRB	1511	8302	653	10467	14	79	6	100	5
Private Sector Banks	2134	31119	37077	70330	3	44	53	100	32
Commercial Banks Total	9649	106899	102158	218706	4	49	47	100	100



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

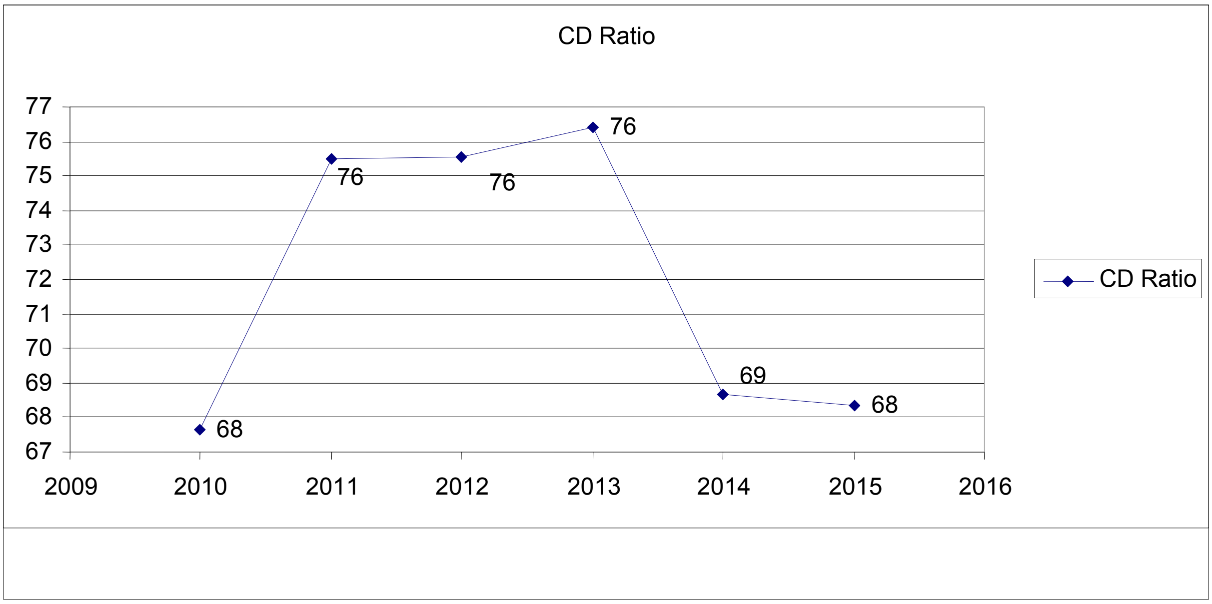
The Credit-Deposit Ratio of the Commercial Banking sector of the State has decreased by **0.29 basis** points during 2014-15 to reach **68.37** as at March 2015.

Banking Group wise C D ratio as at March 2015

Banking Group	C D Ratio - Percentage Distribution			
	Rural	Semi-Urban	Urban	Total
State Bank Group	105.98	50.81	68.96	59.60
Nationalised Banks	88.33	78.76	87.92	83.26
RRB	142.01	136.41	45.63	121.96
Private Sector Banks	41.93	46.83	84.27	60.87
Commercial Banks Total	**78.79**	**59.33**	**80.14**	**68.37**

CD Ratio and Incremental CD Ratio
(Refer Annexure 7.3)

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio	Incremental CD Ratio
March 2010	143404	96987	67.63	**108.53**
March 2011	161562	121981	75.50	**137.65**
March 2012	197557	149293	75.57	**75.87**
March 2013	229148	175087	76.41	**81.65**
March 2014	279655	192010	68.66	**33.51**
June 2014	283928	192561	67.82	**40.77**
September 2014	292709	204405	69.83	**58.99**
December 2014	302882	201757	66.61	**41.96**
March 2015	319890	225303	68.37	66.33


CD Ratio
77
76
75
74
73
72
71
70
69
68
67
2009
2010
2011
2012
2013
2014
2015
2016
68
76
76
76
69
68
CD Ratio