STATE LEVEL BANKERS' COMMITTEE, KERALA
(Under Lead Bank Scheme)

Convenors: केनरा बैंक Canara Bank
सिंडिकेट Syndicate

Ref: SLBC/134 SLBC/2021/Minutes/155/SSP **Date: 17th December, 2021**

(All Members of SLBC)

Dear Sir,

Sub: Minutes of the 134th Meeting of SLBC, Kerala

We are forwarding herewith the minutes of 134th Meeting of SLBC, Kerala held on 8th October, 2021 by Video conference.

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

Thanking you,

Yours faithfully,

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

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Minutes of 134th State Level Bankers Committee, Kerala

Held on 08.10.2021 (Friday)
Through
Video Conferencing

The 134th SLBC meeting of Kerala commenced at 11.30 a.m. with Dr. V P Joy IAS, Chief Secretary, Government of Kerala and Sri. Brij Mohan Sharma, Chairman, SLBC Kerala & Executive Director, Canara Bank in the chair.

The List of participants is as per annexure.

Sri. S Premkumar, Convenor, SLBC Kerala welcomed the participants. In the welcome speech, the Convenor touched upon the following.

- The SLBC has been coordinating the activities effectively even in this ongoing pandemic situation. The excellent co-operation and support extended by all members of the SLBC is appreciable. The breakout of the COVID-19 pandemic is still continuing, nevertheless banks and financial institutions play a crucial role in the economic development of the State.
- Even though Covid cases are on higher side, situation is not in panic mode and vaccine supply was smooth over the last two months and the State government targets to give the second dose to every citizen by 30th November. The record pace of vaccinations should give confidence to government departments for ease of restrictions in tackling economic crisis.
- To revive the economy, government has announced a slew of low interest loans to help agriculture, MSMEs, neighborhood groups and an amount of Rs.100 crore was provided for the interest subvention in the budget.
- A venture capital fund with a corpus of Rs.100 crore to activate the rapid growth of small scale enterprises and startups has also been proposed by Government. An amount of Rs.10 crore outlay to provide low interest loans for SC/ST entrepreneurs was also part of the financial revival steps.
- To mitigate the impact of the pandemic, in co-ordination with the Central, State Governments and RBI, various Schemes were devised and implemented which include moratorium for existing loans, restructuring, need based additional finance, consumption loans, GECL , PM Svanidhi, PMFMU schemes, Rejuvenation package for Travel and Tourism Sector, Navajeevan scheme, Emergency Credit Line Guarantee Scheme (ECLG Scheme) 3.0,NDPREM Scheme etc.

- Department of tourism, Government of Kerala, has envisaged a loan scheme in association with the SLBC Kerala to support the tourism industry of Kerala to mobilize working capital to make the industry afloat in the wake of serious losses due to COVID-19 global pandemic.
- As an initiative to augment the growth in the MSME sector, the Government: of Kerala has introduced KSWIFT portal, through which an acknowledgment certificate will be issued based on the self-declaration submitted by the prospective entrepreneur/borrower, which shall be considered for granting MSME loans to the borrowers.

Then the SLBC Convenor briefed the overall achievement under Annual Credit Plan (ACP) of banks in the State:

- ➢ Percentage achievement under ACP in Priority Sector till June 2021 is 20% of the Annual budget. The performance under primary sector at 22% and the secondary Sector performance at 26% which are comparatively satisfactory, the tertiary sector shows only 9 % growth which needs improvement.
- ➢ Increasing the investment credit to agriculture is the area where all of us have to concentrate in.
    - Though the achievement under Agriculture credit is 22% of total advances which is 4 % above the mandatory requirement of 18 %, it is mostly through short term credit. The share of term loans is only 20% of total agri credit. For a sustained growth of Agriculture sector a healthy proportion of Long term investments are essential.
- ➢ Banks have to play their crucial role in implementing various stimulus packages and measures initiated by the Central and State Governments to revive the economy and to mitigate the downturn arised due to COVID-19 pandemic. Various schemes and relief measures initiated by the Central and State Governments are to be popularized and implemented with utmost priority in letter and spirit.
    - Regarding the APY and NPS , we have conducted a webinar for expanding the outreach of the schemes on 9th September 2021, by inviting speakers from PFRDA for the SLBC State Coordinators, Lead District Mangers and BCs. We had designed a Malayalam pamphlet which is explaining the benefits of the APY and circulated to each Member banks and postured in Bank premises.
    - The RSETIs have come out well to meet the requirement of the needy rural youth to earn their livelihood through systematic training methodology and handholding to enter self-employment ventures. The training provided by RSETI that comprises of domain skill along with entrepreneurial skill makes the trainees more confident to take up the challenges they come across. We are grateful to the State Government, Principal Secretaries, Mission Directors and Project Directors for their continued support in creating awareness about the RSETIs and for taking

timely action in supporting the RSETIs for the smooth conduct of the training programmes

- ➢ Social Security Schemes like PMJJBY and PMSBY are to be enrolled to the maximum as a mitigating measure in the event of any eventualities.

Shri. Brij Mohan Sharma, Executive Director, Canara Bank welcomed the members and in his address stated the following:

- SLBC Kerala has always been in the forefront in implementation of all Government directives and the State Government objectives in particular. This has become an effective forum that has ensured the integration of the efforts of banking sector, various Government and Non-Government institutions that facilitated the overall socio-economic development of the state. The consequences of COVID-19 on global economy and financial sector are unpredictable. The Ministry of Finance, Central Government, State Government and Reserve Bank of India have taken several measures to sustain the economy, banking sector and people of this country.

  In his presidential address stated the following vital banking parameters and the achievements of the banking sector as of June 2021:

- Advances of commercial banks have grown by 7% during last one year to reach Rs.3.84 Lakh Crores.
- Deposits of commercial banks in the State grew by 9% Year on Year, to reach Rs.6.21 Lakh Crores.
- Y-o-Y Total Business increased by 8 %.
- Y-o-Y Priority sector advances increased by 5 %.
- Y-o-Y Agricultural advances increased by 6 %.
- MSME advances show no such increase or decrease in growth.
- CD ratio has marginally decreased to 62% from 63%, during the last one year.
- Percentage achievement under ACP in Priority Sector till June 2021 is 20% of the Annual budget. The performance under primary sector at 22% and the secondary Sector performance at 26% are comparatively satisfactory, the tertiary sector shows only 9 % growth needs a bit of improvement.
- Increasing the investment credit to agriculture is the area where all of us have to concentrate in.
- As per the discussion in SLRM 2021 meeting, SLBC in consultation with Government of Kerala has formulated a scheme for extending Kisan Credit Card loans to lease/ tenant/ licensed farmers in the state of Kerala, which will help in bringing more fallow land under cultivation and increase the agriculture crop production.
- As a matter of pride, Thrissur district has been successfully completed the mission of 100% digitalization with a view to expanding and deepening of Digital Payment Ecosystem in the country. After this successful completion one more

district, Kottayam has been selected as the next district for the implementation of digitalization programme.

- One of the milestones of the National Strategy for Financial Inclusion (NSFI: 2019-2024) initiated by RBI is to expand the reach of CFLs (Centre for Financial Literacy) to every block in the country. The aim of CFL is to educate people on e-transactions, formal sector borrowings and to inculcate the habit of making a household budget and recording financial transactions, encourage transactions in savings accounts, and active saving by depositing in banks through fixed deposits and recurring deposits. Besides, the project also aims to ensure people borrow from formal finance institutions. In Kerala 25 centers were identified which are in the final implementation stage and some are already started functioning.
- Department of Financial Services has launched Saturation Drive for Jansuraksha Schemes in line with the Independence Day 2021 speech of Hon'ble Prime Minister. All Member Banks to put their earnest effort to show progress and seeking active participation during the campaign.
- As directed by DFS, to reach out to various sectors to address the credit needs in order to keep up the momentum of the stimulus for economic revival, credit outreach programme scheduled in Kerala during the month of October. He wished all the member banks of the district to gear up and deliver their sincere efforts in reaching the fruitful outcome.

On behalf of all the bankers in the State, ED thanked Government of Kerala, RBI, and NABARD for the support extended to the bankers.

Dr. V P Joy IAS, Chief Secretary, Government of Kerala in his address stated the following:

- Commenced his speech by mentioning the importance and cooperation of SLBC cell to accelerate the developmental activity of the state. To help the growth of banking sector in Kerala State, a very good support has been given by the Government Department for the growth of banking sector in the State. The Chief Secretary expressed the concern that a lot of efforts are expected to improve the growth in some sector and the Banks are permitted to operate during the COVID pandemic but the efforts from banking side are not much effective as expected. There is a substantial growth in Deposit side during the last quarter even this Covid pandemic, but Credit sector got reduced. We have achieved a CD ratio of 67.74% in 2019 after that reported a steady decline in the ratio. Currently 61.81 is the CD ratio, so on an average of 6%decline in CD ratio. Instead of going up the ratio is going down for the past two years.
- We observe wide variation in CD ratio among districts. Districts like Wayanad and Idukki CD ratio is high and it is more than 100% but in case of Malappuram, Kannur, Trissur, Pathanamthitta, Alappuzha and Kottayam the ratio is very much low and even below the state average level. These Districts have to be concentrated more in

credit portfolio to increase their CD ratio. This should be analyzed seriously and an urgent need to reverse this trend of CD ratio.

- In case of Priority sector advances the growth is only 50%, this need to be checked and some of the schemes which the Government is giving importance like doubling farmer's income, collateral free loans to farmers up Rs.1.60 Lakhs are to be implemented properly in the state. The Chief Secretary raised the concern in the implementation of government policies and the lack of timely communications to the Branches in terms of new schemes/updates.
- The Chief Secretary informed two major developments which have been implemented recently in state Government. First one is that a law has been enacted to grant relaxation in license requirements for MSME entrepreneurs of state. An initiative of Government of Kerala, is a portal to ease the process of availing financial assistance by the entrepreneurs of Kerala from the financial institutions. Second one is the digital service which was launched by Hon'ble Chief Minister on 2nd October 2021 which will cover more than 534 e-services of 60 departments on the portal eSEVANAM in the official site (services.kerala.gov.in), and 432 services on the mobile application mSEVANAM. Chief Secretary has given the assurance that the 100% digitalization in all the government Departments and this portal aggregates almost all services of the State Government on a single platform.
- Kerala state is now facing a big issue of unemployment. State will concentrate to eliminate this situation and have to find various strategies to eradicate unemployment in Kerala. MSME sector is an important area, the criteria of small loans to be revised up to the credit worthiness especially in MSME loans to entrepreneurs. Most of the enterprises concentrated in Micro business and this micro enterprises also giving much focus in retail and services sector rather than in manufacturing.
- Chief Secretary informed to give more focus in value addition area like manufacturing and industrial sector. Promotion of micro industries would stimulate industrialization, solve the problem of slow growth and unemployment in the state. State government expecting a good support from banking sector by way of credit. Current CD ratio shows an impressive rise in Deposit and hence banks can increase the Credit ratio by the timely credit facilities to these Micro units and a steady growth of Micro to Small and Medium enterprises can be achieved. Further extension of advances can be done by evaluating the cash flow statement, account statements and the purpose of loan. The Chief Secretary requested banks to explore newer areas of lending, look for opportunities for credit expansion and extend finance to all feasible bankable ventures that are coming up in the state especially in the area of doubling farmer's income.
- The Chief Secretary appreciated the forum for the preparation of tripartite draft agreement of Loan to lease land farmers and directed to forward this to the concerned department for the implementation and ensure sanctioning of credit to lease land farmers. The Chief Secretary further raised the concern in pending PMSVANidhi applications at branch level and the second stage processing of

PMSVANidhi applications are not progressing. All banks should more focus on disbursing the loan at the earliest and reduce the number pending applications in PMSVANidhi scheme.

- A total number of 248695 applications are eligible customers under ECLGS, out of which only 144226 applications sanctioned, in that 116000 loans only got disbursed. It is noted that delay in processing the applications and disbursing the loan. This issue should be addressed by all member banks since NPA level under priority sector is substantially low in our State, all banks should increase their performance in Credit portfolio. The Chief Secretary stated that banking sector is an economic sector, hence it should play an important role in creation of new capital in the country and to help the growth process.
- State Government has decided to abolish unnecessary documents and certificates issued by various agencies, and to simplify all applications. The Chief Secretary pointed out the issues related to documentation part of credit facilities. More focus should be provided on the credit worthiness of customer. The documentation should be there but more importance should be provided to assess the credit worthiness properly by minimizing the procedures in application, documentation part. The banks have to come forward to focus on these aspects and banks need to increase the priority sector advances in the total advances.

Smt. Reeny Ajith, Regional Director, Reserve Bank of India in her address stated the following:

- The fall in COVID numbers in our State has brought with a sense of optimism and revival. The reopening of offices, hotels, public places and schools indicate a gradual move towards normalcy. We need to guard ourselves against a possible third wave of the pandemic, which if allowed to hit, could cripple our social and economic lives for a long time. The Regional Director advised all bankers to continue the safeguards in branches in this pandemic situation.
- **Expanding and Deepening of Digital Payment Ecosystem**

  The Regional Director congratulated and expressed her sincere gratitude to SLBC Kerala, LDM Thrissur, member banks and all stakeholders on Thrissur district achieving the status of 100 % digitally enabled in August 2021 under the 'Expanding and Deepening of Digital Payment Ecosystem' project of the Reserve Bank. Further, it has also been decided to extend the project to one or two more districts in the state. It is understood that Kottayam district has been identified by SLBC and Kottayam would be able to emulate Thrissur in becoming 100% digitally enabled for payment ecosystem within the possible short period of time.

- **Setting up Centers for Financial Literacy**

  The Regional Director expressed the importance and need of setting up of Financial Literacy Centers (CFL). This is one of the major milestones of the National Strategy for Financial Inclusion. As FLCs play a major role in financial inclusion, the Regional Director urged the banks to ensure FLCs are provided with adequate infrastructure facilities for furthering the goal of financial inclusion.

  It aims to spread financial literacy in an innovative way through community led participatory approach by involving select banks and NGOs. 25 blocks in Kerala have been identified for setting up of CFLs by December 1, 2021and The Regional Director happily informed the opening and functioning of CFLs by December 1st 2021.All the member banks should take the initiative for the completion and operationalization of CFLs well before the dead line of 30th November, 2021. RBI is expecting the substantial progress report from the concerned by 31st October, 2021.

- **Review of CD Ratio**

  It is alarming to note that there has been a steady fall in the CD ratio of the state, The CD ratio, which was at 67.74% in December 2019 had fallen to 64.81 % as on March 2021 and had further declined to 61.81% as on June 2021. It is a matter of greater concern that among the banks with the lowest CD ratios are banks which are based in the State or have the highest reach in terms of branches and business. The Regional Director requested the banks to utilize the numerous relief measures announced by the Government and RBI for the benefit of the various needy segments, which could have helped in improving the CD ratio and requested to member banks to expedite the processing of all pending applications at branches and loan processing. Immediate clearance of this pending applications are the need of the hour to fix up the growth of the economy and there by solve the issue of unemployment.

- **Uploading of data to SLBC and data integrity**

  The Regional Director invited the attention of the member banks on the data integrity part for this very important forum. Data integrity is the matter of concern of RBI, some member banks which were yet to commence direct uploading of data to SLBC website despite RBI issuing instructions in 2018. The commencement of direct uploading of data thereby eliminating the need for manual compilation is expected to improve the timeliness and integrity of the data. All member banks to fulfil the technological requirements without any further delay and The Regional Director requested SLBC to ensure the conducting of review meet as per the RBI instructions and as per the calendar of meeting so that the review of corresponding quarter will be done properly.

Ms. M G Jayasree, Deputy Director General, Dept. of Financial Services, Ministry of Finance, Government: of India informed the following:

- The Deputy Director General congratulated the SLBC Convener for putting up a very comprehensive agenda for the meeting and wished success to 134th meeting of SLBC. Raised concerns about the difficulty in raising the low CD ratio, slow take-off of Government led initiative schemes like PMSVANidhi, PMJJBY, PMSBY, APY and delay in processing pending loan applications at branches.
- The Deputy Director General stressed Prime Minister's Independence speech and the implementation of various credit worthiness programmes particularly the credit outreach programme, a special campaign drive during the period of 16th October to 30th of October 2021 to get adequate publicity in various schemes.
- Regarding the priorities of Central Government and DFS, the Deputy Director General stated the following:
    - 100% Saturation for Jan Suraksha schemes
    - Reaching of all communications upto the ground level and proper implementation of Government led schemes.
    - Ensuring maximum enrolment under PMSVANidhi scheme
    - expanding and deepening of Digital Payment Ecosystem in the country

SLBC Convenor assured on behalf of its member banks that, all the DFS schemes will be implemented in the State of Kerala in the same letter and spirit by the stakeholders/banks.

Sri. P. Balachandran, Chief General Manager, NABARD in his address stated the following:

- The performance in the first quarter is not as per expectations; this may be due to lock down which affects the functioning of Banks in the state. Now since the lock down has been relaxed, it is hoped that the trend will show a definite increase in the coming days and can be achieved the fixed target.
- Chief General Manager congratulated the SLBC sub-committee formation of final blue print for financing of lease land farming, bringing up another mechanism in the financial system. The implementation of the scheme will definitely go a long way in increasing the lending under priority sector and also meeting the Government of India's ambitious plan of doubling of farmers income.
- The number of accounts in KCC is increased and the total number agriculture accounts also got increased but there is no such growth in loan quantum. Performance under KCC financing is also not very encouraging. Average outstanding per borrower is Rs. 1.18 lakh, indicating under financing. It shows that the loan has not been given to desired extent. Many banks are following the old practice of limiting the collateral free loan to Rs. 50,000/- which should be increased to one lakh at least, if not to the RBI prescribed Rs. 1.60 lakh.

- Due to merger of public sector banks, the number of branches has come down. Though there is increase in the NPA level, the same is not alarming. There is scope for increasing lending under SHG finance, as it has the lowest NPA.
- NABARD's refinance operations have been going on well and have disbursed nearly 7000 crore during the first half year. Financing to PACS under AIF is also moving in the right direction, some of the projects are little difficult and hence it will take some time. It will become a good investment in Agriculture infrastructure of the state.

The forum then proceeded with the agenda.

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1. ADOPTION OF MINUTES of SLRM 2021

The forum unanimously adopted the minutes of SLRM 2021held on 22ndJuly2021was circulated vide SLBC letter no SLBC/KL/SLRM/Minutes/AJS dated 13th Sep 2021.

2. PRIMARY SECTOR

2.1 Pending Issues in Primary Sector

2.1.1 Doubling Farmers' Income by year 2022 (Suggested by RBI)

The SLBC Convenor informed the forum that the Sub-committee on Agriculture closely monitoring the saturation of Kisan Credit Card to agriculture and farmers engaged in the allied sector. Convenor opined that issuance of KCC to lease land farmers encourages agriculture production in the State of Kerala. Licensed farming enable farmers to undertake farming activity in the uncultivated area and there by achieving doubling of farmers' income by March 2022. Number of KCC loans got increased in the last two quarters, the term loan component under Agriculture is very less and which needs to be increased.

Smt. Ishita Roy IAS, Additional Chief Secretary & Agricultural Production Commissioner informed two concerns in the forum, one is regarding the issues with regard to the hypothecation clause in the State Crop insurance policy and second one is the limit fixed in collateral free loans, some banks are still insisting for collaterals even for loan less than Rs.1.60 Lacs. Banks hypothecation clause in the insurance policies will hinder the farmers to go for re-cultivation purpose since also will be a hurdle raise fund.

The SLBC Convenor replied regarding incorporation of hypothecation clause in State crop insurance for crediting the compensation in KCC Account of the borrower, Kisan Credit Card limit is in the nature of a revolving cash credit facility without any restrictions in number of debits and credits the compensation credited to the KCC account can be utilized by the farmer for their re-cultivation purpose. PMFBY insurance allows crediting of insurance claims in KCC account of the farmer.

In Kerala, Crop insurance coverage is very less compared to rest of India. Moreover, Crediting of State Crop Insurance claims to Kisan Credit Card account of the farmers will enable the Bankers to encourage to bring more farmers under crop insurance bracket.

KCC is in the nature of revolving cash credit facility without any restrictions in number of debits and credits. If the compensation is credited to Kisan Credit Card limit of the farmer, it can be used by the farmer for re-cultivation purpose since it is a revolving limit.

Regarding collateral free loans, banks are not insisting collateral other than hypothecation of crops/asset created out of Bank finance for loan up to 1.6 lakhs in KCC loan and any deviation in this matter shall be informed to RBI either directly or through SLBC Cell.

The Chief Secretary suggested implementing a performance dash board in the State Government portal with Banking Statics to evaluate Bank's participation and performance in various sectors, it will be informed to the Government department. This will help to identify and to encourage top performing Banks in our State.

2.1.2 <u>Credit Delivery Framework for Tenant Farmers</u> (Agenda by Reserve Bank of India)

The convener SLBC stated that, in 132nd SLBC forum decided to work on the possibility of how the tripartite agreement can be made beneficial to bankers and farmers so as to enhance credit delivery to the tenant farmers. After two rounds of discussions SLBC sub-committee on Agriculture held on 08.09.2021 has finalized the modalities for issuing Kisan Credit Card scheme for Lease/licensed farmers. Government may issue an order in this regard for the implementation of the scheme.

APC has informed the forum to adopt the scheme

The Chief Secretary suggested that the agenda has been put into operational.

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

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

The Chief Secretary insisted to place bans wise progress report of issuance of Kisan Credit Card under fisheries and Animal husbandry in the next SLBC forum. The Chief Secretary opined to provide the time line for the implementation of 100% saturation and urge banks and departments to work towards the objective.

The SLBC Convenor replied that with the cooperation of all the stakeholders the 100% saturation in KCC can be achieved by March 2022.

(Action: SLBC, LDM, Banks and Department of Animal Husbandry)

2.1.4 Agenda Suggested by Reserve Bank of India

2.1.4.1 Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem

The Chief Secretary suggested to provide bank wise data for all the schemes which are the discussion points in the meeting.

The SLBC Convenor replied that next meeting onwards bank wise progress report data with respect to the schemes which are in agenda will be provided for the ready reference. This has been informed LDMs to include the same as one of the Key point in the Annual Credit Plan/District credit plan. Agriculture Infrastructure Fund scheme announced by GoI provide interest Subvention benefit. The scheme can be considered along with other Central Sector Schemes.

The Regional Director, RBI asked banks to ensure the adequate lending under warehouse receipt and negotiable warehouse receipt, since the priority sector lending limit under these two instruments have been enhanced from 50 lakhs to 75 lakhs per borrower. Credit limit other than warehouse receipt shall be continuing with existing 50 lakhs. This policy change should be note by member banks and the progress report in lending should be submitted on time.

The Chief Secretary suggested the MSMEs engaged in Agriculture logistics and supply chain ecosystems are also to be encouraged.

(Action: LDMs, Dept of Agriculture and Banks)

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

Smt. Ishita Roy IAS, APC has informed, the target of 100 days program has been surpassed and covered around 28000 hectares and probably will reach 40000 hectares by the end of this year and the data will be shared with SLBC. The scheme is based on a Centrally Sponsored Scheme Bharatiya Prakrithik Krishi Padhathi adopted by Kerala State and APC requested all bankers to concentrate lending to these sectors since this is a promising sector in the state.

(Action: SLBC, Dept. of Agriculture)

2.1.5 Agenda Suggested by Director Agriculture

Credit under Agriculture Infrastructure Fund (AIF)

Smt. Ishita Roy IAS, APC stated that AIF scheme under Atma Nirbhar Bharat scheme of GoI, Kerala state was at the 21st position in terms of applications and now at 3rd position next to Andra Pradesh and Madya Pradesh. Around 629.64 crores of proposals uploaded in that Except Canara bank all other banks rejected a huge number of applications with flimsy reasons, and queries are raised on installments and the number rejection is very high and most of the rejections are from Scheduled Commercial Banks.

The Chief Secretary replied to the above statement and cautioned Banks that state government shall take an appropriate mechanism to distinguish the performance and approach of Banks in the development of the state. It is noted that major banks are not acting properly in Government sponsored schemes and the developmental activity of the state. Banks which are not doing the activities properly, State Government shall make a barrier in getting Deposit and publicize the fund and the Goodwill will be lost for these Banks.

The SLBC Convenor replied that member banks are aware about the scheme lending,a separate meeting can be conducted for member banks to discuss various schemes and the proper implementation of the same.

(Action: SLBC and Department of Agriculture)

2.2 Pending Issues in Secondary Sector

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

The SLBC Convenor requested banks to take the advantage of this scheme and extend maximum number of applications under the scheme. Details of loan sanctioned and disbursed by financial institutions under Emergency Credit Line Guarantee Scheme (ECLGS) to MSME Sector and PMSVANidhi scheme will continue to be reviewed in the upcoming quarters. The ECLGS scheme is extended up to 31.03.2022.

Smt. Ishita Roy IAS, APC stated that a new scheme has been introduced for PM Kissan beneficiaries under Atmanirbhar Bharat package scheme. As per the Central Government norms Banks can extend credit facilities to PM Kisan beneficiaries by way of KCC limits. But most of the banks are unaware of the lending guidelines of this new scheme, hence there is defeat in this new scheme.

The ACS Finance, Finance Department pointed out the low percentage in availment of ECLGS nearly 60% of the beneficiaries are only availed the benefit of the scheme. The eligible units are to be encouraged since the economy is active and CD ratio also can be improved.

Smt. Reeny Ajith, Regional Director, Reserve Bank of India replied that RBI is conducting NAM CABS (National Mission for Capacity Building of Bankers) programme, this is a quarterly programme which will cover MSME, other general advance portfolios and also industries sector. The focus of the program is to train the bankers in timely and adequate amount of credit delivery of proposals. The RD stated that low percentage sanctioning in ECLGS due to the delay in processing and sanctioning of loan applications pending at branches and at loan processing centers.

The Regional Director stated that nearby states are well ahead in CD ratio, the trend of above hundred CD ratio is not considering as a healthy trend, but at the same time Banks have note that CD ratio should be maintained at least for 70%.

The Chief Secretary advised the forum to analyze the reasons for the low CD ratio.

(Action: SLBC, Banks, LDMs, Department of Agriculture, Dept. of Industries)

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

The SLBC Convenor stated that in order to make the industrial licensing, easy and swift the Government had introduced Kerala MSME Facilitation Act by which an acknowledgement certificate issued online through KSWIFT portal is treated as equivalent to industrial license.

The Chief Secretary informed the forum that Acknowledgement Receipt is a statutory certificate under a law passed by the State and there is no case so far regarding invalidation of the certificate. Another new law also has been made where any rejections has been made by any agency there is State level appellate authority under law and that authority can clear it. The Acknowledgement Certificate issued through KSWIF portal shall be considered as a valid approval.

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

2.3<u>Pending Issues in Tertiary Sector</u>

2.3.1 <u>Noting of Equitable Mortgage created in favour of the banks in Revenue Records</u>
(Pending since March 2014)

The ACS, Finance Department, pointed out online hypothecation charge marking of mortgages by banks on the revenue records, Land revenue department has been issued GOK and online marking is developed by the department. ACS requested Land and Revenue commissioner to ensure timely implementation at the earliest and Banks are able to mark lien through online mode.

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

2.3.2 **Agenda Suggested by Reserve Bank of India**

2.3.2.1. Expanding and Deepening of Digital Payments Ecosystem - Thrissur District

The SLBC Convenor stated that, SLBC, Kerala in consultation with various stakeholders had identified Kottayam District with an endeavor to make the district 100% digitally enabled after the successful completion of digitalizationproject in Thrissur District. The sub-committee on digitalization had conducted its first meeting.

The Chief Secretary opined that even the achievement of 100% digitalization, the CD ratio in Thrissur district is very poor, that should be improved accordingly.

(Action: LDM, Banks)

2.3.2.2. Revamp of Lead Bank Scheme Standardized system for data flow

SLBC Convenor stated that the following banks are pending for implementation revamped Lead Bank scheme data flow and requested the Banks to complete the process at the earliest.

Bank of Maharashtra, Indian Overseas Bank, Jammu and Kashmir Bank, Karnataka Bank Limited, Kerala Gramin Bank, Kotak Mahindra Bank, DIST CO-OPERATIVE BANKS, KSCARDB (incl. PCARDBs), KSCB are the banks yet to implement Standardized System of Data flow. The SLBC Convenor requested all banks to complete the functionality before the quarter end.

(Action: Banks)

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

The representative from PFRDA informed in the forum that the performance under the Social security Schemes is appreciable in the state of Kerala. The enrollment under Atal Pension Yojana is a matter of concern, SBI is doing well across the country even then the performance in the state of Kerala is low. APY scheme also a Social Security Scheme which is to focused more in the coming days.

The forum decided to concentrate more on PM jansurksha Schemes and to cover maximum beneficiaries under the suraksha schemes.

(Action: Banks)

2.3.2.4.**Review of CD Ratio –Suggested by RBI**

The Chief Secretary noted that SBI and Federal Bank having lower CD ratio, and enquired the reasons for low CD Ratio of these Banks. Since SBI is the biggest bank in the state and Federal bank is Kerala Based Bank their performance will affect the overall CD ratio in the State. The main reason behind the lowest CD ratio in our state is SBI and Federal Bank, these two major Banks should take the responsibility to improve the CD ratio in the state.

Sri. Shreekant, Chief General Manager, SBI replied that CD ratio as at June 2021 was 47.25% before adding investment and CD ratio is 61% including investment. On incremental basis the ratio shall be improved and achieved upto 70% by lending high ticket proposals especially more lending under ECLGS.

Smt. Ishita Roy IAS, APC stated that the CD ratio in the neighboring states are above 100, CD ratio in Tamilnadu is 102%, which shows this lower CD ratio is a serious matter of concern in our state.

The Regional Director, RBI informed that SBI and Federal Bank has been referred to RBI Central Office for further action and all thirteen banks should submit the action plan for improvement of CD ratio for the coming October to December and SLBC should ensure the collection of this data from member Banks and submission before 14th October 2021.

The forum advised Banks with low CD Ratio should have earnest efforts to increase the lending.

(Action: Banks)

2.3.3 Education Loan Repayment Support Scheme

Convenor SLBC requested the following to member banks:

- ✓ Processing of pending claim in the portal.
- ✓ Extending of Banks OTS schemes for ELRS rejected applicants.
- ✓ Government support should adjust with loan account in time.
- ✓ Updation of Status of crediting the Government assistance in ELRS portal.

The ACS, Finance stated that the scheme is continuing and Banks should clear all the pending applications in the portal as early as possible.

(Action: Banks)

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

The SLBC Convenor stated that for providing training to BPL candidates, State Rural Livelihood Mission (SRLM) is providing reimbursement of training expenses through Kudumbashree Mission of Kerala State Government, which acts as State Rural Livelihood Mission Office. The claim submitted for the financial year 2015-16 and 2016-17 is yet to be received.

(Action: SLBC, Kudumbasree and MoRD)

3. FRESH ISSUES

3.1 Primary Sector

3.1.1 SLBC Sub-Committee on Agriculture held on 13.09.2021- Discussion on Kisan Credit Card Scheme to tenant/lease/licensed farmers – Revised Draft submitted by Department of Agriculture and Farmer Welfare, Government of Kerala

The SLBC Convenor stated that this issue had already discussed and approved in this forum.

The forum approved the minutes.

3.1.2 Minutes of SLBC sub committee on Agriculture to discuss about the scheme of Agriculture Infrastructure Fund

The forum approved the minutes of the meeting convened to discuss about Agriculture Infra Fund.

3.1.3. Agenda suggested by Director of Agriculture

Credit Support to FPO

The SLBC Convenor stated that in the current financial year it has been targeted to form 150 FPO in Chief Minister's 100 days programme. For strengthening of these FPO's credit support is needed from Banks. The forum suggested that credit may be issued for assisting the FPO formation and necessary support shall also be provided by the Department of Agriculture by way of sponsoring of application.

(Action: Banks and Department of Agriculture)

Minimum Loan ceiling:

KCC loan limits are sanctioned based scale of finance fixed by the DLTC (District Level Technical Committee) since most of the farmers in Kerala are having fragmented land holding and small holdings Department has recommended for fixing a minimum KCC limit of Rs.25000/- to farmers for cultivation of crops without considering this scale of finance.

The forum adopted that a minimum amount of Rs.25000/- may be granted considered for farmers who are cultivating in small holdings especially homestead/ roof top cultivation/Kitchen Garden. The item shall be incorporated while fixing scale of finance by the DLTC/SLTC and the same shall be suggested by the Department of Agriculture.

(Action: Department of Agriculture and Kerala Bank)

3.1.4 Agenda Suggested by State Horticulture Mission

SLBC Convenor Stated that the State Horticulture Mission is implementing many important project-based activities under MIDH include establishment of Hi-tech nursery, small nursery, upgrading nursery infrastructure to meet accreditation norms, new tissue culture units, setting up of new TC units, establishment of Bio control labs, plant health clinics, pre-cooling unit, cold rooms, and reefer vans. The schemes provide good term lending opportunities for the Banks in Kerala.

The APC informed that State Horticulture Mission can give the details of beneficiaries requires financial assistance, the AIF scheme has a provision to converge with any Central Sector scheme and the possibility of the same may be explored.

3.2 Secondary Sector

3.2.1 Agenda suggested by KVIC regarding PMEGP

The KVIC representative stated that current year subsidy target is 66.23 crores, in terms of disbursement of subsidy is 28.8% only, this shows still applications are pending at branches. Banks should take a decision to process the pending applications.

The KVIC representative replied that KVIC has disbursed a subsidy amount of 19.11 crores against the target of 66.23 crores for the current year and informed that the current year target is little higher side comparing with last year target and banks to disburse and claim PMEGP subsidy on a priority basis.

3.2.2 Agenda suggested by Department of Industries

COVID Samshwasa Padhathi

Convenor SLBC stated that as part of the efforts to support the MSME sector, Government of Kerala had formulated a relief package called COVID-19 Samashwasa Padhathi. The main objectives of the scheme are as follows.

- Increasing the assistance under Entrepreneur Support Scheme
- Relaxation to Vyavasaya Bhadratha Interest Subvention Scheme
- Expanding the scope of assistance to Nano units
- The Interest Subvention scheme for Nano units.

The Chief Secretary advised the forum to review the performance under the scheme.

The SLBC Convenor replied that since all these schemes are implemented by the industries department the same will be collected from the department and the progress report will be provided for ready reference.

3.2.3 Agenda suggested by NORKA - NDPREM

Delay in release of capital Subsidy claim under NDPREM

The SLBC Convenor stated that a sizable number of applications sanctioned under this scheme and still required to be processed by respective banks and requested banks to clear the pendency at the earliest. All banks to claim the subsidy and interest subvention on time.

3.3 Tertiary Sector

3.3.1. Minutes of Meeting with RSETIs to discuss the status of Land allotment for RSETIs building held on 10.09.2021

The SLBC Convenor appraised the form about the status of Land allotment for the construction of RSETIs Building. Lands were allotted to some of the RSETIs and for few the land allocation is pending.

The Chief Secretary asked the present status of land allotment for RSETIs building. Convenor replied that Land allotment is pending for four RSETIs viz. Idukki, Palakkad, Kozhikode and Pathanamthitta and construction of RSETI building is also pending in some cases.

The Chief Secretary advised Land revenue Commissioner to assist land allotment to RSETIs and it should be completed immediately. Wherever the RSETIs are allotted with land have to start the construction work immediately and progress of the same will be reviewed in the next SLBC meeting.

The forum decided to pursue the agenda.

(Action: Banks, LDM, Department of Rural Development, Land Revenue Commissioner and LSGD)

3.3.2 Agenda suggested by LDM Idukki

Network issue faced by Union Bank of India Upputhode Branch

LDM Idukki stated that Union Bank of India Upputhode Branch does not have leased line and this rural branch is functioning only on VSAT. For completing Day end activities branch is depending nearby branches of Union Bank. Branch network issue and the non-functioning of ATM invite public outrage and complaints. The issue had taken up with Department of Telecommunications for issuing leased line under Bharat Net Broadband Scheme but no progress in this regard.

The forum noted the information and DoT may give necessary support in this regard.

(Action : DoT, LDM Idukki and SLBC)

3.3.3 Agenda suggested by ANERT

The Chief Secretary pointed out that the agenda suggested by ANERT is an important agenda, state want to solarise private houses. KSEB can check out the feasibility and can fix an agency to complete this project, since subsidy is available from Central Government. The Chief Secretary requested Banks to promote the project by extending credit facility.

A representative from ANERT stated that the promotion of this scheme need to be focused and execution requires initial investment by beneficiary, hence support of Banks through lending at reasonable rate can help in expediting the project.

(Action: Banks)

3.3.4. Agenda suggested by SC Development Department

The ACS Finance stated that an interest subvention scheme has been introduced for loans to SC/ST entrepreneurs, besides some other schemes also announced in the budget. All these schemes to be publicised by member banks among public so that the amount allocated under the budget will get utilised.

The forum requested the banks to extend necessary credit support within their existing schemes.

3.3.5. Agenda suggested by Reserve Bank of India

The SLBC Convenor stated that The Kerala State Commission for Protection of Child Rights directed RBI to issue appropriate directions to all banks/ financial institutions to open student accounts immediately on receipt of applications from the customers.

The forum noted the same for compliance.

(Action: Banks)

Expanding and Deepening of Digital Payment Ecosystem

The SLBC Convenor stated that this issue had already discussed in the forum that Thrissur had completed the process of 100% digitalization and SLBC had identified Kottayam district as the next district to implement expanding and deepening of Digital payments ecosystem in the state.

The Chief Secretary suggested to implement the digitalization in all the districts in the state as far as possible.

(Action: SLBC, Banks, LDMs)

INFORMATION NOTE

4.1 .Suggested by MSME - DI, Thrissur

The MSME DI stated that the Banks are not taking interest to finance under CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) scheme to MSME sector needs further improvement to meet the aspirations of the sector and the banks may be actively facilitated to lend loans under the CGTMSE scheme. Requested SLBC to discuss the matter in the forum and issue necessary guidance to the financial institutions to take a favorable approach to sanction loan to MSMEs under this CGTMSE scheme. Many of the cases the projects are denied or rejected by banks may be due to the project is not feasible/viable.

The Chief Secretary point out that the scheme guidelines are not strictly adhered by the banks. DFS has to give awareness about the scheme which were announced by Government of India to the banks.

The Deputy Director General, DFS noted the information.

The SLBC Convenor informed that RBI had conducted program for capacity building exercise, during the meeting all the eligible scheme guidelines explained well. Rather than conducting training programme, capacity building like program will be useful for branch managers.

The forum advised its members to sanction maximum loans under MUDRA loan for the eligible beneficiaries and a toll-free number is available for their grievance. MSME-DI may direct loan rejection related complaints to SLBC cell so to take up with respective Bank.

(Action: Banks)

INFORMATION NOTE

The forum requested all the financial Institutions to advise their MSME clients to shift to Udyam Registration immediately. All Financial Institutions may be advised the eligible MSME clients to utilize the provision under TReDS and also utilize GeM for marketing the products.

The forum noted the information.

The 134thmeetings of SLBC, Kerala concluded with the official inauguration of the Credit Outreach Programme by the Chief Secretary, Government of Kerala.

Sri. S K Mishra Sai, Deputy General Manager, Canara Bank proposed the vote of thanks and the meeting concluded at 2.15 pm.

List of participants is annexed.

List of participants.

CO-CHAIRPERSON OF THE MEETING			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Government of Kerala	Dr. V P Joy IAS	Chief Secretary
2	Canara Bank	Shri. Brij Mohan Sharma	Executive Director

GOVERNMENT OF KERALA			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Planning & Economic Affairs Department	Sri. Teeka Ram Meena IAS	Additional Chief Secretary
2	Department of Finance	Sri. Rajesh Kumar Singh IAS	Additional Chief Secretary
3	Department of Agriculture Development & Farmers' Welfare	Smt. Ishita Roy IAS	Additional Chief Secretary & Agricultural Production Commissioner
4	Information Public Relations Department	Sri. S Harikishore IAS	Director

RESERVE BANK OF INDIA		
SL NO	NAME	DESIGNATION
1	Smt. Reeny Ajith	Regional Director

NABARD		
SL NO	NAME	DESIGNATION
1	Sri P. Balachandran	Chief General Manager

Pension Fund Regulatory & Development Authority (PFRDA)		
SL NO	NAME	DESIGNATION
1	Dr. AshishDongare	Asst. General Manager

PUBLIC SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Bank of Baroda	Mr. NagasubrahmanyamMandava	AGM
2	Bank of India	Sri. Srinath N	DGM Zonal Manager Kerala Zone
3	Bank of Maharashtra	Varghese Jibin	Senior Manager
4	Central Bank of India	Sri. P. V Saisubramani	Deputy General Manager
5	Indian Bank	Sri. S Senthil Kumar	Deputy General Manager
6	Indian Overseas Bank	Sri.Wagesh Kumar Sinha	AGM
7	Punjab & Sind Bank	Sri. Manosh M	Manager
8	Punjab National Bank	Sri. E Jerome John	Deputy General Manager
9	State Bank of India	Sri. Sreekant	Chief General Manager
		Sri. Seetharaman V	General Manager (NW I)
		Sri. SanthoshSadasivan Nair	Deputy General Manager (FI)
		Smt. GeethaKumary G	Assistant General Manager (FI&LB)
10	UCO Bank	Mr. Sabeer Nazeem	Chief Manager
11	Union Bank Of India	Sri M Ramesh Chandra Prabhu	DGM Regional Head

CONVENOR BANK (CANARA BANK)		
1	Sri. S Premkumar	SLBC Convener & General Manager
2	Sri. S N Mishra	Additional General Manager
2	Sri. Sanjumon V	Divisional Manager
3	Sri. Ajas A	Senior Manager

4	Smt. Sheeja Nair J	Manager
5	Sri. Arun G S	Officer
6	Sri. Sreejith R	Officer
7	Sri Unnikuttan R	Officer

REGIONAL RURAL BANK

SL NO	INSTITUTION	NAME	DESIGNATION
1	Kerala Gramin Bank	Sri. Jayaprakash.C	Chairman
		Smt. Vijayalakshmi. C S	General Manger
		Smt. SreelethaVarma. C	Chief Manager

PRIVATE SECTOR BANKS

SL NO	INSTITUTION	NAME	DESIGNATION
1	AXIS BANK	Smt. J Anitha	Senior Manager
2	C S B Bank Ltd	Sri. Abhilash K C	State Head Agri.
3	CITY UNION BANK	Sri. Rajasekaran M S	Senior Branch Manager
4	DHANLAXMI BANK LTD	Sri. ArunSomanathan Nair	Regional Head Thiruvananthapuram
5	FEDERAL BANK	Sri. Shobin George	Associate Vice President
6	HDFC BANK	Sri. HariVijayan	Vice President
7	ICICI BANK	Sri. Tony Thomas	Senior Manager
8	IDBI BANK LTD	Sri. Hari T K	Asst General Manager, Regional Officer, Kochi
9	INDUS IND BANK	Smt. JyothiPrabhu	Asst Vice President
10	JAMMU & KASHMIR BANK	Sri. Mahadevan. G	Branch Head
11	KARNATAKA BANK	Shri. Prasandan T	Assistant General Manager

		Mr.JaffarShariff M	AFO,RO.
12	KARUR VYSYA BANK	-	-
13	KOTAK MAHINDRA BANK	Sri. BijuNarayanan	Nodal Officer - Kerala
14	LAXMIVILAS BANK	Sri. R. Sreekumar	Cluster Head
15	SOUTH INDIAN BANK	Sri. Peter A D	Deputy General Manager
16	T.N.MERCANTILE BANK	-	-
17	YES BANK	Sri. JAGADEES V PILLAI	NODAL MANAGER
18	Bandhan Bank	Sri. PPS Prakash	Cluster Head
		Sri. Lilgith Mohanan	Branch Head
19	IDFC First Bank	Sri. Anoop MG.	Deputy Branch Manager
20	RBL Bank	Sri. Hariharan S	Branch Manager

CO-OPERATIVE BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	KSCB	Sri. Anil Kumar A	General Manager
2	KSCARD	Smt. Brinda.R	Agricultural Development Manager(F&I)

LEAD BANK OFFICES			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Indian Overseas Bank	Sri. SreenivasaPai G	LDM Tvm
2	Indian Bank	Sri. Bijukumar DS	LDM Kollam
3	State Bank of India	Sri. Cyriac Thomas	LDM Pathanamthitta
4	State Bank of India	Sri. A A john	LDM Alappuzha
5	State Bank of India	Sri. Vinodkumar V	LDM Kottayam

6	Union Bank of India	Sri. Rajagopalan G	LDM Idukki
7	Union Bank	Sri. C Satish	LDM Ernakulam
8	Canara Bank	Sri. Anilkumar K K	LDM Thrissur
9	Canara Bank	Sri. Sreenath R P	LDM Palakkad
10	Canara Bank	Sri. Jithendran P P	LDM Malappuram
11	Canara Bank	Sri. Muraleedharan T M	LDM Kozhikode
12	Canara Bank	Sri. G Vinod	LDM Wayanad
13	Canara Bank	Sri. Frony John P	LDM Kannur
14	Canara Bank	Sri. N Kannan	LDM Kasargod

SMALL FINANCE BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1	ESAF	Sri. Sathianathan K M	Vice President
2	Ujjivan Small Finance Bank	Sri. TharigSait	BM Thiruvananthapuram