134th Meeting of State Level Bankers Committee, Kerala
Agenda & Background Notes

1. ADOPTION OF MINUTES OF SLRM 2021

The minutes of State Level Review Meeting, 2021 held on 22nd July 2021 was circulated vide SLBC letter no SLBC/KL/SLRM/Minutes/AJS dated 13th September 2021.

The house may adopt the said minutes.

2. PENDING ISSUES

2.1 Pending Issues in Primary Sector

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

RBI vide their letter no.FIDD.CO.LBS.BC No. dated 29 September 2016 had advised all SLBC Convenor Banks/Lead Bank to include 'Doubling of Farmers Income by 2022' as a regular agenda under Lead Bank Scheme in various for a such as SLBC,DCC, DLRC and BLBC.

Progress during the first three years in increasing farmers' income was nullified by the devastating flood especially in the agricultural sector. The state is recovering from the loss.SLBC has initiated natural calamity measures to overcome the disaster. Limited credit exposure to the lease land farming sector in Kerala was an issue pointed out in SLRM.

During 130th SLBC the forum observed that there is a need to adopt new strategies for ensuring the target of doubling the farmers' income by 2022. The two consecutive floods in 2018 and 2019 nullified the progress made and now the pandemic has also played havoc with the program. Hence there is a need to restrategize the process.

Action Taken:

1. SLBC has made the following recommendation to the State Government on issues related to lease land farming vide letter ***Ref: Kerala SLBC/95 /78/GN/2018 dated 13th July 2018*** regarding Reducing Stamp duty & Registration fees on lease deeds for lease land cultivation.

2. The Sub-committee on Agriculture decided focus on saturation of Kisan Credit Card to agriculture and farmers engaged in the allied sector besides "SUBHIKSHA KERALAM" Scheme launched by Government of Kerala. Integrated farming, market

interventions to reduce the role of middleman, promoting organic farming methods, food processing etc. to be promoted.

3. SLBC has written to Department of Agriculture regarding marking of Hypothecation clause in the State Agriculture Insurance Scheme. Now the PMFBY scheme is made voluntary. In order to protect the interests of farmers, they may be given an option to choose between PMFBY and State Insurance Scheme.

   SLBC had taken up the matter with Director of Agriculture and the reply received as follows;

No:ADFW/1518/2021-TP4 Date:05/03/2021

From

Director of Agriculture

To

The Convenor,
SLBC. Kerala

Sir,

Sub:- Marking of "Banks Hypothecation clause" in Agricultural Insurance policies - report -submitting of -reg

Ref:- 1)Letter no Kerala SLBC/177/2020/SN dated 07/12/2020 from the Convenor SLBC
2) Note from TR(2)8254/20 dated 21/02/2021of TR section

It is hereby informed that at present, the crop insurance compensation is paid directly to farmers account by EBT as per order no G.O.(MS) 37/2017/agri dated 22/03/2017. The Agriculture Department is working for the welfare of farmers and crop insurance scheme intends to pay compensation directly to farmers who incur heavy loss due to natural calamities.

It is also informed that inclusion of "Banks Hypothecation clause" in the crop insurance policies will hinder the farmers recultivation process as they may face difficulty to raise funds for the recultivation activities, if the compensation amount is credited to the loan account.

133rd SLBC forum has opined that crop insurance coverage in the State of Kerala is less than 1% and need improvement.

Steering committee suggested that since Kisan Credit Card (KCC) limit 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.

4. In consultation with RBI, selected SLBCs and other stakeholders NABARD has developed the benchmarks/indicators for monitoring and reviewing the progress under Doubling of farmers' income by 2022. Review report is attached as annexure.

5. SLBC is coordinating and reviewing the campaign for issuance of Kisan Credit Card to farmers for Agriculture and allied activities. After the withdrawal of Interest Subvention Scheme (ISS) and Prompt Repayment Incentive to short term crop loan other than Kisan Credit Card facility, there is an increase in number of KCC account. ***Number of Kisan Credit Card issued to farmers has increased from 21,23,066(March 2021) to 2213875 (June 2021) and marked an increase of 90809.***

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

RBI is considering to introduce a framework to extend credit delivery for tenant farmers. The existing tenancy laws may be reformed so that both land owner as well as the tenant farmers are benefitted. The framework is in streamline with the Model Land Leasing Act released by NITI Aayog. This may be added as a regular agenda to be raised in the State Level Bankers' Committee meetings and the government of Kerala would be apprised the need of such framework.

Action Taken:

It was reported by the Government of Kerala that the bill is ready for enactment. Once the bill becomes an act the issue can be resolved. However there is no further development in the matter.

Directorate of Agriculture has suggested the following agenda during 132nd SLBC meeting;

<u>b. Loan to leased land farmers</u>

Subhiksha Keralam is a flagship programme of Government of Kerala to sustain food security in which fallow land cultivation is the major component. Fallow land cultivation is carried out mostly in leased land. To encourage cultivation in fallow land the government has issued norms of lease land cultivation as per G.O.No 1400/20 (Tripart agreement). This may also be considered by the SLBC and direct all the participating banks for lending sufficient credit support to these farmers for successful implementation of Subhiksha Keralam .

"Subhikha Keralam"scheme launched by Govt.of Kerala estimated that 41626 ha. of land as fallow. The scheme also proposed to bring the entire fallow land under cultivation in a phased manner. Private lands should be brought under cultivation by the owners themselves or they should be made willing to give it for cultivation on temporary lease. The private landowners may be unwilling to hand over the land for cultivation to others who are willing to cultivate due to fear of losing the ownership in due course. Assurance shall be given to the private owners by the LSGD that this is purely a temporary arrangement for cultivation and the ownership will not be affected by any means. A tripartite agreement can be executed among the Panchayat concerned, owner of the land and the cultivator, in a specified format.

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. Director of Agriculture has submitted points to be considered on the proposed license agreement *received from the Government to create a template for license agreement between land owners (particularly those who have uncultivated land) and potential cultivators of land.*

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. The scheme guidelines and model format is attached in Agenda item.

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

Reserve Bank of India vide circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019, issued guidelines to all Scheduled Commercial Banks (including Small Finance Banks and excluding Regional Rural Banks) for extension of KCC Scheme to Animal Husbandry Farmers and Fisheries, to meet their working capital requirements.

State Level Bankers' Committee (SLBC) and District Consultative Committees (DCCs) shall ensure smooth extension of the KCC facilities to Animal Husbandry Farmers and Fisheries and monitor/ review the progress in the respective fora meetings

<u>Action taken</u>

Department of Financial Services (DFS) vide F.No.3/12/2020-AC dated 23 July 2020 launched a campaign for issuance of Kisan Credit Card to farmers for Agriculture and allied Activities.

SLBC vide various communications advised Member Banks to extend maximum KCC loans to farmers registered with milk unions and also for the fast implementation SLBC had printed the loan application form on a cost sharing basis to the Banks and distributed through LDMs.

Two meetings of SLBC sub committee on Agriculture was convened 06.11.2020 and 12.10.2020 to discuss about issuance of Kisan Credit Card to fishermen in the State of Kerala and formulated plan of action for covering maximum fishermen with Kisan Credit Card facility.

2.1.4 Agenda Suggested by Reserve Bank of India

2.1.4.1 Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem

As per the third advance estimates of the Ministry of Agriculture & Farmer's Welfare, food grains production estimates in 2019-20 are 3.7 percent higher than the final estimates of the previous year. Rabi procurement is in full flow in respect of oilseeds, pulses and wheat, benefiting from the bumper harvest although some delays are reported owing to transportation and labour issues. Additionally, as per latest information available, kharif season sowing was higher by 44 per cent over last year's acreage. These developments will support farm incomes, improve the terms of trade facing the farm sector and strengthen food security for the country.

2. In this context, there is a need for taking full advantage of the bumper harvest and increase in net sown area in the ongoing crop cycle by enhancing the investment credit provided to agriculture logistics and supply chain sector through enhanced lending against Warehouse Receipts (WRs), including Negotiable Warehouse Receipts (NWRs) and electronic NWRs, and promoting agriculture infrastructure investment as is provided under the PSL guidelines.

3. The Prime Minister's Atma Nirbhar Bharat Abhiyan Stimulus Package, *inter alia* includes, setting up of ₹. 1 lakh crore agri infrastructure fund to strengthen the farm gate infrastructure wherein the prime focus is on development of post-harvest infrastructure including development of warehouse, silos, storage and grading units, cold chains, logistic facilities, supply chain services etc. Guidelines on this have been issued by the Govt. of India.

4. Accordingly, lending for augmenting the farm gate and supply chain infrastructure, including against WRs/ NWRs/ e-NWRs may be included as one of the key action points in your current Annual Credit Plan/ District Credit Plan.

Action Taken

131st SLBC opined that all banks have schemes for financing under negotiable ware house receipt and requested the Banks to popularize the same in the Kerala State and informed LDMs to include the same as one of the Key point in the Annual Credit Plan/District credit plan.

During 132nd SLBC meeting Representative from RBI has opined that there is not much development in the programme. The progresses are to be analyzed and discussed in the DLRC level also.

Regarding Agri Infrastructure Fund, Banks are extending maximum support and SLMC meetings and DLMC meetings are monitoring the progress of the scheme. In the Agriculture sub-committee held on 15.07.2021, Special officer monitoring Agri Infrastructure fund had explained the scheme in detail and discussed about various other Central Sector Schemes that can be considered along with Agriculture Infrastructure Fund.

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

As we know, Agriculture is a key sector in Indian Economy in view of its contribution to employment and GDP and therefore, the importance of the sector in the country's socioeconomic development cannot be overemphasized. With passage of time, Agriculture sector in India has also undergone transformative changes in terms of methods of farming, increase in efficiency through adoption of new technologies, supply chain management, financing etc. Of late, the term 'Organic Farming' has also assumed greater significance from the perspective of protecting environment as also for the health benefits offered by organic farm produces.

2. In the direction of Organic Farming, the State of Sikkim has made significant progress. It may be worth mentioning that the Hon'ble Prime Minister of India declared the State of Sikkim as the first Organic State of India in January 2016. In this connection, the concerned Regional Office of Reserve Bank of India has documented a Monograph detailing the journey of transformation of the State as an Organic State, in consultation with the Sikkim Organic Mission.

3. The Monograph weaves together all the actions taken by various stakeholders on the Roadmap. The document, besides giving rich information about the adoption of Organic Farming in the State, also provides a valuable Template for other States and UTs to implement Organic Farming. The document may be used as a model framework for similar Organic Missions for other States and UTs. While a synopsis of the Monograph is given at **Annex I**, detailed version of the Monograph is available at **Annex II**.

4. Considering that State/ UT Level Bankers Committees (SLBCs/ UTLBCs) are apex platforms for bankers and other stakeholders at State/ UT level and the fact that credit flow to Agriculture sector is one of the important agenda items for discussions in the meetings, SLBCs/ UTLBCs are suggested to deliberate on the Monograph of the State of Sikkim and explore ways to replicate the best practices of the model framework, in order to promote Organic Farming in their respective States/ UTs. Within the extant framework governing the Lead Bank Scheme, SLBCs/ UTLBCs may also consider constituting Sub-Committee(s), as may be required, which can work towards promoting Organic Farming in the States/ UTs and the Monograph may well be used as a guiding document.

Action Taken

During 131st SLBC meeting RBI made a presentation on Sikkim model in the SLBC forum. The forum requested the Department of Agriculture and Kudumbasree to support the efforts.

*Kerala State has adopted **BharatiyaPrakritikKrishiPaddhatiProgramme (BPKP**), is introduced as a sub scheme of Paramparagat Krishi Vikas Yojana (PKVY) since 2020-21 for the promotion of traditional indigenous practices including natural farming. The scheme mainly emphasizes on exclusion of all synthetic chemical inputs and promotes on-farm* *biomass recycling with major stress on biomass mulching; use of cow dung-urine formulations; plant based preparations and time to time working of soil for aeration.*

In SLRM 2021, APC has informed that the Government had a series of discussions with Sikkim. In this year, in the 100 days program of this government brought in organic farming. 25,000 hectare will be covering. State Government had already submitted a proposal to Government of India on a new scheme which they have brought in which is basically a scheme on agro ecological based with the biodiversity conservation and the scheme is called BharatiyaPrakrithikKrishiPadhathi. The ACS expressed hope that this year itself the State will be able to coveraround 40,000 Hector's under organic farming and the plan is that within two years using the good agricultural practices and support of theMinistry of Agriculture, Government of India it will be able to have an organic transformation in the State. The State has also submitted proposals for organic farming both for the IAF as well as the SLF.

2.1.5 Agenda Suggested by Director Agriculture

1. **Credit under Agriculture Infrastructure Fund (AIF).**

AIF is a Central Sector Scheme meant for setting up storage and processing facilities to support farmers , PACS, FPOs, Agri- entrepreneurs in building community farming assets and post harvest agriculture infrastructure.

AIF is a medium -long term financing facility for investment in viable projects for post harvest management infrastructure and community farming assets through interest subvention and credit guarantee. The duration of the scheme for 10 years. It provides credit guarantee coverage for Micro and Small enterprises for loans upto Rs.2 crore.

Almost all Nationalised Banks are participating in the scheme. Hence all banks are requested to extend credit facilities to the beneficiaries under the scheme for smooth functioning of the scheme.

Department of Agriculture has raised the following concern regarding implementation of AIF.

Issues related to implementing AIF

Though Credit Guarantee for a loan up to 2 crores is provided as per the guidelines , bank/ financial institutions still insisting collateral security against the loan issued .

Exorbitant rate of interest in some banks and delay in communication between bank and the beneficiary.

The agenda item may be pursued further.

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

Sharing the data of eligible loan accounts, details of loan sanctioned and disbursed by financial institutions under Emergency Credit Line Guarantee Scheme (ECLGS) to MSME Sector in the State. The Bank wise and district wise data

Review of Performance under ECLGS

ECLGS Data as on 05.02.2020					(Amt. In Crores)
	No. of eligible customers	Sanctioned		Disbursed	
		A/cs	Amt.	A/cs	Amt.
Total- Public Sector Commercial Banks	**168642**	**125035**	**2738.89**	**99509**	**2347.63**
R R B - KERALA GRAMIN BANK	**35568**	**2239**	**24.91**	**2239**	**24.91**
Total- Pvt Sector Commercial Banks	**46533**	**18812**	**3747.75**	**15405**	**3388.88**
Total- Small Finance Banks	**0**	**0**	**0.00**	**0**	**0.00**
Total Co-operative Banks	**0**	**0**	**0.00**	**0**	**0.00**
Total - Banking Sector	**250743**	**146086**	**6511.55**	**117153**	**5761.42**

Review of Performance under PMSVNidhi

PMSVANidhi - BANK WISE STATUS - AS ON 31.08.2021							
Sl No	Bank Name	No of Applications Submitted	No of Applications Sanctioned	No of Applications Disbursed	No of Applications Rejected	Total Pending for Sanction	% Pendency
1	STATE BANK OF INDIA	3065	2350	2317	513	202	6.59
2	CANARA BANK	2116	1750	1721	305	61	2.88
3	UNION BANK OF INDIA	894	749	736	120	25	2.80
4	KERALA GRAMIN BANK	972	738	721	154	80	8.23
5	INDIAN BANK	536	491	487	40	5	0.93
6	BANK OF BARODA	428	363	358	60	5	1.17
7	PNB	340	295	295	39	6	1.76
8	IOB	355	274	272	67	14	3.94
9	FEDERAL BANK	563	260	247	116	187	33.21
10	BANK OF INDIA	295	253	253	41	1	0.34
11	CBI	235	208	205	22	5	2.13
12	SOUTH INDIAN BANK	452	193	182	98	161	35.62
13	UCO BANK	199	131	131	58	10	5.03
14	IDBI BANK	96	83	81	6	7	7.29
15	DHANLAXMI BANK	80	46	44	1	33	41.25
16	CSB BANK	78	42	38	31	5	6.41
17	PUNJAB AND SIND BANK	38	34	34	4	0	0.00

18	KARNATAKA BANK	29	20	19	7	2	6.90
19	KERALA BANK	22	12	12	0	10	45.45
20	TAMILNADU MERCHANTILE BANK	22	11	11	6	5	22.73
21	AXIS BANK	22	10	10	3	9	40.91
22	HDFC BANK	14	8	7	0	6	42.86
23	BANK OF MAHARASHTRA	5	5	5	0	0	0.00
26	KARUR VYSYA BANK	6	2	2	0	4	66.67
24	CITY UNION BANK	5	2	2	0	3	60.00
25	ESAF	8	2	2	6	0	0.00
27	ICICI BANK	18	1	1	0	17	94.44
28	KOTAK MAHINDRA	2	1	1	0	1	50.00
29	LAXMI VILAS BANK	2	1	1	0	1	50.00
30	YES BANK	1	1	1	0	0	0.00
31	BANDHAN BANK	1	0	0	0	1	100.00
32	JAMMU & KASHMIR BANK	2	0	0	0	2	100.00
33	UJJIVAN SMALL FINANCE BANK	2	0	0	0	2	100.00
34	INDUS IND BANK	1	0	0	1	0	0.00
Total		**10904**	**8336**	**8196**	**1698**	**870**	**7.98**
Market Place		**115**	**0**	**0**	**0**	**115**	**100.00**
Grand Total		**11019**	**8336**	**8196**	**1698**	**985**	**8.94**

MoHUA, Govt of India has announced a campaign called "Sankalp Se Siddhi "from 05.07.2021 to 15.08.2021 to disburse all the sanctioned applications and to sanction all the eligible pending applications under PMSvanidhi Scheme by Banks.

SLRM 2021 forum advised the member Banks to clear all the pending applications by 31.08.2021.

Kudumbasree Mission has informed the following to the SLBC Cell regarding the implementation of PMSVNidhi Scheme;

1. **Second tranche of Loan limit**

Ministry of Housing and Urban Affairs through letter dated 9/4/2021 had given direction to all participating lending institutions and banks to support the street vendors with enhanced loan of 20000/- to the street vendor's (letter attached as annexure III) .Kudumbashree had started to mobilize the eligible street vendors for second loan, but the banks are not processing the second tranche loans (e.g.: SBI, Indian Bank). Moreover banks are also conveying the message to the beneficiaries that they had not received any communication regarding the same. This creates a lot of difficulties to the vendors and is also affecting the credibility of the scheme. State is planning to support all the 8216 street vendors who had availed first dose of PM SVANidhi loan, but only 49 street vendors had so far supported with the second tranche loan.

Directions may be given to the banks for considering the enhanced loan applications and take necessary steps for sanctioning the same at the earliest.

Steering committee observed that the Ministry of Housing and Urban Affairs (MoHUA), vide their communication ref No.K-12017(30)/2/2020-UPA-II(9088388) dated 09.04.2021 and No. K-12017(30)/2/2020-UPA-II-UD (EFS 9088388) dated 18.08.2021, has conveyed guidelines on implementation of 2nd tranche of loan under PM-SVANidhi scheme, for eligible PM SVANidhi beneficiaries on timely/early repayment of earlier loan.

1. **Social profiling of PM SVANidhi beneficiaries in Kochi & Thiruvananthapuram.**

Ministry of Housing and Urban Affairs as part of PM SVANidhi scheme has introduced Socio Economic profiling of PM SVANidhi beneficiaries in the two major Cities of Kerala Kochi & Thiruvananthapuram. The programme would map the socioeconomic profile of the PM SVANidhi beneficiaries and their families, assess their potential eligibility for various Central welfare schemes and facilitate the linkages to these schemes. The enrolment for the major schemes like PM SBY, PMJJBY, PM SYM are the responsibility of the banks .Even though banks are taking part in the camps conducted for the enrolment of beneficiaries in this scheme ,long delay is happening from their part for sanctioning the applied schemes to the beneficiaries.

Directions may be given to concerned banks to sanction the applied schemes on a time bonded manner and entrust the respective LDMs to involve in matter.

Steering Committee suggested LDM Trivandrum and Eranakulam to support the ULBs to complete socio Economic profiling of PM SVANidhi beneficiaries in a time bound manner.

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

File No.DIC/15051/2018-PMP3

നം. ഡി.ഐ.സി/15051/2018-പി.എം.പി3

വ്യവസായ വാണിജ്യ ഡയറക്ടറേറ്റ്
മൂന്നാം നില, വികാസ് ഭവൻ
തിരുവനന്തപുരം, പിൻ : 695033
ഫോൺ നം. 0471 2302722
തീയതി : 29/02/2020

വ്യവസായ വാണിജ്യ ഡയറക്ടർ.

കൺവീനർ,
എസ്.എൽ.ബി.സി സെൽ, കാനറാ ബാങ്ക് സർക്കിൾ ഓഫീസ്,
കാനറാ ബാങ്ക് ബിൽഡിംഗ്, എം.ജി റോഡ്, തിരുവനന്തപുരം.

സർ,

വിഷയം:- വ്യവസായം - പി&എം വിഭാഗം - 130-ാമത് എസ്.എൽ.ബി.സി മീറ്റിംഗ് - അജണ്ട വിഷയങ്ങൾ ലഭ്യമാക്കുന്നത് - സംബന്ധിച്ച്

സൂചന:- 07.02.2020 തീയതിയിലെ എസ്.എൽ.ബി.സി -യിൽ നിന്നുള്ള SLBC 154 130 SLBC AGENDA നമ്പർ കത്ത്.

മേൽ സൂചനയിലേയ്ക്ക് അങ്ങയുടെ ശ്രദ്ധ ക്ഷണിക്കുന്നു. 130-ാമത് എസ്.എൽ.ബി.സി മീറ്റിംഗിൽ ഉൾപ്പെടുത്താനുള്ള അജണ്ട വിഷയങ്ങൾ താഴെപ്പറയും പ്രകാരം സമർപ്പിക്കുന്നു.

I. (a) 2019 കേരള സൂക്ഷ്മ ചെറുകിട ഇടത്തര വ്യവസായ സ്ഥാപനങ്ങൾ സുഗമമാക്കൽ ആക്ടിലെ സെക്ഷൻ 3 പ്രകാരം വ്യവസായ സ്ഥാപനങ്ങൾ സ്ഥാപിക്കുന്നതിനും പ്രവർത്തിപ്പിക്കുന്നതിനും വേണ്ടി നൽകുന്ന Acknowledgement Certificate തദ്ദേശ സ്വയം ഭരണ സ്ഥാപനം നൽകുന്ന ലൈസൻസിന് സമാനമായിട്ടുള്ള ലൈസൻസുകൾക്ക് പകരമായി സ്വീകരിക്കുന്നതിന് ബാങ്കുകൾക്ക് നിർദ്ദേശം നൽകണം.

വിശ്വസ്തതയോടെ,

Signature valid
Digitally signed by R RAMESH CHANDRAN
Date: 2020.02.29 16:21:02 IST
Reason: Approved

ADDITIONAL DIRECTOR
വ്യവസായ വാണിജ്യ ഡയറക്ടർക്കു വേണ്ടി

Action Taken

In 130th SLBC meeting, Principle Secretary Industries informed 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 Bankers raised concerns regarding the situation where the Industrial license is not confirmed even after three years and requested the clarity.

SLBC convened a meeting of Banks and Government departments to discuss about the implementation of KSWIFT on 04.12.2020 and Banks were raised some concerns regarding the scheme. SLBC has taken up the matter with Department of Industries and commerce vide letter Kerala SLBC/179/2020/SK dated 19.12.2020.

*Hon'ble Minister for Industries and commerce on **10.02.2021** had called for a meeting of Director Industries and Commerce, The Managing Director KSIDC, Convenor SLBC and law department to discuss about various issues relating to acceptance of Acknowledgement certificate for availing banking services.*

Kudumbasree mission has raised the following concern regarding loan approval for sanctioning SEP loans in spite of KSWIFT registration.

Agenda 5)Banks asking for ULB registration for loanapproval for sanctioning SEP loans, in spite of having K-Swift registration / or possessing an acknowledgement certificate from the competent authority as prescribed in the Act.16 OF 2019, THE KERALA MICRO SMALL AND MEDIUM ENTERPRISES FACILITATION ACT, 2019:

In Kollam Corporation most of the banks are asking for Corporation registration for approving SEP loans, even after they register with K-Swift portal or with the competent authority as per the ACT 16 OF 2019, THE KERALA MICRO SMALL AND MEDIUM ENTERPRISES FACILITATION ACT, 2019. As per the clause no. 10. Of the Act, Overriding effect of this Act on other laws.—(1) the provisions of this Act shall have overriding effect, notwithstanding anything inconsistent therewith contained in any other law, for the time being in force. (Copy of the act is appended as Annexure II).

Direction may be given to the Banks not to insist on any other licences as per the Municipality act or PR act if the MEs are registered with K – Swift portal /or possessing an acknowledgement certificate from the competent authority as prescribed in the above said Act.

2.3 Pending Issues in Tertiary Sector

2.3 . 1 Noting of Equitable Mortgage created in favour of the banks in Revenue Records
(Pending since March 2014)

(i) At present there is no practice of noting/recording the Equitable Mortgage (EM) transactions (i.e. 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 the 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 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 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum proposes that the Government may introduce a reasonable fee for this facility and suggested the following fee tariff:

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

As of now, there is no legal obligation on the part of the Village authorities to note bank's charge in the Thandaper Register. If that is made legally mandatory, it will help to prevent fraudulent transactions.
In the 121st Meeting of SLBC, Kerala held on 24.03.2017 at Trivandrum, the representative from Revenue Department informed that the matter is under the active consideration of Revenue

Department and at present the matter is placed before the Law Department for their advice and expected to sort out the issue shortly.
Govt of Kerala had called SLBC for a discussion in the matter. The questions raised by the Govt and the recommendation given by SLBC convener is given below

"This is with reference to the letters cited above and the Discussion we had with the Govt on 2018 Feb 2nd and 7th on the matter. The subject of the letters cited above cover two aspects

1. ***You have informed us that our request for facilitating the noting of lien in Revenue records, shall not be considered in view of the proposed Registration Act amendment bill pending in Rajya Sabha***

Our views *in this regard was that,*

- *The said bill is pending in Rajya Sabha since 2013. We are not certain about the time by which it may be passed.*
- *Till that time, the State Govt may adopt the suggestion made by us , both as a measure to increase state revenue and to improve ease of doing banking business in the state.*

2. ***You have requested us to give our views on the necessity of possession certificate and location sketch from village office for granting loans by banks. You have suggested that the Village Office shall issue the ownership certificate of land. The possession, enjoyment & location sketch may be sourced by banks through their own mechanisms***
3.

Our recommendations *in this regard is that*

- *Currently the certificate generally called "possession certificate" is the principal proof available to financing agencies to find out the ownership and enjoyment of the property as per Revenue Records.*
- *Though the certificate is generally called "Possession Certificate", it certifies ownership and enjoyment.*
- *This certificate is obtained not only by banks, but also by various other financing bodies including the Govt of Kerala for its HBA scheme for State Govt Servants (Under HBA scheme it is the Possession Certificate from Tahsildar and Location Sketch from Village Officer).*
- *Banks also request Nil revenue recovery certificate from Village Office.*
- *If the Govt can place an alternative mechanism to confirm the ownership and enjoyment of land as per revenue records, the possession certificate may be replaced.*
- *Such alternative can be*
  a) Access to the banker /land owner to view and download Thandapper Register details , or
  b) A combined ownership certificate cum Nil RR certification or
  c) Physical TP register Extract which shows with clarity as regards ownership and extent owned
- *In Northern Villages where Revenue Records are still maintained in Adengal registers present certification may continue.*

Based on the discussions in SLRM 2018, the Principal Secretary (Finance) held a meeting on 2018 June 28th. As decided in the meeting, SLBC submitted the following recomendations to the Govt :

i) **Equitable Mortgages to be shown in registration records. A new mechanism need to be adopted for this and a reasonable charge should be levied for it. Bank has to be declared a public entity for the execution of the process. Action in this regard has to be done by Taxes and Registration Department.**

ii) **Necessary amendments in the Stamp Act may be introduced for the registration of equitable mortgages on bank loans.**

iii) **The registration fees should be made reasonable.**

iv) **SLBC is directed to submit a proposal to Taxes Department for exemption of registration fees and stamp duty on equitable mortgages on bank loans.**

Recommendation of SLBC

1. Govt may introduce a system similar to GAHAN Registration (Gahan document is a declaration given in lieu of mortgage deed, to the co-operative banks and societies for taking loans.)
2. Based on a similar declaration given by the Manager of a Commercial Bank, the Sub Registrar may make a noting about the Equitable Mortgage in Book 1, "Register of non-testamentary documents relating to immovable property"
3. Govt may notify the Bank Manager as the holder of a public office to exempt his appearance in person or by agent at any registration-office in any proceeding connected with the registration of any instrument executed by him or in his favour, in his official capacity, or to sign as provided in section 58 of Indian Registration Act 1908
4. Government may charge reasonable fee for the facility as suggested above.
5. Government may also facilitate a real–time online search option in Book1 at a reasonable fee.

126th SLBC forum decided to write to the Govt Department to update the progress on the matter. On discussion with Sri Manoj Joshi IAS (ACS, Finance Dept), he had informed to take up the subject matter with Taxes Department, Govt of Kerala. Hence SLBC has written to Taxes department also. No further developments in this regard.

STATE LEVEL BANKERS' COMMITTEE, KERALA

(Under Lead Bank Scheme of RBI)

Convenor: Canara Bank

Ref: Kerala SLBC/EM/199/MA/2019 Date : 11th Jan 2019

To
Sri P Venugopal IAS
Secretary (Taxes)
Government of Kerala

Dear Sir,

Sub : **Recommendations on noting Banks' Equitable Mortgages in Sub Registry Records**

Ref : 1) Meeting held by the Office of Pricipal Secretary(Finance) on 28th June 2018
2) SLBC pending Agenda on noting of Equitable Mortgage in Revenue Records
3) Our letter Ref: Kerala SLBC/SLRM 2016/75/GN 2018 dt.18th July 2018

As instructed by Additional Chief secretary (Finance), We invite your kind attention to our above referred letter on the subject matter. As it is a continuing Agenda in the SLBC (Pending since March 2014),and as decided in the 126th SLBC meeting we are taking up the matter for a favourable decision.

File No: IGR/3527/2018-RR9(1)

Office of The Inspector General of Registration
Vanchiyoor, Thiruvananthapuram 35.
Phone:0471-2472118/2472110/2474782
E-mail regig@kerala.nic.in
www.keralaregistration.gov.in
Date: 15/05/2019

Inspector General of Registration
Kerala

The General Manager, Canara Bank &
Convenor, SLBC
slbckerala@canarabank.com

Sir,
Sub -:Registration Department – State Level Review Meeting of SLBC – Agenda Item – forwarding of.
Ref -:Govt. letter No. J3/17/2019/TD dated 10.05.2019

Registration Department has no new agenda items to suggest for discussion in State Level Review Meeting of SLBC. However the Department is to invite attention to a long pending demand of SLBC, "Noting of equitable mortgage created in favour of banks in Revenue Records" which is pending in SLBC agenda since March 2014.

Banks grant loans on mostly on equitable mortgage. At present the equitable mortgages are not noted in Revenue Records. A few of them are registered mortgages. The high rates of Stamp Duty and Registration fees of mortgage and release deeds prevailed in the state have dispirited the banks from registering agreements relating to deposit of title deeds. Now Government have reduced the rates of stamp duty and registration fees of mortgage deeds by way of deposit of title deeds and release deeds thereof. Now the stamp duty for deposit of title deeds is 0.1% subject to a maximum of Rs 10,000/- and the stamp duty for release deeds of such mortgages is 1% subject to a maximum of Rs 1000/-. The registration fees of such mortgages and release deeds are 0.1%. The intention of the amendment is to encourage registration of the equitable mortgages. This will be a win-win situation for both Government and Banks. Banks will get the mortgages recorded in Registration records and there by prevent the alienation of property and Government will get revenue.

SLBC may convey the situation to all members and may take steps to register the mortgages and release deeds.

Yours faithfully

Signature valid
Digitally signed by P K SAJANKUMAR
Date: 2019.05.15 16:43:56 IST
Reason: Approved

Joint Inspector General of Registration
for Inspector General of Registration

Action Taken:

1. *SLRM 2019 informed that the charges suggested for other loans are reasonable and shall requestfor waiving the charges on Agricultural loans. No further communication received from the concerned department in this regard.*

2. *SLBC had a subcommittee meeting on long pending issues on 08/11/2019. Most of the banks concurred with the suggestions.*

3. *Land and revenue commissioner vide LRB 6-2662/2017 dated 14.10.2020 informed SLBC that they have requested Government of Kerala for permitting Banks to mark their mortgage in relic software without reflecting any changes in land record.*

4. *In 132nd SLBC, the Assistant Commissioner Land and Revenue had informed that they received Government Order permitting the implementation of the above mentioned changes in relic software.*

5. *SLBC had a meeting with State IT department on 03.03.2021 as advised by Land and Revenue Department. The proposed functionality has been explained in the meeting and decided to create a test users for SLBC and selected member banks for testing purpose and suggestions. SLBC had written to commissioner, Department of Land and revenue vide letter Ref: Kerala SLBC/297/2021/SN dated 19.04.2021.*

Ref: Kerala SLBC/297/2021/SN Date: 19.04.2021

To

Shri K Biju IAS
Commissioner
Department of Land Revenue
Govt. of Kerala
Thiruvananthapuram

Respected Sir,

Sub: Digitalization of Land records - **Creation of Online Charge by Banks-reg**

This has reference to the 132nd SLBC agenda no 3.5 regarding digitalization of land records in Kerala.

Vide your letter LRB 6-2662/2017 dtd 14.10.2020, your good office had informed us that the request for permitting Banks to mark their mortgage in RELIX software, without reflecting any changes in Land record, has been taken up with the Government of Kerala.

During the 132nd SLBC meeting held on 22.02.2021, the Asst. Commissioner also informed that Government has permitted the aforesaid request, accordingly NIC has initiated the process of making necessary changes in the software and the same is under the final implementation stage.

Subsequently, we had a meeting with NIC team and officials of land and revenue through Video Conference wherein the NIC team explained the functionalities of the package and assured that the package shall be made available to banks for testing, shortly.

We wish to put forth following functionalities which shall be incorporated to facilitate usage of the package in an effective manner.

1. Creation of test User IDs for Banks
2. SLBC shall be provided with ADMIN login to subsequently create/edit/delete the login for the Banks
3. The login for the Banks shall be in MAKER(one who feed the data in the package) and CHECKER(one who approves the data)

Contd in Page 2...

4. The MAKER/CHECKER login shall be used while creation of the mortgage and also while release of the mortgage.
5. The PRINT option shall be included in the screen after creation of the mortgage.

Thanking you,

Yours faithfully,

N Ajit Krishnan,
Convenor, SLBC Kerala
& General Manager, Canara Bank

We are yet to receive reply from Department Land and revenue.

2.3.2 Agenda Suggested by Reserve Bank of India

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

SLBC, Kerala had identified Thrissur district, with an endeavor to make the district 100% digitally enabled within one year. FIDD CO, vide letter FIDD.CO.LBS.No.1551/ 02.01.001/ 2019-20 dated January 23, 2020 had advised SLBC to devise a time bound roadmap to all branches of member banks located in the identified district for on-boarding merchants/ traders/ businesses/ utility service providers to facilitate fully digital transactions by

October 2020. SLBC Convenor bank shall monitor the progress of the roadmap on quarterly basis and forward the same to Regional Office of RBI.

<u>Progress made under Expanding and Deepening of Digital Payments Ecosystem;</u>

- *SLBC has constituted an implementation committee at State Head Quarters on 28/10/2019 for Expanding and Deepening of Digital Payment Ecosystem, in consultation with RBI, NABARD and all the member banks. District level committee was formed at Thrissur district with all the banks and connected government departments including NIC.*
- *A survey format for the purpose is prepared and survey has since commenced.*
- *RBI vide letter FIDD.CO.LBS.NO.1551/02.01.001/2019-20 dated 23rd January 2020 directed banks to conduct a field level assessment/survey of merchant/ traders/ businesses /utility service providers located in the Thrissur district.*
- *The format provided by RBI for this purpose has been circulated among all banks through LDM for collecting the bank specific information. RBI envisages that the information as per the above format would form the basis for the drive.*
- *We have organized 5 meetings by co-ordinating all the stakeholders including banks, State and District administration, NIC, NPCI etc.*
- *Logo released in a public function graced by Sri A C Moideen, Minister for Local Self Government, Kerala in the presence of the District Collector Sri. Shanavas, I A S.*
- *Survey – House hold survey in Pullu Village completed.*
- *Merchant Survey – Already started in Mala and Mathilakam Blocks. Other Blocks – ID cards to Kudumbashree volunteers will be issued in a couple of days.*
- *Other major decision taken are*
    a) *To explore the possibilities of providing internet point/WiFi at vantage junctions at free of cost by involving telephone service provider.*
    b) *Educating merchant establishments to maintain all merchant transactions through digital mode*
    c) *Utilizing FLCs to educate public for moving digital mode.*
- *Monitoring by LDM Thrissur/RO Thrissur/CO Trivandrum*

RBI and SLBC had convened meetings of stakeholders to evaluate progress of digitalisation in Thrissur District. Various strategies to achieve the target are being discussed in the meetings.

During SLRM 2021, Regional Director Reserve Bank of India appreciated all the member banks for successful enrolment of their customers under the digitalization project and urged KSCB to ensure that the implementation of the digital coverage for all their customers is completed by July 2021.

On 24.08.2021, LDM thrissur has confirmed that they successfully completed *the* mission of enrolling customers for the 100% digitalisation program for Thrissur District.

2.3.2.2. <u>Revamp of Lead Bank Scheme standardized system for data flow</u>

<u>Revamp of Lead Bank Scheme - Action Points for SLBC Convenor Banks/ Lead Banks – Developing a Standardized System for data flow and its management by SLBC/ UTLBC Convenor Banks on SLBC/ UTLBC websites</u>

Please refer to RBI Circular FIDD.CO.LBS.BC.No.19/02.01.001/2017-18 dated April 6, 2018 on Revamp of Lead Bank Scheme - Action Points for SLBC Convenor Banks/ Lead Banks, prescribing certain action points.

2. With respect to Action Point – (iv) of the abovementioned Circular, SLBC Convenor Banks were advised, inter alia, to develop a standardized system on the websites maintained by each SLBC to enable uploading and downloading of the data pertaining to the Block, District as well as the State by the members banks. It was also advised that the relevant data must also be directly downloadable from the CBS and/ or MIS of the banks with a view to keeping manual intervention to a minimal level in the process. The Circular also suggested the procedure relating to Management of data flow at LBS fora and advised that necessary modifications may be made on the SLBC websites and to the CBS & MIS systems of all banks to implement the envisaged data flow mechanism.

3. Based on the preliminary feedback received from several SLBC/ UTLBC Convenor Banks in respect of status of implementation of the abovementioned Action Point, a Working Group (WG) of select SLBC Convenor Banks and NABARD was constituted by RBI to work out a standardized system for collection, storage, presentation and management of data on the SLBC/ UTLBC website.

4. The WG reviewed the existing major categories of data being collated and monitored by SLBCs and suggested a broad set of data structure in the form of a Model Format which may be adapted by SLBCs/ UTLBCs for collection and monitoring of data. The model format is enclosed at **Annexure I**. While SLBC/ UTLBC Convenor Banks are encouraged to adapt the model format to the extent possible, they may make suitable additions/ deletions/ modifications in the format as per State/ UT specific needs including future requirements. Further, while SLBCs/ UTLBCs may advise member banks to endeavor to report the data through direct extraction from their CBS/ MIS to the extent possible, there could still be some data which may not be available in the banks' systems. Such data may be collated at the Controlling Office level as is being done now for reporting purposes. The input file format structure suggested by the WG for the purpose is enclosed at **Annexure II**.

5. The WG has further suggested that in order to enable banks in uploading and downloading of the data upto the block level, banks should map all the branches with block codes. Once mapping of the branches with block codes is completed by banks in their systems, data at block level as well as at district and state level can be generated and monitored at different fora of the Lead Bank Scheme. A portal is required to be developed by SLBC/ UTLBC Convenor Banks on their respective SLBC/ UTLBC websites for facilitating uploading and downloading of data by member banks/ LDMs. A Standard Operating Procedure (SOP), which may be followed by SLBC/ UTLBC Convenor Banks, member banks and LDMs, as suggested by the WG is enclosed at **Annexure III**.

6. SLBC/ UTLBC Convenor Banks are advised to decide, in consultation with the member banks, a reasonable timeframe not exceeding six months from the date of issuance of this letter, for migration to the new data flow and management system as envisaged in RBI Circular dated April 6, 2018. SLBC/ UTLBC Convenor Banks are also advised to bring this letter to the notice of all member banks under the Lead Bank Scheme.

<u>Action taken</u>

As instructed by RBI, SLBC has constituted an implementation committee for devising and executing transition plan for migration to new data system within 6 months. The first meeting of the committee held on 28th OCT 2019. Banks are finding difficulty in getting block code for all the 152 blocks in Kerala. RBI subsequently provided the Block Codes.

SLBC Website is enabled with new functionality and ready for uploading and downloading of data. Member banks are requested to upload the data into the website from the next quarter onwards. Training sections will be arranged for member Banks through online by the module developer.

Status Report of Banks – Implementation of Standardized System of Data flow

(as on 29.09.2021)

Banks which are pending for implementation
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 **Total pending banks: 9 Nos. (Including 3 under Co operative sector)**

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

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

PRAGATI (Pro-Active Governance and Timely Implementation) meeting to review implementation of Social Security Schemes was held under the Chairmanship of Hon'ble Prime Minister on January 22, 2020. The meeting reviewed the performance of PMJJBY & PMSBY Schemes in terms of enrolment, claims settlement, grievance redressal and overall benefits to the people at large across the nation and an urgent need was felt on augmenting the reach and efficiency of PMJJBY & PMSBY Schemes.

2. Department of Financial Services (DFS), Govt. of India has shared the concerns raised in the PRAGATI meeting in respect of implementation of PMJJBY and PMSBY Schemes with Reserve Bank of India and requested to advise banks to take the following actions for increasing the coverage and spreading awareness among targeted beneficiaries under these schemes:

a. Conduct periodic publicity campaigns with special focus on rural areas at regular intervals for creating awareness about benefits of Social Security Schemes;
b. Streamline procedures and leverage technology to speed up claim settlement process and improve outreach;
c. Ensure that no eligible Jan Dhan account holders are left out from availing the risk covers under PMJJBY & PMSBY;
d. Enrol beneficiaries of other government scheme like PM Ujjawala, PM Kisan, MGNREGA etc. under the Schemes;
e. Use SMS and other digital platforms to make account holders aware of the Schemes and also to seek auto debit mandate from them;
f. Leverage Marketing Channels like Banking Correspondents (BCs) for ensuring Pan India coverage and innovative ways be devised for motivating the field level functionaries for enhancing enrolments, especially under PMJJBY & PMSBY; and
g. Fix target of fresh enrolment under PMJJBY & PMSBY to enhance enrolment till March 31, 2020.

3. Further, the recently launched National Strategy for Financial Inclusion (NSFI): 2019-24, sets forth the vision and key objectives of the Financial Inclusion policies in India to expand the reach and sustain the efforts through a broad convergence of action involving all the stakeholders in the financial sector, which has also envisaged that "Every willing and eligible adult who has been enrolled under the PMJDY (including the young adults who have recently taken up employment) to be enrolled under an insurance scheme (PMJJBY, PMSBY, etc.), Pension scheme (NPS, APY, etc.) by March 2020", as one of its objectives.

4. In view of the above, SLBC/UTLBC Convenor Banks are advised to initiate the actions as suggested by DFS, GoI. The issues/concerns associated with implementation of PMJJBY & PMSBY Schemes in the States/UTs under your jurisdiction should also be discussed and resolved in the SLBC/UTLBC meetings in consultation with concerned stakeholders, in order to achieve the Government's vision of a financially included society along with universal insurance coverage.

5. SLBC/UTLBC Convenor Banks are also advised to place the status report of implementation of these schemes in their SLBC/UTLBC meetings on quarterly basis invariably. A copy of status report should be forwarded to the concerned Regional Office/Sub-Office of RBI for information.

Action Taken

Progress of implementation social security schemes are attached in the annexure .8.30

- *SLBC had convened a meeting of Banker and discussed about the implementation of various social security scheme and Atal pension Yogana Scheme. The forum discussed about strategies to improve the coverage and also advised Member Banks to impart special focus on propagating and enrolling maximum beneficiaries under the schemes. The forum also requested to enroll at least 60 APYs each by all the Member Banks before 31.03.2021.*

- *Department of Financial Services has come out with a campaign on the eve of Independence Day and advised each branch to enroll at least 150 and 100 under PMSBY and PMJJBY respectively during the period starting from the August 15 to 14th Sep 2021.*

- *SLBC had conducted a webinar on expanding the outreach of APY schemes on 9th September 2021, by inviting speakers from PFRDA for the SLBC State Coordinators, Lead District Mangers and BCs.*

Department of Financial Services has communicated "Saturation drive for Jan Suraksha Schemes" vide F.No.21(23)/2014-FI(Mission) dated 27.09.2021.

Hon'ble Prime Minister, in his Independence Day 2021 speech, has announced: "We have to achieve saturation. … all the households should have bank accounts… We have to connect every entitled person with the government's insurance and pension schemes. We have to move ahead with a mindset of cent percent achievement."

2. While the goal of ensuring a bank account for all households has been substantially achieved under Pradhan Mantri Jan Dhan Yojana (PMJDY), this entails ongoing work as young persons attain adulthood and in course of time set up independent households. Therefore, it is necessary to proactively identify such persons, as well as any other persons who may not have an account, and reach out to them to ensure opening of a bank account. The electoral roll is available online on the websites of the Chief Electoral Officers of States and Union territories (UTs), which includes all local adults along with their address details. Addressee banks are hereby advised to ensure the following:

(a) The Corporate Office of the bank shall arrange to download the electoral rolls for the respective States/UTs for which it is the SLBC convener and arrange to prepare lists in Excel format of all such adults who have attained majority in the last three years i.e. 2019, 2020 & 2021. This should be arranged by district, Assembly constituency and polling station as specified in the electoral roll;

(b) Communicate the lists prepared above to their respective SLBC/UTLBC Convenors for allocating among the addressee banks latest by 31.10.2021 the responsibility for reaching out directly or through their sponsored RRBs to all such adults, with a view to ascertaining whether they already have a bank account and, if not, to facilitate their account-opening within Q3FY2021-22;

(c) For allocating responsibility as above, the Convenor shall consult the State In-Charge of the addressee banks and their sponsored RRBs as well as all the LDMs and generate the bank-wise, branch-wise allocation of polling station-wise lists keeping in view proximity to the polling station area;

(d) Reports of progress against the allocated lists shall be collated by the Convenor's office from the respective addressee banks, who shall also be responsible for collecting and incorporating the progress in respect of their sponsored RRBs;

(e) The addressee banks shall put in place centralised arrangements to collect the feedback from the branches (including RRBs) regarding which of the targeted persons reported already having an account and which ones opened an account with the bank; and

(f) Convenors shall furnish consolidated monthly reports in this regard to the Mission Office [missionfi@nic.in].

3. Towards saturation cover of eligible persons under the three Prime Minister's Jan Suraksha Schemes (PMJSS), *viz.*, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana, as lead banks, the addressee banks are hereby advised to take immediate necessary steps for initiating a campaign for enrolment of persons eligible for PMJSS. For this, they may firm up in regular or special State/UT Level Bankers Committee (SLBC/UTLBC) meetings held at the earliest, State/UT-wise Jan Suraksha Schemes Enrolment Plans that include both a digital campaign and periodic physical camps/drives, the first round of which will begin from 2.10.2021.

4. In parallel, the ministries/departments implementing large-scale beneficiary-oriented schemes have been requested (copy of letter attached) to leverage their own or State/UT or other implementing partners' field formations and databases for enrolling eligible beneficiaries under PMJSS for their social security protection and to instruct the national level Scheme Implementing Authorities (SIAs) of their major schemes to advise State/UT level SIAs to provide duly filled enrolment forms to LDMs of the district concerned and to extend necessary cooperation to the SLBC/UTLBC Convener in mobilisation for camps/drives, outreach for the digital campaign, and reviews convened. State Governments and UT Governments/Administrations too have been requested to extend similar cooperation and to schedule the special SLBC/UTLBC meeting at the earliest possible (copy of letter attached).

5. While other ministries/departments and States/UTs have been requested to assist the banks in realising the Prime Minister's vision in respect of their major schemes, the banks need to ensure saturation cover of beneficiaries under the major schemes implemented through the banks themselves, *viz.*, PMJDY and Pradhan Mantri Mudra Yojana (PMMY), in the eligible age groups. In PMJDY, a quarterly average balance of Rs. 1,000 or more in Q2FY2021-22 may be taken as indicative of the holder of an operative account to pay premium/contribution for PMJSS. To this end, addressee banks are hereby advised to ensure by 15.10.2021,—

(a) from the Corporate Office, extraction of State/UT-wise numbers of their respective accountholders in each of the three PMJSS scheme eligibility age groups who have—
   (i) operative accounts under PMJDY with such quarterly average balance, and
   (ii) standard PMMY accounts,

   along with the number of such accounts that are already enrolled under the respective PMJSS scheme, and communication of the same to the SLBC/UTLBC Convenors concerned;

(b) through the SLBC/UTLBC Convenor of the States and UTs for which the addressee bank is the lead bank, allocation by of monthly targets to each addressee bank (including its sponsored RRBs) for achieving saturation enrolment under each of the PMJSS schemes of the unenrolled accounts by 30.9.2022, with advice to similarly allocate targets to their branches;

(c) furnishing through their SLBC/UTLBC Convenors consolidated monthly reports in this regard to the Mission Office [missionfi@nic.in].

6. In addition, PSBs are instructed—

(i) to further assign enrolment targets to each individual field functionary and their sponsored RRBs by 15.10.2021;

(ii) put in place instructions for special mention in their service record for each of the appraisal years concerned achievement of their target by 15.10.2021;

(iii) institute policies to give this due consideration to such special mention in the promotion process by 15.10.2021;

(iv) create auto-prompt feature across channels (branch, BC and ATM) to alert the teller/BC/customer that an uncovered customer is transacting, so that the bank executive / BC may enrol him/her or the customer may self-enrol by 31.10.2021;

(v) create by 31.10.2021 a CBS-based MIS for both the bank and its sponsored RRBs to work out the monthly rate of enrolling such uncovered customers transacted with, coupled with automated feedback to branches regarding the absolute and relative performance of the branch and its BCs and automated escalation to supervisory levels in case of pre-defined poor performance;

(vi) create by 15.11.2021 CBS-enabled outreach mechanism in the bank and its sponsored RRBs to identify uncovered accounts, detect significant DBT credits to such accounts and send SMSs in local language with feature for voluntarily enrolling through SMS or/and app;

(vii) ensure immediately that all BCs of the bank and its sponsored RRBs are made aware of the enhanced intermediary commission of Rs. 30 under PMJJBY, as well as existing commissions under PMSBY and APY, and are encouraged to take advantage of the same, while also ensuring they receive such commission in a quick, timebound manner;

(viii) furnish through their SLBC/UTLBC Convenors consolidated monthly reports in this regard to the Mission Office [missionfi@nic.in].

7. The addressee bank's chief executive and the whole-time director reporting to him on financial inclusion are advised to personally review progress in this regard with their respective circle/zonal heads and the SLBC/UTLBC Convenors for the States/UTs for which the address bank is the lead bank, and copy the minutes of the review to the Mission Office [missionfi@nic.in] by the 10th of each month.

Yours faithfully,

Encl.: as above

Sushil Kumar Singh
Director (FI)

2.3.2.4. Review of CD Ratio –Suggested by RBI

During 132nd SLBC Regional Director RBI has raised concern regarding the decline in CD Ratio 66 % as on March 2020 to 63.18 % as on September 2020 and to 63.79 % as on December 2020. The Regional Director appreciated the efforts of most banks in keeping lending at same or higher levels in spite of the difficult environment. State Bank of India, the industry leader and Federal Bank, the second largest bank in Kerala as also CSB Bank and Dhanlaxmi Bank need to take concrete measures so that the good work done by other banks for the State of Kerala is not lost. In this context, Regional Director has advised, in order to effectively monitor the performance of individual banks, a standing agenda item of bank-wise CD ratio to be introduced from the next meeting.

List of bottom 10 Banks in CD Ratio in Our State is given below

Sl.no	Bank Name	Total Deposit	Total Advance	CD Ratio
1	BANDHAN BANK	191036	1600	0.84
2	Ujjivan Small Finance Bank	97589	23384	23.96
3	RBL Bank	43127	11890	27.57
4	KARUR VYSYA BANK	155902	43405	27.84
5	CATHOLIC SYRIAN BANK	1182985	438585	37.07
6	FEDERAL BANK	10974651	4448578	40.54
7	LAKSHMI VILAS BANK	84354	36687	43.49
8	DHANLAXMI BANK	880536	408505	46.39
9	STATE BANK OF INDIA	18633111	8804215	47.25
10	SOUTH INDIAN BANK	5190977	2606676	50.22
11	INDIAN OVERSEAS BANK	1220110	641673	52.59
12	ESAF	806784	457308	56.68
13	KSCB	6801743	4006882	58.91

During SLRM 2021, Chief Secretary has suggested put higher target for MSME Sector advance as the growth in MSME advances is not as expected. Regional Director RBI has suggested that target should fix in such a way that higher target shall be assigned to banks with low CD ratio so that the overall CD ratio shall also improve. The forum advised Banks with low CD Ratio should have earnest efforts to increase the lending.

2.3.3 Education Loan Repayment Support Scheme

The update in the scheme as on 30th June 2021 is given below:

Sl No	Bank Name	Processed By Bank Branch	Forwarded By Nodal Officer	Forwarded By SLBC	Approved By Government
1	ALAPPUZHA DISTRICT CO OPERATIVE BANK	5687139	4898693	4898693	4898693
2	ALLAHABAD BANK	2212856	477558	342858	342858
3	ANDHRA BANK	5258147	2150356	2117308	2117308
4	BANK OF BARODA	33932067	13745490	13745490	13745490
5	BANK OF INDIA	58123673	25795737	25464418	25327778
6	CANARA BANK	453653691	234638184	222044889	221796831
7	CATHOLIC SYRIAN BANK LTD	50445027	37102420	37102420	37102420
8	CENTRAL BANK OF INDIA	105356213	62470434	62206156	62182741
9	CITY UNION BANK LTD	0	0	0	0
10	CORPORATION BANK	79610896	48651929	48628256	48606248
11	DENA BANK	3230789	1759993	1759993	1759993
12	DHANLAXMI BANK LTD	13698432	6232902	5681753	5681753
13	FEDERAL BANK LTD	295645141	194237551	194177733	193627397
14	HDFC BANK LTD	1356213	57251	0	0
15	ICICI BANK LTD	1170318	340702	0	0
16	IDBI BANK LTD	1772590	160479	0	0
17	IDUKKI DISTRICT CO OPERATIVE BANK	15384494	8738149	7051382	6798031
18	INDIAN BANK	92981812	38951297	38591064	38591064
19	INDIAN OVERSEAS BANK	107488572	67029333	67029333	66440460
20	KANNUR DISTRICT CO OPERATIVE BANK	337831	239656	160481	160481
21	KARNATAKA BANK	2298045	779162	232500	232500
22	KARUR VYSYA BANK	373824	203584	203584	203584
23	KASARGOD DISTRICT CO OPERATIVE BANK LTD	415314	415314	415314	415314
24	KERALA GRAMIN BANK	372828436	372563887	372343205	371731742
25	Kerala State Co operative Agricultural and Rural Development Bank Ltd	1167605	497071	383071	383071
26	Kerala State Co operative Bank	88567674	83332504	83332504	83332504
27	KOLLAM DISTRICT CO OPERATIVE BANK	11744118	10745988	10151088	10151088
28	KOTTAYAM DISTRICT CO OPERATIVE BANK	0	0	0	0
29	MALAPPURAM DISTRICT CO OPERATIVE BANK	0	0	0	0
30	ORIENTAL BANK OF COMMERCE	8928697	4100389	4100389	4100389
31	PATHANAMTHITTA DISTRICT CO OPERATIVE BANK LTD	1455721	1140955	1140955	1140955
32	PUNJAB NATIONAL BANK	86652314	36380806	36380806	36276813
33	PUNJAB SIND BANK	316082	198000	198000	198000
34	SOUTH INDIAN BANK	61534626	30724777	30724777	30488377
35	STATE BANK OF INDIA	983835697	575217889	568398447	567312797
36	SYNDICATE BANK	185940596	93471565	91095219	91074633

37	TAMILNADU MERCANTILE BANK	1029551	366179	250151	250151
38	THE THIRUVANANTHAPURAM DISTRICT CO OPERATIVE BANK	123000	123000	0	0
39	THRISSUR DISTRICT CO OPERATIVE BANK	280897	280897	280897	280897
40	UCO BANK	19703416	10947884	10947884	9804198
41	UNION BANK OF INDIA	225584171	132983612	132879527	132544816
42	UNITED BANK OF INDIA	862255	862255	684974	684974
43	VIJAYA BANK	37389961	14246901	14201901	14072001
44	WAYANAD DISTRICT CO OPERATIVE BANK	475716	153450	0	0
	Total	**3418853617**	**2117414183**	**2089347420**	**2083858350**

Additional Chief Secretary, (Finance) reviewed the performance of ELRS scheme on 28.04.2021 and minutes of the meeting as follows;

Minutes of the meeting held on 28/04/2021 through Video Conference chaired by Additional Chief Secretary (Finance) to review the implementation of Education Loan Repayment Support Scheme

The review meeting on Education Loan Repayment Support Scheme through video conference chaired by Additional Chief Secretary (Finance) was held on 28.04.2021 at 11.30 am. The Convener SLBC and Nodal officers of the participating banks attended the meeting. At the outset, ACS (Finance) mentioned that the objective of the meeting is to review the Education Loan Repayment Support Scheme introduced by Govt. of Kerala which is in its final stage of implementation and pointed out the following issues for immediate intervention from SLBC and the participating banks.

1. Processing of pending claims in the portal

There are about 20000 applications pending with participating banks. As the Government intends to wind up the scheme by the end of August 2021, the participating banks were requested to process all the applications pending with them either to forward the eligible applications to Government or reject the ineligible applications before 31st August 2021.

2. Extending of bank's OTS scheme to ELRS applicants

Some of the applicants are kept waiting for Govt support to be released but their applications were rejected on final verification and as a result they lost out both the options of bank's OTS scheme and Government support. Therefore, ACS (Finance) requested banks to consider extending their OTS scheme to such ELRS applicants in genuine cases.

3. Delay in crediting Govt support to the loan account of applicants

It has been noticed in certain cases that delay has occurred in crediting the Government assistance to the respective loan account of the applicants. Banks were requested to take note of the issue and ensure that there are no such delays in crediting Government assistance to the respective loan account.

4. Updation of status of crediting Government assistance to the loan accounts in the ELRS portal

For further disbursement of Govt support under the ELRS scheme, the status of crediting the Government assistance to the respective loan account in the portal needs to be obtained from the Nodal officers and the participating banks. The banks and certain Nodal Officers have not yet updated the details regarding Govt support, properly. ACS (Finance) requested their assistance in getting the status updated.

ACS (Finance) further stated that banks may give their feedback/response on each of the above mentioned issues in writing. Convener SLBC may consolidate these responses received from the banks and forward the same to Govt.

The SLBC Convener assured that necessary follow up actions would be taken with the banks for solving the issues and pending applications would be cleared before the stipulated timeline of 31st August 2021. He also assured that there would not be any delay in clearing the pending applications and it would be ensured that Govt assistance is credited to the accounts of all eligible applicants. ACS (Finance) requested SLBC to monitor the action taken on all the above issues and submit a status report in this regard to Govt at the end of August 2021.

The meeting concluded at 11.45 am with a positive note.

During SLRM 2021, Convenor SLBC requested the following to its 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.*

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

The matter came up for discussion in the 122nd meeting of SLBC, Kerala held on 05.10.2017 as suggested by SBI.

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. The details of pending claims are given below.

RSETI - Pending reimbursement of training expenses										
								(Amt.in Lacs)		
Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Sponsor Bank										
IOB (Trivandrum)					7.50	8.99	10.41	4.41	10.85	42.15

Syndicate (Kollam)					6.71	4.82	10.47	2.80	11.20	36.00
SBI (Pathanamthitta)					6.23	7.74	10.86	3.21	13.04	41.08
SBI (Alappuzha)					6.33	9.56	10.30	2.44	10.68	39.31
SBI (Kottayam)					7.28	7.47	7.02	2.65	9.15	33.57
UBI (Idukki)					4.27	6.22	4.73	1.10	4.51	20.83
UBI (Ernakulam)					7.80	6.17	4.24	1.06	9.21	28.48
Canara Bank (Thrissur)				5.97	9.50	10.33	12.45	2.74	5.34	46.33
Canara Bank (Palakkad)				1.13	7.28	9.35	24.62	3.66	8.85	54.89
Canara Bank (Malappuam)	0.76	1.07	2.29	1.02	3.10	5.76	6.39	5.10	17.62	43.12
Canara Bank (Kozhikode)					7.06	8.38	5.83	2.83	8.50	32.60
SBI (Wayanad)					7.02	8.42	8.36	2.30	13.79	39.89
RUDSET (Kannur)					6.32	6.34	9.83	0.94	38.20	61.62
Andhra Bank (Kasaragode)					6.46	10.37	11.97	3.54	11.77	44.11
Grand Total	0.76	1.07	2.29	8.13	92.85	109.93	137.47	38.78	172.72	563.99

Action Taken

The 122nd meeting of SLBC observed that similar claims are pending with all RSETIs and forum requested the following:

1) *Kudumbashree to expedite the matter*
2) *If such cases are there with other RSETIs, their Controlling Banks to collect the information and forward to SLBC for onward transmission to the LSGD and Kudumbashree.*

Representative from Kudumbashree informed that they have already taken up the matter with Ministry of Rural Development, Government of India. The aggregate pendency was collected by SLBC Convenor and submitted to the Executive Director Kudumbasree vide letter No.Kerala SLBC/35 /145 /GN/2017dated2017 November 24th.

In 125th SLBC ED of Kudumbasree informed that Rs.3 Cr is pending and the matter is under discussion with MoRD and early settlement is expected..

In 126 SLBC Kudumbashree informed the forum that the matter was taken up with MoRD and is expecting to sort out the matter before this financial year.

A first stage of release of Rs1.6Cr has been received vide Order No.7683/M Skill/2013/KSHO dated 06.05.2019 . Remaining portion is expected to be credited shortly.

SLBC vide letter Ref: Kerala SLBC/159/AJS/2020 dated 26 Feb 2020 had written to ED Kudumbasree regarding the reimbursement of pending claim.

Ministry of rural development vide letter no.J-18027/01/2017-RSETI (Computer No.358598)-22 ordered for release of another Rs.2.26 Crore towards Reimbursement of Training Expenses of BPL Candidates to "AA" Rated RSETIs. The amount pertains to 2018-19 and 2019-20.

SLBC vide letter Kerala SLBC/RSETI/158/AJS/2020 dated 14.10.2020 has written to MoRD as decided in the 130th SLBC meeting, we are awaiting reply from MoRD.

National Centre for Excellence of RSETIs (NACER) has also written to the SRLM for the reimbursement of training cost.

National Centre for Excellence of RSETIs (NACER)
(Under the aegis of MoRD, Govt. of India)
'Renukaleela', No.1210, 1st Floor,
80 Feet Road, Chandra Layout
BENGALURU – 560 040

Ref.No.NACER/2021-22/F-415 Date: 17.04.2021

To
The CEO
All SRLMs

Dear Sir/Madam,

Sub: Position of State-wise pending claims for reimbursement of training cost of RSETIs

We wish to bring in notice to all State SRLMs regarding the pending position of reimbursement of training cost for RSETIs as on 31.03.2021.

This data has been collected by us from respective RSETIs through the State Director of RSETIs (SDRs) and to us.

State-wise position / Bank-wise position of pending claims is annexed with this letter for your perusal.

In this regard we wish to inform you that the consolidated position as on 31.03.2021 as under

Sl No.	Financial year	Pending claims (Amt in Lakhs)
1	Upto 2017-18	3643.93
2	2018-19	3870.56
3	2019-20	10385.23
4	2020-21	2620.40
Total		**20520.12**

We request all SRLMs to expedite the claim settlement process to enable the RSETIs to function in a better way.

Yours faithfully,

Bipul Chandra Saha
National Director for RSETIs

National Centre for Excellence of RSETIs
Bengaluru
560 040

Copy to:

1. Additional Secretary / Joint Secretary / Director of Rural Development, MORD- For kind information
2. The President, NAR – for kind information
3. DG / Controller, NAR – for kind information
4. SLBC Convenor – Requested to have one permanent agenda on the topic
5. RSETI Sponsoring Banks – F or kind information & for checking correctness of claims
6. All SDRs / ALL RSETIs – for follow-up with SRLMs

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

Indian Banks' Association

PS&BT/SLBC/AES/8342

December 9, 2019

The Chief Executives of Public Sector Banks

Dear Sir/Madam,

For Kind Attention of the Banks who hold the State Level Lead Bank Responsibility

Implementation of Digital E-Stamping facility on Bank Guarantees

In view of the Digitisation of Trade Processes, IBA had constituted a Working Group with few Select Member Banks, FEDAI, SWIFT & StockHolding Corporation. Three Sub Groups were formed under this Working Group. One of the Sub Groups, viz. Sub Group on E-Stamping and E-Bank Guarantee had come out with the implementation of "Automated E-Stamping (AES)" after constant endeavors.

2. The Sub Group on E-Stamping and E- Bank Guarantee and the StockHolding Corporation had finalised the procedural Guidelines of AES. (Copy enclosed as Annexure-A). SWIFT India Domestic Service plays the role of Implementing Agency. The Government of NCT of Delhi vide its communication dated May 27, 2019 had approved the proposal of payment of stamp duty through digital E-Stamping on Bank Guarantee. With the enormous support of the Delhi Government, StockHolding Corporation of India and Swift-India, E-Stamping had been successfully launched, using SWIFT Messaging System, by few Banks, in Delhi on 22nd August, 2019. Subsequently, the E-Stamp Certificate number along with the details of the Stamp Duty is being embossed on Bank Guarantee. Issuing of E-Stamp Certificate number reduces Paper work and also helps in completing the task quickly.

3. Considering the above benefits, all Member Banks, who hold the State Level Lead Bank Responsibility, are requested to advise their SLBC Convenors to discuss the matter in the SLBC Meetings and take up the matter with their respective State Governments, for the implementation of E-Stamping facility on Bank Guarantee in their States.

Yours faithfully,

(B Raj Kumar)
Deputy Chief Executive.

SLBC has taken up the matter with Department of Registration vide letter Kerala SLBC/AES/90/SV dated 19/05/2020 and we are awaiting reply from the department

Sub: Implementation of Automated E-Stamping System (AES) in the State of Kerala

In view of the Digitalisation of Trade Processes, Indian Banks' Association (IBA) had constituted a Working Group with few select Member Banks, FEDAI and SWIFT, under which a Sub-Group on E-Stamping and E-Bank Guarantees (eBG) was formed. The Sub-Group along with the Stock-Holding Corporation of India Limited (SHCIL) came out with "Automated E-Stamping System (AES)" and finalized the procedural guidelines of AES (enclosed). SWIFT India Domestic Service plays the role of the Implementing Agency.

E-Stamping was successfully launched by a few Banks in Delhi, on 22nd August 2019, by using SWIFT messaging system. As a result, the E-Stamp Certificate Number along with the details of the Stamp duty is being embossed on the Bank Guarantee.

After successful launch of the pilot, IBA issued a circular dated September 9, 2019 to all Banks to start utilising the service in order to widen the scope of the digitisation project to include all the States. Since SHCIL is the Central Record-Keeping Agency (CRA) for 22 States, priority was attached to roll out to these States. In these 22 States, end to end stamp duty processing is done by SHCIL and Government department have no developmental or migration work to do. As of now, Kerala is having a separate entity for collecting stamp duty and will have to do some developmental work in order to migrate to AES.

Although the Working Group had put forth AES primarily for issuance of Bank Guarantees, once implemented, its scope can be further extended to all the banking instruments such as loan agreements, indemnity bond, mortgage and forward contracts.

Implementation of AES has the following advantages:

1. E-Stamp Certificate generated is tamper proof. The software/workflow used for printing the Bank Guarantee would be designed such that there is one-to-one correspondence between the e-Stamping Certificate number and the Bank Guarantee. This will prevent issuance of multiple Bank Guarantees against one e-Stamping Certificate number.
2. The e-Stamping Certificate would bear a Unique Identification Number and accuracy/authenticity of the same can be verified by cross checking on the SHCIL Portal.

3. Not having to deal with paper instruments in the current situation of fight against Covid-19 and maintaining social distance
4. Introducing a digital alternative of delivering the stamp duty receipt for completing the documentation process in issuance of bank guarantee, loan agreements, indemnity bond, mortgage and forward contracts and reaping the associated benefits of efficiency without compromising the revenue generating capacity of State Governments
5. Creating the foundation for eBG and Repository of eBG whereby the beneficiaries of BG would be in a position to access the Repository electronically and manage the EBGs issued in their favor

The Government doesn't incur any revenue loss on account of the fact that duty structure for various articles will remain the same. The new system also do not aim at replacing any of the existing system but would be an additional mode for stamp duty processing. It is hoped that over a period of time, AES would be the most user-friendly alternative.

Considering the above benefits, we request your goodselves to approve/adopt the Procedural guidelines for collection of Stamp Duty under "Automated E-Stamping System (AES)" in the State as advised by IBA at the earliest.

Thanking you.

Yours faithfully,

N Ajit Krishnan
Convenor, SLBC Kerala &
General Manager, Canara Bank

Government of Kerala vide G.O(Rt) No.66/2021/TAXES dated 29.01.2021 has issued order for e-Stamping for all denominations related to registreable as well as non-registerable documents with effect from 01.02.2021.

SLBC is awaiting reply from department of Registration regarding the implementation of Automated E-Stamping System in the State of Kerala.

In SLRM 2021, Chief Secretary informed that the e-stamping system of Bank guarantee may be permitted without insisting for the above one lakh limit.

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

SLBC sub-committee on Agriculture convened meetings on 04.08.21 and 08.09.2021 to finalize issuance of Kisan credit Card to tenant/lease/licensed farmers in the State of Kerala. After detailed discussion the following draft submitted by Department of Agriculture.

Directorate of Agriculture Development and Farmers' Welfare

Vikas Bhavan, Thiruvananthapuram – 695033

e-mail:cru.agridir@kerala.gov.in, Phone: 0471-2304481

No:ADFW/5695/2021-TP4 *Date:14-09-2021*

From

Director of Agriculture

To

The Convenor,
SLBC, Kerala

Sir,

Sub:- SLBC- Sub - Committee Meeting on 13/9/2021- Discussion on Kisan Credit Card scheme to tenant/lease/licensed farmers - Revised Draft submitting of -Reg

Ref:- 1) Letter No AGRI-IFA1/117/2021-AGRI dated 08/09/2021

2) E-Mail dated 04/09/2021 and 08/09/2021from the convenor SLBC

Attention is invited to the above mentioned subject .The revised STANDARD LICENSE AGREEMENT FOR AGRICULTURAL LAND has been prepared based on the discussion held on 13/9/2021 , for consideration and necessary action.

STANDARD LICENSE AGREEMENT FOR AGRICULTURAL LAND

This License Agreement is made and executed on this …… day of ….. at ………………… by and between the following Land owner - Licensor(s) on One part and Licensee- Cultivator(s) on other part.

1. Land owner – Licensor (s)

Name (s) :		
D/o., S/o.		
Age :		
Occupation:		
Residing at : *(Permanent/Present)*		

2. Licensee – Cultivator (s)

Name (s) :		
D/o., S/o.		
Age :		
Occupation:		
Residing at : *(Permanent/Present)*		

3. Subject and duration of License Agreement

3.1. The land owner – Licensor transfers possession over the scheduled property and the licensee cultivator except the land parcel for using the land for agricultural and allied activities.

Survey No. ………………………
Extent / Area : …………………………
Situated in : (Village / Taluk / District) ……………………………

Bounded by
North:
South:
East :
West:

3.2 The right over the possession of the land parcel is granted for the duration of …… years with the starting date of ………….. and expiration date of …………….., after which the licensee – cultivator shall give up the possession over the scheduled property unless the party extend the license by mutual agreement.

3.3 If the Land owner – Licensor and Licensee – Cultivator mutually agree to extend the license period, they can do so by entering into new license agreement.

3.4 The Land owner – Licensor(s) guarantees that she/he/they are the absolute owner (s) of the land having inherited/purchased / received the same from ………… on ………………… (date) through a partition/will/sale deed/gift / settlement deed /others as reflected in the following registered document number …………… of S.R.O.

3.5 the Land owner – Licensor guarantees that the parcel of land is free from any encumbrances or restrictions with regard to its use for agricultural purposes.

*4. **Payment***

4.1 For the use of the land, the Licensee – Cultivator shall pay the Land owner – Licensor a license amount either in Rupees or fixed quantity of produce/share of produce / a combination of these in following table.

Form of Payment	*Amount*	*Due Date*
• *Rupees*	*Rs. ………… /month/ year*	
• *Crops in-kind* *(first)* *Type of crop:*	• *Fixed quantity of …………* *(number) ………… (unit eg, kg, quintals, etc.)* • *Share amount of ……. % of the harvested crop/ share amount of …….% of the crop insurance amount received on account of crop loss.*	
• *Crops in-kind (second) if applicable* *Type of crop:*	• *Fixed quantity of …………* *(number) ………… (unit eg, kg, quintals, etc.)* • *Share amount of ……. % of the harvested crop/ share amount of …….% of the crop insurance amount received on account of crop loss.*	

4.2 There shall be a payment of amount by the licensee - cultivator as deposit or advance in favour of the land owner - licensor which shall be adjusted / refunded at the time termination of the agreement, for which a duly stamped receipt shall be given by the land owner - licensor.

*5. **Obligations for Inputs** (applicable only in share cropping)*

5.1 Responsibility for the payment or provision of inputs shall be by mutual agreement of the Land owner – Licensor and Licensee cultivator according to the following table:

	Land owner – Licensor	*Licensee – Cultivator*
Seeds		
Fertilizer		
Pesticides		
Hired labour costs		
Other:		

6. Rights and Obligations of the Land owner – Licensor

6.1 *The Land owner – Licensor shall put the Licensee – Cultivator in possession of the land licensed on the first day of the agreement and shall not interfere with the Licensee- cultivators use and possession so long as the Licensee-Cultivator is in compliance with the terms of the agreement.*

6.2 *The land owner – licensor shall have the right to take back the land at the end of the agreed license period, unless it is renewed by mutual agreement between the land owner-licensor and licensee – cultivator.*

6.3 *The Land owner – Licensor shall have the right to alienate the land licensed by way of sale/ gift / mortgage provided the Licensee – cultivator is allowed to cultivate the land even after the alienation until the expiry of the agreed license period by entering into a new license agreement with the new purchaser of the land as Land owner - Licensor.*

6.4 *The Land owner- Licensor shall be entitled to enter and inspect the scheduled property at the all reasonable time.*

6.5 (a) The land owner – Licensor shall have the right to afford an opportunity to rectify the violation by the Licensee – Cultivator, if he fails

(i) to pay the lease amount as mutually agreed upon in clause 4 of this agreement
(ii) to comply with any other provision of this license agreement

6.5 (b) The land owner – Licensor shall have the right to terminate the license after providing notice of 90 days, if the Licensee – Cultivator uses the land for purposes other than agriculture and allied activities.

6.6 In the event of death of any single Land owner – Licensor, the Licensee - cultivator shall continue to cultivate in the land licensed during the remaining license period, unless the Licensee – Cultivator and heirs of Land owner - Licensor agree to end the license agreement by mutual consent. In the case of multiple Land owner- Licensor, as long as one of the original licensor is surviving, the license agreement shall be valid.

7. Rights and Obligations of the Licensee – Cultivator

7.1 The Licensee – Cultivator shall not acquire any right over the land other than possession and those set forth in this license agreement.

7.2 The Licensee-Cultivator shall vacate the land immediately at the end of the licensed period or after the mutually extended period, without creating any encumbrances during the agreement period.

7.3 The Licensee – Cultivator shall pay the amount in cash or fixed quantity of produce within the time stipulated as per the license agreement.

7.4 The Licensee – Cultivator is liable to the land owner - licensor for any damage to the land / immovable property other than the normal wear and tear.

7.5 The Licensee – Cultivator is entitled to undisturbed possession and use of the agricultural land for the agreed period as per the License Agreement.

7.6 The Licensee – Cultivator shall be entitled to obtain loans, crop insurance, disaster relief or any other related benefits or facilities provided to farmers by the State or Central Government based on their agricultural use of the land.

7.7 The Licensee – Cultivator shall not sublet the premises or transfer his rights over the property in favour of any person whomsoever.

7.8 The Licensee – Cultivator shall keep the licensed property in good condition and shall not carry out any permanent constructions or alterations whatsoever without the prior written consent of the land owner-licensor.

7.9 The Licensee – Cultivator shall pay water, electricity, maintenance charges and any other charges levied by the government authority from time to time except land tax.

7.10 The Licensee – Cultivator's rights under this agreement are not heritable. In the event of the death of a single Licensee – Cultivator during the agreement period, the land shall revert to the land owner – licensor at the end of the crop year, unless the Land owner – Licensor and the heirs of Licensee – Cultivator mutually agree to terminate the license agreement earlier or to continue the license for the remaining license period or any extended period by entering into an agreement. In the case of multiple Licensee cultivators, as long as one of the Licensee – Cultivator is surviving the license agreement shall be valid.

8. Settlement of Dispute

8.1. Any dispute arising in respect of any of the provision of this agreement shall be settled by a three member committee comprising of one representative from LSGI, One official from Banking Institution and One official representing Agriculture Department in the respective Panchayat, which shall be one time settlement.

9. Other Terms

9.1 This license agreement shall NOT create any occupancy right, protected tenancy right or any other related right on the Licensee – Cultivator, other than those rights conferred upon by this license agreement.

9.2 This License Agreement shall / shall NOT be registered under the Registration Act.

9.3 This License Agreement shall be executed in three original copies. The Landowner – Licensor shall keep one copy. The Licensee – Cultivator shall keep one copy and the third copy shall be in the custody of representative of LSGI who has been chosen by the mutual agreement of the land owner – Licensor and the Licensee-Cultivator. All the above agreements shall be countersigned by the representative of LSGI concerned.

Signature in witness whereof, the Landowner – Licensor(s) and Licensee – Cultivator(s) and representative of LSGI have signed this License Agreement on the above day and year herein before first mentioned in token of their acceptance with their own free will and without any undue influence and coercion In the presence of witnesses.

Landowner – Licensor(s) *Representative of LSGI* *Licensee – Cultivator(s)*

WITNESSES :
1.
2.

Kisan Credit Card Loan Scheme for Lease/Licensed farmers scheme guidelines

Sl No.	**Scheme type**	Kisan Credit Card Loan Scheme for Licensed cultivators
2	**Objective**	✓ To promote fallow land cultivation and increase productivity in Agriculture Sector. ✓ To support tenant farmers/licensee Land farmers in accessing hassle free credit from formal channel at lower interest rate.
3	**Operation of the scheme**	All Districts in Kerala State
4	**Purpose**	To provide need based credit facilitiesto needy farmers and licenseecultivators in the form of Kisan Credit Card Scheme based on a tri-partite agreement executed (Model format attached in the annexure).
5	**Eligibility**	a. Individuals - Should be a farmer engaged in licensed farming based on a license agreement. - Should not be a defaulter in any financial institutions. b. SHGs/JLGs - Group engaged in cultivation activities either in owned/licensed (based on license agreement)
6	**Nature of credit**	Short term loan in the form of Kisan Credit Card

	facility	
7	**Quantum of finance**	Quantum of loan to be fixed based on scale of finance. - For individuals the maximum limit may be fixed at Rs.1.60 Lacs without collateral. - For SHGs/JLGs maximum limit may be restricted based on micro credit policies of respective Banks.(Upto10 Lakhs)
8	**Margin**	Based on scale of finance.
9	**Rate of interest**	At par with KCC Scheme of the Banks.
10	**Interest** **Subvention**	ISS and PRI are eligible.
11	**Repayment**	The repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which the loan has been granted. • Each withdrawal under the limit to be liquidated in 12 months for short duration Crop and 18 months for long duration crops • The review may result in continuation of the facility, enhancement of limit or cancellation of the limit/withdrawal of the facility depending upon increase in cropping area/pattern and performance of the borrower.
12	**Security**	a. Prime security: Hypothecation of standing crop. b. Collateral security:Nil up to Rs.1.60 Lakhs (Individuals). Micro Credit policy of individual Banks (SHG/JLG)(Nil upto 10 lakhs)
13	**Co-obligation/** **Personal Guarantee**	Waived
14	**Processing** **Charges**	
15	**Disbursement**	✓ Operations through branch ✓ Operations using Cheque facility ✓ Withdrawal through ATM / Debit cards. ✓ Operations through PoS available with input dealers.

16	**Documents to be obtained from the applicants**	**a.** Know Your Customer (KYC) related documents **b.** License agreement in the attached format. **c.** Letter from Krishi Bhavan stating cropping pattern of the farmer.
17	**Credit Information Report**	Credit Information Report to be extracted and analyzed as a pre-sanction exercise as per extant guidelines.
18	**Others**	Encourage farmers to engage in formal marketing setup - Crop insurance to be made mandatory. If the crop is not covered under PMFBY scheme, the same has to be covered under the State Crop Insurance with Bank hypothecation clause. - Farmers/Cultivators are to be made aware of the operations of the KCC scheme and the importance of renewing the KCC on annual basis. - The farmers should be registered under AIMS portal.

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

Ref: Kerala SLBC/AIF/41/SN/2021 Date: 15.07.2021

Minutes of meeting held on 15.07.2021 to discuss about the Scheme of Agricultrue Infrastructure fund

The meeting commenced at 12.00 noon through video Conference, with **Shri. S Premkumar, Convenor, SLBC Kerala** in the Chair.

Shri Sanjumon V, Divisional Manager, SLBC briefed about the agenda of the meeting to the forum and invited Smt Aarathi L R, IES, the special officer of WTO cell to present the PPT on the Agriculture Infrastructure Fund.

Smt Aarathi L R, IES begun the presentation by enumerating the main features of the scheme mentioned below:

- Convergence with all schemes of Central or State government.
- Online single window facility in collaboration with participating lending institutions.
- Kerala has an allocation of Rs.2520 crores for the entire duration of the scheme.
- Credit Guarantee for a loan up to INR 2 crore - paid by Government.
- Any grant or subsidy available under any present or future scheme of Central/State Govt. can be availed for projects under this financing facility. For example project Sanctioned under PMKSY, PMKUSUM and SMAM
- Interest subvention of 3% p.a., limited to INR 2 crore, though loan amount can be higher.
- Cap on lending rate, so that benefit of interest subsidy reaches the beneficiary and services to farmers remain affordable.
- Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.
- Need based refinance support will be made available by NABARD to all eligible lending entities including cooperative banks and RRBs as per its policy.
- Loans under eligible infrastructures whose first disbursement are made on or after 8th July 2020 are eligible to get benefit
- Banks and LDMs conduct adequate IEC activities to popularize the scheme in the State
    - The various schemes eligible under AMIDH which could be clubbed with AIF are as follows

Component	Subsidy
Nursery (Hitech/Small)	40 % of project cost
TC unit (new/strengthening)	40 %/50%
Protected cultivation	50% of project cost
Integrated pack house	35 % of project cost
Mobile pre cooling units	35 % of project cost
Cold room/Cold storage	35 % of project cost
Refrigerated transport vehicles	35% of project cost
Primary/Mobile/Minimal Processing centres	40% of project cost
Ripening chambers	35 % of project cost
Quality Control labs	50 % of project cost

While concluding the presentation, the special officer, Smt Aarathi IES pointed out few observations made by the department in handling the proposals which are illustrated here below:

a) Although the banks are taking sufficient interest in dealing with AIF proposals, the turnaround time taken in processing the projects are on a higher side.

b) Rate of disbursement of such loans shall be increased

c) In several financial institutions, the farmers are being asked to provide collateral security for availing such loans, even when the loan quantum is less than 2 crores.

The Special officer urged the forum to apprise the Bank branches accordingly and to provide maximum publicity of the scheme to facilitate that the perks of the scheme are reached to the prospective beneficiaries.

DGM, NABARD informed the forum that the activities, under the Capital subsidy scheme of Agriculture Marketing Infrastructure scheme and Agri Clinic and Agri Business Centre (ACABC) scheme, are eligible for convergence with AIF scheme.

i) Agriculture marketing infrastructure scheme

Under the scheme, the Capital subsidy available for storage activities is limited to Rs.1 crore whereas for non-storage activities, it was upto Rs.30.00 lakhs

ii) **Agri Clinic and Business Centers under the scheme**

Under this scheme, the Capital subsidy available is upto Rs 7.2 Lakhs and upto Rs 8.80 Lakhs for the SC/ST entrepreneurs

The DGM informed that although the existing Capial subsidy schemes were extended upto 30.06.2021 and further extension is soon expected from the Central Government.

LDM Kannur requested access for the AIF portal to enable them to disseminate the data regarding the pending applications to the Member Banks

LDM Malappuram suggested that besides placing the matter as an agenda in the DLRC/BLBC meetings, the scheme details could also be communicated to the member banks by conducting online meetings.

Representative from Kerala Bank suggested that an enterprise engaged in food processing activity, if any portion of the entire activity is eligible under the AIF scheme, the proportionate portion may be permitted to be covered under the AIF scheme.

Based on the above discussions, following decisions were arrived on by the forum:

1. State level Agriculture Departments will be having the data regarding the pending applications, which will be shared to the LDMs through SLBC. The Principal Agriculture officer of the districts may also share the related details to the LDMs as and when required.

   (Action: Agri Depts and SLBC)

2. District level Monitoring Committee shall arrange for trainings to Bankers regarding the scheme in coordination with the Department of Agriculture, NABARD and LDMs before the month end.

   (Action: Dept of Agri, NABARD & LDM)

3. The Bank branches shall be advised about the various activities eligible and which could be covered under the scheme thereby passing the benefits of the scheme to the eligible beneficiaries.

   (Action: Bank & LDMs)

4. The beneficiaries eligible under the AIF scheme approaching for loans shall not be insisted for Collateral security up to an amount of Rs 2.00 crores.

5. LDMs shall include the AIF scheme as an agenda in the DLRC/BLBC meeting to provide maximum publicity of the scheme to the Banks & beneficiaries by conducting IEC activities.

   (Action: LDMs)

6. Each district will have a DD credit officer who will be acting as a Nodal agency in the district.

7. Bank branches shall be apprised about the option of converting the eligible portion of the loan under AIF scheme.

   (LDMs and Banks)

The meeting concluded with the vote of thanks by Sri. Sanjumon V, Divisional Manager at 01.15 PM.

S Premkumar
Convenor, SLBC Kerala

3.1.3. Agenda suggested by Director of Agriculture

Credit support to FPO

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 . So it is suggested that credit may be issued for assisting the FPO promotional activities .

Minimum loan ceiling:

Generally KCC is sanctioned as per the scale of finance fixed by the banking sectors .But under this pandemic situation a minimum amount of Rs.25000/- may be sanctioned to farmers for cultivation of crops without considering this scale of finance .

3.1.4 Agenda Suggested by State Horticulture Mission

State Horticulture Mission – Kerala is an agency implementing the Centrally Sponsored Scheme, Mission for Integrated Development of Horticulture (MIDH) in the state. MIDH scheme comprises of both project as well as non-project based activities.

The important project based activities under MIDH include Establishment of Hi Tech Nursery, Small Nursery, Upgrading nursery infrastructure to meet accreditation norms, Setting up of new TC Units, Establishment of Bio Control Labs, Plant Health Clinics, Leaf/Tissue Analysis Lab, Integrated Pack House, Pre-cooling Unit, Cold Room, Mobile Pre-cooling Unit, Reefer Vans, Primary/Mobile/Minimal Processing Unit, Retail Market, Functional Infrastructure for Collection, Sorting/grading, packing units etc. All the project based activities under MIDH are sanctioned to the private beneficiaries, Co-operatives, Public Sector Units, panchayat, registered societies/trust and Public Limited Companies as credit linked back ended assistance. Financial institutions are requested to popularize this among the beneficiaries/potential customers.

Besides, there is a great scope for linking the Agriculture Infrastructure Fund (AIF) with the projects assisted under MIDH. Hence, necessary action may be taken to inform all the district level Lead Banks regarding the possibility of linking the MIDH schemes with the Agriculture Infrastructure Fund (AIF).

3.2 Secondary Sector

3.2.1 Agenda suggested by KVIC regarding PMEGP

1. **Target for -2020-21**

Under PMEGP Basic Scheme		Under PMEGP 2nd Loan		Total Target	
No. of Projects (Nos)	1698	No. of Projects	24	Total No. of Projects	**1712**
Margin Money (Rs. in lakhs)	5094.40	Margin Money (Rs. in lakhs)	222.51	Margin Money (Rs. in lakhs)	**5316.91**
Employment (Nos)	13584	Employment (Nos)	192	Employment (Nos)	**13848**

The physical and financial target has been re-distributed among the IAs (KVIC : KVIB : DIC) based on their potentialie. 25:25:50. The number of projects are indicative, whereas the financial allocation is the deciding factor in achieving the target. The average Margin Money allocation and generation of employment per project is approximately Rs 3.00 lakh and 8 nos respectively.

1 (a) Progress achieved during 2020-21 (KVIC+KVIB+DIC+Coir Board)

State Target: 5094.40 Lakhs (Fresh loans)

Projects forwarded to banks		Sanction Position		Status of M.M. claimed		Status of M.M. Disbursement		Proposals pending at Banks	
1	2	3	4	5	6	7	8	9	10
Nos.	M.M. involved (in Lakhs)	Nos.	M.M. involved (in Lakhs)	Nos.	M.M. involved (in lakhs)	Nos.	M.M. involved (in Lakhs)	Nos.	M.M. involved (in lakhs)
7996	**18390.8**	**2875**	**6249.62**	**2659**	**5857.13**	**2386**	**5217.66**	**1392**	**3694.32**

M.M. claimed is 92% of Project sanction

M.M. Disbursed is 89.73% of M.M. claimed

From the above, the progress achieved stands at **102.42%**of the targetof 2020-21. However, sufficient numbers of proposals are available with banks for credit decision during 2021-22, data placed at **Table no.1**. KVIC being the Nodal agency, the bank wise pendency has been taken up with SLBC-Kerala, Lead Dist.Managers, RBI for its kind intervention. Besides, this matter has also been discussed in various DLRC meetings held till date. Further, the guidelines ensures freedom to Banks for taking a credit decision on proposals forwarded to banks. A time bound decision is very much essential so as to minimize the pendency rather than keeping it beyond the time frame as per RBI norms. If the proposal is found not viable or no sufficient/supporting documents available, the same needs to be rejected on the portal after recording valid reasons so as to take further action by implementing agencies.

1. (b) Major bank wise performance during 2020-21 is given under

Sl.No.	Name of Bank	No. of proposal sanctioned & M.M. claimed	M.M. grant received (in lakhs)
1	Canara Bank	**614**	**1440.50**
2	State Bank of India	**319**	**662.24**
3	Kerala Grameen Bank	**252**	**510.89**
4	Union Bank of India	**216**	**467.09**
5	Federal Bank	**176**	**407.23**
6	Syndicate Bank	**162**	**316.39**
7	Punjab National Bank	**130**	**258.19**
8	Indian Overseas Bank	**99**	**212.13**
9	Bank of Baroda	**87**	**216.80**
10	Indian Bank	**73**	**155.63**

1. (c)Implementing agency wise performance during 2020-21 is given under.

Agency	Projects forwarded to banks		Sanction Position		Status of M.M. Disbursement		Proposals pending at Banks	
	Nos.	M.M. involved (in lakhs)	Nos.	M.M. involved (in Lakhs)	Nos.	M.M. involved (in lakhs)	Nos.	M.M. involved (in lakhs)
DIC	**5411**	**12272.05**	**2198**	**4538.59**	**1795**	**3671.28**	**862**	**2280.48**
KVIC	**1104**	**2682.5**	**276**	**800.23**	**252**	**743.38**	**210**	**645.08**
KVIB	**1003**	**2519.25**	**286**	**776.27**	**274**	**719.70**	**195**	**609.39**
Coir Board	**478**	**917.00**	**115**	**134.53**	**65**	**83.30**	**125**	**159.37**
TOTAL	**7996**	**18390.80**	**2875**	**6249.62**	**2386**	**5217.66**	**1392**	**3694.32**

1.(d)Status of achievement under SC/ST category during 2020-21

Against the total M.M. Target allocated for the State, there is a sub target of 9.10 % and 1.45% for SC and ST category respectively. The performance under the above category for the year 2020-21 is given as under.

M.M. Target	**S.C**	**463.55 lakhs**	**Achievement**	**S.C**	**259.93 lakhs For 152 projects**
	S.T	**73.86 lakhs**		**S.T**	**4.98 lakhs for 6 projects**

From the above, it is evident that the performance under SC/ST category is far behind the desired target and its reason is to be examined and necessary measures need to be taken by all implementing agencies/banks to fulfill the target.

1 (e).Status of Sanction and uploading of M.M. claimson e portal

As per e portal of PMEGP.It is noted thatagainst the sanction of 2875 nos. of projects during 2020-21, M.M. claims of 217 **nos.** has not been uploaded by the financing banks

, which is equivalent to M.M. of **Rs.400.32 lakhs ,**This needs immediate attention of banks. The implementing agencies are to co- ordinate with banks in the matter.

The implementing agencies are to take necessary steps to sort out the issue in consultation with banks. KVIC has already forwarded data on the above to all I.A s seeking their immediate intervention andto ascertain the factual position of sanction/disbursement/M.M. Claim/M.M. receipt . In case of improper sanction , the same is to be corrected on portal. In addition to this, the e portal shows many referred back proposals for want of various documentsfrom I.As . A dead line received in this regard from the Dte. Of PMEGP-KVIC-Mumbai –ie.before end of August 2021- has been also informed to I.A s .

2. <u>Target and progress during 2021-22</u>

Under PMEGP Basic Scheme		**Under PMEGP 2nd Loan**		**Total Target**	
No. of Projects (Nos)	2199	No. of Projects	25	Total No. of Projects	**2224**
Margin Money (Rs. in lakhs)	6623.00	Margin Money (Rs. in lakhs)	280.70	Margin Money (Rs. in lakhs)	**6903.70**
Employment (Nos)	17592	Employment (Nos)	200	Employment (Nos)	**17792**

The number of projects is only indicative, where as the M.M. disbursement is the deciding factor for achievement. The M.M. target allocation made by Central Office of KVIC for the current FY is all time high and hence the implementing agencies have to chalk out appropriate action plan to achieve the target as immense potential under micro sector exists in Kerala State.

As has been done in the previous years, the implementing agency wise M.M. allocation is made in the ratio 25:25:50 for KVIC,KVIB and DIC respectively for the FY 2021-22.With regard to Coir Board, there is no separate target earmarked , hence it is considered inclusive of Coir Board for coir based projects.

Agency	Margin Money Target for **fresh loans**(in lakhs) for 2021-22
KVIC	1655.75
KVIB	1655.75
DIC	3311.50
Total	**6623.00**

No separate target allocation is made for second loan/up gradation under PMEGP among the I.As. All implementing agencies together have to initiate efforts to generate applications to achieve the target under "PMEGP 2nd Loan". Necessary publicity will also be given by KVIC in this regard.

2.(a) Performance during 2021-22 as per PMEGP portal (as on 10-08-2021)

Agency	**Proposals forwarded to banks (nos.)**	**Sanction position (nos,)**	**M.M. disbursed (in lakhs)**	**Pendency (nos.)**
DIC	**896**	**302**	**890.30**	**685**
KVIB	**198**	**41**	**156.43**	**151**
KVIC	**322**	**52**	**149.51**	**242**
Coir	**73**	**13**	**28.27**	**43**
Total	**1489**	**408**	**1224.51**	**1121**

The above table shows performance in terms of M.M. disbursement is 18.50% during 2021-22 and as on 10-08-2021

The year wise total pendency of projects with banks is given below.

Table.No.1

Year	No. of proposals pending with banks for decision	M.M. involved (in lakhs)
2019-20	481	1104.98
2020-21	1392	3694.32
2021-22	1145	3169.83
Total	**3018**	**7969.13**

The above pendency has been discussed in previous SLBC and various Dist. level review meetings conducted by Lead Banks for time bound action.

While communicating the targets, it is informed by the Dte. of PMEGP that ,the State wise performance will be reviewed at a later stage and the target could be enhanced on the better performance of the State concerned. Further, M.M. target for SC and ST category in the ratio 9.10% and 1.45% has been fixed which is to be adhered strictly by all implementing agencies and financing banks. **As regards to EDP training**, online EDP facility embedded with e portal of PMEGP can be effectively utilized by the applicants after sanction of loan but prior to disbursement of loan installments. EDP conducted RSETI'S are suspended owing to State Govt. restrictions due Covid-19 pandemic .

3. Inclusion of Private and Co-Operative banks under PMEGP

As the part of inclusion of more banks in the implementation of PMEGP, and to map with e portal, the Dy.Chief Executive Officer (PMEGP), KVIC, has informed State Office-KVIC to get approval of SLMC and to forward the list of banks to Central Office. As per procedure in vogue, this has to be done by assessing the three year balance sheets and lending portfolio towards various Govt. sponsored schemes by the bank. . The State Office KVIC has informed the following major Private and Co-Operative banks with PMEGP scheme details and solicited their participation in the PMEGP. The proposals received from banks will be placed in the State Level Monitoring Committee (SLMC) on PMEGP for deliberations and decision.

Sl.No.	Name of Bank	No. of branches operational in the State.
1	ESAF bank	277
2	Kerala Bank	769
3	Indus Ind Bank	74
4	Axis Bank	144
5	HDFC Bank	213
6	ICICI Bank	176

4. **Physical Verification of PMEGP units**

Physical verification(P.V)of PMEGP units is mandatory for adjusting the M.M. grant. The Central Office of KVIC has entrusted the work to M/s Genesys International Corporation –Mumbai which is selected as National agency for the said work. The P.V. will be conducted by the said firm using a mobile application and Geo tagging. Though the authorized personnel has visited KVIC office in the month June 2021, collected necessary data and made discussions with KVIC; the said firm is yet to commence the P.V of PMEGP units financed during the period from 2016-17 onwards and up to 2018-19 . The M.M. adjustment for the units set up during 2017-18 is already delayed due to non conduct of the P.V. The implementing agencies are in receipt of requests from banks and beneficiaries as well., since the three year lock in period has already been completed, and the adjustment of M.M. is due. In view of the pandemic induced circumstances, the requests of beneficiaries/banks are also genuine so as to reduce the their liabilities with banks. The matter will be placed in the SLMC for its consideration and a suitable decision if P.V by out sourced agency is delayed further.

3.2.2 Agenda suggested by Department of Industries

Item No 2
COVID Samashwasa Padhathi

As part of its efforts to support the MSME sector, Government has formulated a relief package called COVID-19 Samaswasa Padhathi.

The package includes the following relief measures in connection with the schemes being implemented by the Directorate of Industries and Commerce.

1. Relaxations to Vyavasaya Bhadratha Interest Subvention Scheme : The Interest Subvention Scheme announced in 2020 Vyavasaya Bhadratha package will be extended to one more year, till 31st December 2021.As per this scheme, all eligible MSMEs availing institutional finance will be assisted with a 50% interest subvention for a period of 12 months. The total eligible assistance will be up to Rs 1,20,000 per unit. An estimated 5000 number of MSMEs are likely to avail this benefit with an overall package of Rs 400 Crores.

2. Increasing the assistance under Entrepreneur Support Scheme : The overall subsidy that can be availed by an eligible unit will be increased from Rs 20 Lakhs to Rs 30 Lakhs, for certain categories and Rs 30 Lakhs to Rs 40 Lakhs for priority Industries and industries in backward districts.Women, Youth, SC/ST and Non- Resident Keralites (NRK) will be get 25% of the assistance under this scheme. Priority Industries – Rubber based, Agro based, food processing, ready made garments, non-conventional energy generation, equipment & Machinery manufacturing industries, bio-technology industries and 100% export-oriented units, bio-degradable plastic and plastic waste reclining industries and bio-fertilizer industries will get 10% additional assistance.

3. Expanding the scope of assistance to Nano units : The Nano units engaged in service activities will become eligible for assistance under the scheme for margin money grant to Nano units. By this endeavor, close to 600 service sector Nano units are likely to get the margin money assistance with overall loan amount of Rs 60 Crores.

4. The Interest Subvention Scheme for Nano Units : As of now, the interest subvention scheme is allowed only for units with a capital investment of Rs 5 Lakhs. Now it is proposed to include all Nano units with capital investment up to Rs 10 Lakhs for this assistance. In addition to this, all the service sector Nano units with capital investment of Rs 10 Lakhs will also become eligible under the scheme. The loan that can be availed by Nano units as a result of this expansion will be around Rs 30 Crores.

Active intervention from financial institutions is required to identify eligible applications under the above schemes.Hence directions may be given from SLBC to all the banks to popularize the above scheme and to extend necessary support to the department.

3.2.3 Agenda suggested by NORKA – NDPREM

Delay in Release of Capital and Subsidy Claims under NDPREM

NDPREM is a project for returned emigrants under Norka Department for the rehabilitation of the overseas returnees. This programme intends to enable the member to identify their strengths and skills and nurture them to be capable enough to start small enterprises. As a part of the scheme, 16 financial institutions are associating with Norka Roots . As per the MOU, banks will sanction the loan according to their rules and regulations as term loan/composite loan to the beneficiaries.. Norka Roots releases capital subsidy of 15% of the total project cost, subject to a maximum of Rs.3 lakhs and interest subsidy for 3% for the first 4 years to those beneficiaries who are regular in payment.

Now we are receiving a number of enquiries / communications with regard to capital subsidy and interest subsidy dues from the beneficiaries who have availed loan during 2014-16 and various branches are still forwarding selected capital subsidy claim for the above period. A large number of applications and capital and interest subsidy claims are still pending with various branches. This delayed response from the banks creates lot of hardship to the loan applicants and affects the very purpose of the project.

Hence, State Bank of India & Canara Bank have already been requested to forward the list of pending/progressing loan application to Norka Roots and to issue necessary guidance to branches to forward pending capital/interest subsidy claims so as to provide the benefit of subsidy to the beneficiaries.

In the circumstances, it is requested to place the above issue before the next SLBC meeting and necessary instructions may be given to the respective banks to take immediate action in this matter for the uninterrupted continuance of the scheme.

3.3 Teritary Sector

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

Ref: Kerala SLBC/RSETI/81/2021/SSP **Date: 22.09.2021**

Minutes of Meeting with RSETIs to discuss the Status of Land allotment for RSETIs Building held on 10.09.2021

An online meeting was convened on September 10, 2021 by SLBC, with Directors of RSETIs and Lead District Managers (LDMs) of all districts to review the Status of Land allotment for the construction of RSETIs Building.

Sri. Sanjumon V, Divisional Manager welcomed the participants and detailed about the back ground of the meeting and sought for updates regarding the allotment of land for RSETI buildings and the ongoing building constructions in each districts.

The LDMs and RSETIs shared their views and suggestions as below:

a) **RSETI Trivandrum**:
26.93 cents of land were allotted for RSETI building. Now RSETI wanted to appoint a new architect and retender process is going on. But allotted land is having only 2.42 meter wide road access hence Corporation is not giving approval. Alternate road access obtained and seeking approval from Corporation.

b) **RSETI Kollam:**
In the absence of Director, the faculty informed the present status. Land with 66 cents allotted adjacent to Navodaya Vidyalaya, Kottarakkara and the land is demarcated by compound wall. Detailed Building Plan and estimate submitted for approval with LSGD authorities. The Building overseer has submitted his report of land inspection and the file is with the Building Engineering Section Kottarakkara. They have already finalized architect for the Building construction and supervision.

c) **RSETI Alappuzha:**
Aryad Block Panchayat had allotted 50 cents of land for RSETI in 2010 and MOU was also signed. Construction is about to start. State Bank of India has allotted fund for construction of the building and appointed an Architectural Consultant, M/s Prima Arch, and Chertala. Site visit report is ready and Plan is submitted for approval. Further discussions are going on and construction will start within a reasonable period of time.

d) **RSETI Kottayam:**
Meeting was attended by Director, Mr. Sunil Dutt. Kottayam RSETI was allotted by 50 cents of land in Pallom Block Panchayat and the site clearance by removal of trees requires prior approval from Forest Department. Director has confirmed that after 15th Block Panchayat meeting CPWD will enter into a new tender and the work may start within a short span of time.

e) **RSETI Ernakulum:**

Mr. Varghese Joseph represented the meeting and informed that the building for RSETI is functioning in own building since 2018. RSETI reported some major issues like Non availability of water connection and proper motorable road access.

f) **RSETI Idukki:**

RSETI Director Mr. Rajagopal attended the meeting and updated the status of land acquisition for Idukki RSETI. A land with 50 cents offered by Nedumkandam Block Panchayat in 2015 and later it is noted that the revenue documents are not available. Hence the site for RSETI building is not finalized yet.

g) **RSETI Pathanamthitta:**

Mrs. Saramma Varghese represents the meeting and informed the present status and their requirements. As per the Government Order, 34.20 ares of land in survey no 43/1 in Pandalam Village was allotted to RSETI Pathanamthitta, where erstwhile Pandalam Block Office was functioning. MoU was signed on 07.04.2014, for establishing RSETI with suitable modifications of the existing building. But the land was not handed over to the bank and the offices of ICDS and Dairy are still occupying the building.

In addition to this, a Gram Nyayalaya is also allowed to function in the building. Construction of a new building for RSETI with approximately 8000sq ft as per MORD guidelines is possible in the land only after demolishing the existing building. Director RSETI Pathanamthitta requested to get the permission for demolishing the existing buildings in the allotted land and hand over vacant possession of the allotted land.

h) **RSETI Thrissur:**

Mr Janish, Director has been represented the meeting and as per his information building construction of RSETI Thrissur completed in 2016 and the same building is capable for accommodating 40 male and 40 female.

i) **RSETI Malappuram:**

Mr. Jithendran, LDM attended the meeting and informed that RSETI building is functioning in Own residential building and the no major issues faced.

j) **RSETI Palakkad:**

Lead District Manager Sri Sreenath R P represented RSETI Palakkad. The formality to allot 54 cents of land in Thenkurissi of Kuzhalmannam Block, Palakkad for RSETI is under progress. Competent Authority at District Level has recommended the proposal and forwarded to Commissioner of Rural Development, Thiruvananthapuram for their consideration.

k) RSETI Kozhikode:

Meeting was attended by Director, Mr. Muraleedharan and the acquisition of land allotment for RSETI building is in the final stage.

l) **RSETI Kannur:**

RSETI building construction was completed in 2011 and the functioning in new premises is going on smoothly.

m) **RSETI Wayanad:**

Presently RSETI is working in rented building and land with 50 cents allotted at Sulthanbathery. The approach road to the plot is not yet demarcated by the BDO even after the repeated requests. Hence the issue is escalated to SDR and SBI LHO, Trivandrum.

n) **RSETI Kasaragod:**

RSETI functioning in own building and no major issues reported.

Based on the views and suggestions from all RSETIs, it is decided to take up the issues faced by each RSETIs in acquisition of land and construction of the proposed building into notice of the Commissioner for Rural Development. The meeting was concluded at 4.15 PM.

S Premkumar
Convenor, SLBC Kerala &
General Manager
Canara Bank

3.3.2 Agenda by Suggested by LDM Idukki

1) **Network issue faced by Union bank of India, Upputhode Branch, Idukki**

Branch is a rural branch and functioning on VSAT. There is no Leased line and most of the time branch is doing day end by going to nearby branches. ATM also not functional most of the time due to network issue which invites public outrage and complaints. We had taken up the issue through SLBC for leased line under BharatNet Broadband Scheme but so far there is no progress.

3.3.3 Agenda suggested by ANERT

Proposal for availing loan by individuals for Roof Top solar installation at reasonable rate request to take up as agenda in SLBC-reg.

As part of the allotted capacity by MNRE, Govt. of India, ANERT is implementing along with KSEB ,200MW of Solar roof top in Kerala. As it is highly essential project to achieve. India`s international commitment towards carbon emissions and we request this to be considered as part of an agenda of SLBC. As the execution requires initial investment by beneficiary/customer, support of banks thorough lending at reasonable rate can help in expediting the project.

Proposal for extending Bank Credit for installation of rooftop solar as an express credit to increase the penetration of rooftop solar.

1. **Solar Industry Scenario:-**

India has its commitment to reduce greenhouse gas emissions for which shift to renewable energy sources will be the major helping factor. Decentralized solar systems will be most important way to effectively utilize Solar energy, and rooftop solar is the best way to achieve this. Even though Government of India is supporting by extending subsidies, the penetration was not at desired level due to its initial investment the beneficiary must put upfront.

Kerala has only 30% of its Power generated in house and the remaining being sourced from Open market at the prevailing price. To overcome the market fluctuations and to provide quality power continuously at cheaper price, there is a need to increase its footprint in renewable energy. As land is a limiting factor unlike other states, rooftop solar Will be the way to go to achieve this goal.

2. **About ANERT:**

Agency for New and Renewable Energy Research and Technology (ANERT) is an autonomous organization established during 1986 under Societies Act by the Government of Kerala, now functioning under power Department, with its Head Quarters at Thiruvananthapuram.

ANERT is the State Nodal Agency (SNA) of Ministry of New and Renewable Energy (MNRE), Government of India. The agency has the mandate to promote and expand the growth of efficient energy use of renewable energy in the state of Kerala. The primary objective of the agency is to develop, coordinate, finance and promote research projects in the new and renewable energy field. Among other responsibilities, the agency aims to devise programs for development of appropriate new technologies with an aim to increase productivity of the renewable energy resources. To partly achieve this, ANERT wishes to co-ordinate and intensify technology up gradation in the solar energy sector by using its infrastructure.

The Agency is better known by its acronym ANERT and has become a synonym for Renewable Sources of Energy and Energy Conservation in the State. ANERT is guided a Governing Body (GB) chaired by the Minister of Electricity, Govt. of Kerala to provide guidelines for ANERT's activities in various energy related areas. The GB structure is mentioned in the application form.

ANERT has district level offices in all 14 districts of Kerala, located in the respective district head quarter itself.

3. **MNRE programme:**

In February 2021, M/s KSEBL released tender document for empaneling contractors for implementing grid connected roof top solar PV plants of various capacities aggregating to 200 MWp under SOURA subsidy scheme in domestic sector in line with the phase II subsidy program of MNRE. The tender was concluded for capacities above 3 kW with allocation to bidders up to 100 MW.

The next phase of the tendering process covering beneficiaries who have registered for capacity below 3 kW is now in progress. Of the total 100 MWp capacity, 25 MW projects is allotted to ANERT for implementation. The empaneled developer list with discovered rate as per this tender would be handed over to ANERT and developers shall execute 25 MW projects for consumers registered through ANERT.

ANERT wishes to implement the MNRE program based on the below calculation,

Capacity (kW)	Tentative Plant Cost (Rs)	Benchmark Cost (Rs)	MNRE CFA Share (Rs) – 40% of Benchmark cosr	Beneficairy Share (Rs)
1	62,500	51,000	20,400	42,100
2	1,20,000	93,960	37,584	82,416
3	1,65,000	1,37,280	54,912	1,10,088
5	2,44,748	2,23,200	71,424	1,73,324
6	2,93,698	2,67,840	80,352	2,13,346
7	3,42,647	3,12,480	89,280	2,53,367
8	3,91,597	3,57,120	98,208	2,93,389
10	4,89,496	4,46,400	1,16,064	3,73,432

4. Return calculation against loan amount

Example: Plant Capacity: 3 kW (DC)

Benchmark price for by MNRE for FY 2021-2022: Rs 45,760 per kW

Assuming that the discovered price in KSEBL tender is Rs 55,000/- per kWp, the system costs are calculated as follows:

Cost of the solar plant 3 kW capacity discovered through tender is Rs 1,65,000/-

Base cost for calculating subsidy is Rs 1,37,280/-

Subsidy amount is 40% of above i.e., Rs 54,912/-

Therefore, beneficiary share shall be Rs 110,088/-.

Tariff for LT domestic is Rs 6.90/kWh with average monthly energy consumption up to 400 kWh.

Energy developed by 3 kWp Solar Plant per month, in Kerala – 360 kWh. This would save an amount of Rs 2,484/- per month for the beneficiary. **This saving would enable the beneficiary to close the loan amount in 54 months. i.e., nearly 5 years' time**. The plant life is 25 years and the rest of the period, energy saving is a bonus to the beneficiary.

Note: - The above example is only for representative purposes, but beneficiary have the liberty to install solar plant based on their requirement.

As seen from the above calculations, the beneficiary contribution is almost around, the amount where most banks are now extending their express loans.

Since the amount of beneficiary share comes with in the limit of Express credit limit, the loan shall be extended to all individuals for installing Roof Top solar in the state. However there might be delays occur initially in integrating our E market (BUYMYSUN) place of ANERT with banks .

Hence Initially we propose bank to start the scheme with Salaried persons and existing home loan customers for speedy implementation of the programme in the state.

We also suggest later the same shall extended to all the customers as per the parameters fixed by bank for issuing the Express loan facility.

5. Details about how we planned to go with scheme.

ANERT has an online portal for E marketplace, which has been very successful and has history of doing business of Rs 32,00,00,000 till date. The e market Place called **"buymysun"** is the place where vendors exhibit their product and buyers place order directly to the vendors. The vendors in the e-portal will be selected based on the tender criteria fixed by KSEB. The subsidy components are also distributed to the beneficiaries through the same portal. The portal is being simplified to make it more user-friendly and complete the transaction in under five minutes. ANERT wishes to bring in Bank integration of extending loan to the beneficiary in this portal directly or any other simplified way banks wishes so as to make extending loan to willing beneficiaries quicker. Ola for their electric scooters developed an app where in customer can opt for bank loan from any of the 9 financial institutions and the EMI is also fixed for each model and the entire transaction of placing order for bike is completed in under 5 minutes. We wish to devise a similar scheme with the support of banks and make an attractive loan available to customers so that they evince interest and participate in this revolution.

Hence, considering the urgency of this moment and the importance of renewable energy penetration in the state we request you to be a part of our efforts in successful implementation of this program, and request to come with attractive interest rate to be a part of this program.

Chief Executive Officer
ANERT

3.3.4. Agenda suggested by SC Development Department

<u>പട്ടികജാതി വിഭാഗക്കാരുടെ വിദ്യാഭ്യാസ വായ്പ</u>

പട്ടികജാതി വിഭാഗത്തിൽപ്പെട്ടവർക്ക് വിദ്യാഭ്യാസ വായ്പയിൽ ആനുകൂല്യം അനുവദിയ്ക്കുന്ന പദ്ധതി പ്രകാരം 4 ലക്ഷം രൂപ വരെയുള്ള വിദ്യാഭ്യാസ വായ്പകളിൽ കുടിശ്ശിക തുക എഴുതി തള്ളുന്നതിന് ഗുണഭോക്താവ് നേരിട്ട് വഹിക്കേണ്ടുന്ന 40% തുക വകുപ്പ് മുഖേന അനുവദിച്ച് നൽകുന്നതിന് (ബാങ്കുകൾക്ക്) ലഭ്യമായിട്ടുള്ള അപേക്ഷകളിൽ യോഗ്യരായവരുടെ ബാങ്ക് തിരിച്ചുള്ള ലിസ്റ്റ് ലഭ്യമാക്കുന്ന വിഷയം ശ്രദ്ധയിൽപ്പെടുത്തുന്നു.

<u>പട്ടികജാതി വിഭാഗത്തിൽപ്പെട്ട വ്യവസായ സംരംഭകർക്ക് ബാങ്ക് വായ്പ</u>

പട്ടികജാതി വിഭാഗത്തിൽപ്പെട്ട വ്യവസായ സംരംഭകർക്ക് ബാങ്കുകളിൽ നിന്ന് ലോൺ അനുവദിക്കുമ്പോൾ കുറഞ്ഞ പലിശ നിരക്കിൽ ലോൺ അനുവദിക്കുക, പട്ടികജാതി വികസന വകുപ്പിന്റെ സ്വയംതൊഴിൽ പദ്ധതിയെ ബാങ്കുകളുടെ Prime lending ഉൾപ്പെടുത്തി Prime lending Rate ബാധകമാക്കുക എന്നീ വിഷയങ്ങൾ ശ്രദ്ധയിൽപ്പെടുത്തുന്നു.

3.3.5. Agenda suggested by Reserve Bank of India

1. बैंकों द्वारा छात्र खाते खोलना। Opening of Student Accounts by banks.

The Kerala State Commission for Protection of Child Rights (KeSCPCR) vide order dated April 5, 2021 has directed Reserve Bank of India to issue appropriate directions to all banks/ financial institutions to open students accounts immediately on receipt of applications from customers for the same (copy enclosed).

Against this backdrop, SLBC Convenor bank should advise all member banks to open student accounts immediately on receipt of applications from customers and also avoid any delay in opening such accounts. Para 24.6 and 24.7 of the Master Circular on 'Customer Service in Banks', issued vide DBR No. Leg.BC.21/09.07.006/2015-16 dated July 1, 2015, has directions to the banks on treatment of certain savings bank accounts opened for credit of Scholarship amounts under Government Schemes.

Similar instructions as applicable to RRBs is contained in circular RPCD. RRB. RCB. BC.No.32/03.05.33/2014-15 dated September 10, 2014 on 'Treatment of accounts opened for credit of Scholarship Amounts under Government Schemes', respectively.

SLBC Convenor bank is also advised to inform all member banks that RBI instructions on opening of accounts should be implemented without causing any inconvenience to the customers and any violation or deviation by the banks would be viewed seriously.

2. डिजिटल भुगतान पारिस्थितिकी तंत्र का विस्तार और वृद्धि
Expanding and Deepening of Digital Payments Ecosystem

With a view to extending the project of Expanding and Deepening of Digital Payments Ecosystem to more districts, SLBC has been advised by RBI to identify one or two districts in the State, in consultation with member banks and other stakeholders, for the purpose of implementing the project in those districts and making them 100% digitally enabled. The districts may be chosen after a feasibility assessment considering factors such as availability of digital infrastructure/ internet connectivity, literacy level among the population, etc. and may be allotted to a bank with significant presence in the district, which may act as the Nodal Bank to ensure implementation of the programme in the district(s). The details regarding implementation of the programme are available in the guiding document forwarded to you vide email dated August 3, 2021.

The overall progress under the programme shall be reviewed in SLBC/ UTLBC meetings. Finer aspects of the programme such as financial literacy efforts, connectivity issues, creation of digital infrastructure, etc. may be deliberated in meetings of Sub-Committee on FI/ FL and Digital Payments. These Sub-Committees may also endeavour to find feasible solutions to the impediments faced in achieving the objectives of the programme.

SLBC has convened a meeting of Member Banks on 28.09.2021 to identify one more district for in the State for the purpose of implementing the project expanding and of Deepening of digital payment ecosystem. The forum unanimously selected Kottayam district for the project.

INFORMATION NOTE

4.1 . Suggested by MSME – DI, Thrissur

1. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) is jointly set up by Ministry of Micro, Small & Medium Enterprises (MSME), Government of India and Small Industries Development Bank of India (SIDBI) to catalyze flow of institutional credit to Micro & Small Enterprises (MSEs). Credit Guarantee Scheme (CGS) was launched to strengthen credit delivery system and to facilitate flow of credit to the MSE sector, create access to finance for unserved, under-served and underprivileged sector making availability of finance from conventional lenders to new generation entrepreneurs. However, this institute understand that the credit provided under this 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. It is requested to deliberate the matter in SLBC forum and issue necessary guidance to the financial institutions to take a favorable approach to sanction loan to MSMEs under this scheme for all feasible and viable projects.
2. Ministry of MSME vide O.M No.5/2(2)/2021-E/P&G/Policy dated 2.7.2021 it has been informed that Retail and Wholesale traders are also included in MSME Sector and they are allowed to be registered on Udyam Registration Portal and are eligible for Priority Lending from financial institutions. Kindly issue necessary orders to the financial institutions for the same. As per the latest orders of Ministry of MSME, even street vendors can take Udyam Registration. This facility may be used for vendors who have been provided aid under PM-SVANIDHI yojana so that they could also become part of the formal sector.
3. Udyam Registration is the new registration for the MSMEs. All Financial Institutions may be directed to advise their MSME clients to shift to Udyam Registration immediately.
4. All Financial Institutions may be advised the eligible MSME clients to utilize the provision under TReDS and also utilize GeM for marketing the products