

Minutes of the State Level Review Meeting 2019 held on 25th June, 2019 at Hotel Residency Tower, Trivandrum
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The plenary session of the State Level Review Meeting of SLBC Kerala commenced at 10am with Sri Tom Jose IAS, Chief Secretary, Government of Kerala and Smt A Manimekhalai, Chairperson, SLBC Kerala & Executive Director, Canara Bank in the chair.

Smt. G.K Maya, Convenor SLBC Kerala & General Manager, Canara Bank, welcomed all the dignitaries and the members to the Plenary Session of SLRM 2019. She stated the following

- We could achieve 97% of our ACP.
- 2 out of the 3 sectors of Credit were over achieved.
- Primary Sector achievement was 110%.
- Secondary Sector achieved 102%.
- Tertiary sector too clocked 74% achievement.
- 8 out of 14 districts achieved Primary Sector Target.
- 7 Districts achieved Secondary Sector Target among them Idukki and Wayanad Districts too achieved 103% and 105% respectively. The least performing districts were Kannur at 73%, Palakkad at 74% and Kottayam at 75%, Growth Rate- 15.35%.
- The State's CD Ratio as at March 2019 was at an all time high of 66.84% (67%) compared to the March 2018 level of 64.12% & March 2017 level of 62.38%.
- If we include Cooperative Banks, the CD Ratio for the State comes to 67.52%. The highest CD Ratio registered is that of Wayanad at 134.42% followed by Idukki at 124.99%, the lowest is Pathanamthitta at 28.88% and Alappuzha at 48.31%.

We had implemented flood relief measures that were out-of-the box, as in the case of Housing Loans, Education Loans, MSME Loans – segments which were outside RBI Policy.

- The resounding success of the RKLS -- consumption loans upto 1 Lakh through Kudumbashree with relaxation in terms and interest subvention from government. 1,65,769 families were supported by disbursing 1395 Crores by all banks put together
- Ujjeevana Scheme -- taking off now aimed at rejuvenating the MSME Sector.
- Lastly the light at the end of the tunnel for the ailing Cashew Sector -- The path breaking joint initiative of State Government and Bankers is at last seeing its culmination. We are witnessing the return of thousands of women labourers back to their traditional livelihoods through the reactivation and revival of the Cashew Factories at Kollam.

There was also the dark cloud in the horizon in the form of suicides starting with farmers' suicides in Wayanad & Idukki and lately the unfortunate incident at Neyyattinkara. Each incident is different but everywhere the prime accused are the Bankers. While the act of suicide has become common and recurring in the literate state of Kerala, it is only when there is a link to a Bank Loan that public outcry and mass protests happen, powered by sensational reporting by media. Banking industry is a highly regulated one where public sector banks are expected to discharge responsibilities of national importance while working within the rigid, well laid out norms prescribed by

the regulator, RBI. Policy matters are outside the purview of even the head of a bank, leave alone the Zonal Head. With the thrust on bringing down NPAs so as to make the banking system robust, banks' focus is on recovery. The Banking system cannot move forward without recovering the credit advanced. At the same time banks do have a responsibility to take care of their customers' rights, to handhold them at critical times and not to forget the bankers' primary responsibility to repay the customers' deposits with interest promptly. With the increasing deterioration of financial discipline in present society, led by consumerism on account of hike in disposable income, banks face the problem of mounting NPAs. The need of the hour is to create awareness regarding the role of Banks in society and the importance of prompt repayment of loans. It is with this intention that SLBC released an educational advertisement in the newspapers focusing on the need for good repayment culture and sensitizing the public on the recovery measures. It is unfortunate that this has evoked so much of negative reactions from all quarters. An initiative taken for a noble cause with good intention has been so blatantly misconstrued. She reiterated that in a post modern society like ours, the onus is on all stake holders -- the banks, the government, the public -- and lastly the all powerful media -- to think and act with maturity, clarity and prudence so that any kind of public outrage does not happen. A resurgent Kerala rebuilt with the sweat and blood of all of us, soaring high in India's horizon -- that should be our common dream.

While concluding her address, Smt. G.K Maya once again welcomed all the dignitaries and honourable members for the meeting.

Sri. Pinarayi Vijayan, Hon'ble Chief Minister of Kerala in his address stated that

- The state had borne the brunt of multiple natural calamities in the last two years, Hence the state had requested the RBI to extend the moratorium of farmers loans till December 31st this year. However, RBI is yet to come out with its decision.
- The state would approach the Reserve Bank of India for seeking extension of the moratorium on agricultural loans till December 31st, 2019.
- Banks must accept the reality and should avoid technicality when it comes to matters regarding the sufferings of farmers. Banks have a social responsibility to support those who are financially backward in the society
- Decline in the price of agricultural produce is a major problem faced by the farmers across the country. The State Government is taking measures to strengthen paddy procurement and public distribution system.
- He urged the Bankers' Committee to be more proactive in providing debt relief in cashew sector.
- The Credit Deposit ratio of banks in Kerala is 67% only which is lower than the national average. The Bankers' Committee should take adequate steps to increase the ratio as it affects the economic growth of the state.
- The committee should deliberate on how to mitigate the stricter provisions of the SARFAESI Act. He urged that the provisions relating to maintaining of citizens' right to occupancy should be reconsidered.

Sri. Sunil Kumar, Agricultural Minister, Government of Kerala in his address stated that a special cabinet meeting has decided to extend the moratorium on loan-recovery proceedings on agricultural loans and loans to those borrowers whose income is largely from agriculture and allied activities to December 31st 2019 from the earlier deadline of July 31st. After the cabinet decision, sub-committees were formed in Idukki and

Wayanad districts to avoid attachments of property. Banks are directed to move on with SARFAESI procedures only after the subcommittee's inspection. An advertisement from the State Level Banker's Committee (SLBC) that appeared in leading dailies in Kerala had upset the government, as it stated that bank will start recovery procedures on farmers defaulted loans after July 31st 2019. He added that the state government will lead a delegation of top state officials to meet Reserve Bank (RBI) Governor in this regard. Banks must accept the reality and should avoid technicality when it comes to matters regarding the sufferings of farmers. Banks have a social responsibility to support those who are financially backward in the society.

He stated that Section 31(i) exempts agricultural land from the provisions of the SARFAESI Act. But in Kerala, banks 'misinterpret' the law to mean only paddy fields. Paddy fields constitute only 2.20 lakh hectares plus another 90,000 hectares lying fallow. On the other hand, coconut farming covers 7.5 lakh hectares and rubber 11 lakh hectares. Other agricultural crops cover several lakhs of hectares. But the exemption from the Act is offered only to paddy land. He urged the banks to take corrective measures.

He urged the forum to take stern measures to curb the misuse of the low interest-rate agricultural gold loans. He stated that these loans were meant for farmers. But in reality, farmers were being deprived of the money as the banks are issuing the loan to non-farmers. He urged bankers to either issue these loans only through Kisan Credit Cards, or on certification issued by agricultural officers.

Sri. Tom Jose IAS, Chief Secretary, Government of Kerala in his address stated that the State of Kerala is going through hard times. Last year the state had witnessed an unprecedented natural disaster. To built the state back to a position which is better than what it was, prior to floods is a stupendous task which requires cooperation and support from all quarters.

The state government is very keen in assisting the farmers in times of their trials and tribulations and had therefore made a request to the SLBC, which took up the matter with Reserve Bank of India.

On 6th March, 2019 SLBC subcommittee on natural calamity took certain decisions. The committee decided that SLBC would write to RBI to extend moratorium on agriculture loans and loans of those borrowers whose income is mainly from agriculture and allied activities till 31st December, 2019 which the state government has been requesting. This is of paramount importance to the state government as it directly affects the farmers' livelihood.

Regarding permission for retaining the asset classification at par with relaxations permitted for MSME borrowers. The Reserve Bank of India has been reluctant in acceding to our request. RBI is ought to take a more lenient view on the issue raised by the government.

On 26th March 2019, RBI expressed their inability to grant further extension for restructuring and rescheduling of loan accounts of calamity affected borrowers. He urged the SLBC forum to take up the matter with RBI again so that the issue receives better attention it deserves.

Coming to the Education sector, due to the criteria of the Service Area approach, many deserving students do not receive educational loans. He urged SLBC to look into this aspect and sanction as many as possible.

He hoped that the SLBC forum would be able to address these issues in a very fruitful manner and take up the cause of the Government of Kerala.

Smt. A Manimekhalai, SLBC Kerala Chairperson & Executive Director , Canara Bank in her presidential address stated the following

- Kerala is the first state in India with every household having access to atleast one bank account, having banking facilities in all grama panchayats
- Kerala has opened FLCs in all the blocks
- As of March 2019, there are about 6284 commercial bank branches and 8896 ATMs have been deployed in state, Out of which 7599 ATMs have Braille keypads.
- Kerala has one bank branch for every 5500 persons and one ATM for every 3800 persons besides these banks have established BC's in subservice areas.
- State has witnessed the worst flood in a century in the FY 2018-19. Despite that the performance of banks in the state is encouraging and it is par with the national level.
- In terms of business, commercial banks have reported a business of 816500 crores in the state. There has been an increase of 12 % over the previous year.
- The performance of banks under priority sector is above the mandatory levels.
- The priority sector advances have grown by 2 % and agriculture sector has shown growth of 14 % reaching an outstanding level of 79180.
- Housing loan portfolio has also shown growth at rate of 18%
- All the banks have together mobilized over 43 lakh enrollments under the 3 social security schemes namely PMJJBY, PMSBY, APY.

She requested the banks to explore newer areas of lending , look for opportunities for credit expansion and to extend finance to all feasible bankable ventures like agro processing, eco tourism and MSME segment , these areas offers excellent opportunities for credit expansion to augment the credit growth their by helping to achieve a desirable CD ratio.

The department of Agriculture and Farmers Welfare has launched a campaign to saturate farmers under KCCS

The LDMs to actively associate with district administration and banks to organize village wise camps to ensure maximum coverage of farmers under the KCC scheme. Government of India has given a call to ensure doubling of farmers income by 2022. The investment credit in agriculture to be given more importance to creation of more capital at the farmers level.

Coming to Financial Inclusion, lot of responsibilities rests on bankers in reaching out to customers through various financial Inclusion initiatives.

She urged all stakeholders to concentrate on certain priorities such as

- Banks to focus on achieving the set targets under ACP
- Opening of banking outlets in the remaining unbanked villages and activation of all BC outlets
- Financial Literacy should be imparted more successfully. FLCCs are to be made more efficient and councilors are to be appointed in all vacant posts by the respective banks before September 2019
- Successful implementation of saturation of farmers under KCCS
- Target allocation to Lending to minority communities under priority sector should also be achieved.

On behalf of all the bankers in the state, She thanked the Central and State government machineries, RBI, NABARD for excellent support and cooperation rendered to banking sector in the state over the years.

Sri. Devendra Kumar Singh IAS, Agricultural Production Commissioner, GoK in his address stated that the share of NPA in agricultural advances is about 2.73% of the total, which is one of the lowest. It indicates that the farmers in the state are able to repay their debts so it is essential to consider the request of needy people in extending the period of loans and restructuring their loans. In most of the cases, loans have been restructured already. He requested the banks to consider the pending request at the earliest.

He urged the bankers to follow the RBI circular dated 17th October, 2018 promptly which indicates that the restructuring can be done upto a period of 5 years.

On March 2019, a subcommittee was formed in Idukki and Wayanad. One of the decisions taken was that when the notice is given for recovery, a copy of the notice is to be shared with the nearby agricultural offices so that the department can identify those people who are going to be affected in that recovery process and these people can be linked to some of the livelihood schemes of the government.

Agricultural advances have gone up in absolute terms but the percentage of agricultural advance to the total advances is 24 percentage only which is constant for last 3 years.

Before granting a loan, a technical committee assesses the requirement of loan, but the technical committee is very conservative often. The committee has a tendency to restrict the quantum of loan. The technical committee should have a person from the agricultural background who can assess the cost of cultivation of that crop and accordingly sanction the loan. If a farmer is not given adequate credit, he will try to compensate the amount from non-banking channel. This is the ground level reality existing.

Coming to KCC, the number of cards issues is about 16.99 lakhs. But when PM Kisan Samman Nidhi Yojana was announced, the number of farmers registered in that scheme was about 28.56 lakh. A large gap of 10 lakh exist which indicates that there is a substantial scope for increasing KCC cards and it should be done in a campaign mode so that the entire farming sector can be covered.

The insurance coverage in the state is very low. All the loanee farmers have to be insured. The data points out that the number of loan accounts are more whereas the corresponding insurance coverage numbers are less. There is a huge gap in numbers. Non loanee farmers also have to be brought under the insurance coverage. An awareness has to be given to all branches to persuade the farmers to join various schemes. The insurance premium is very low that the farmers have to pay only 2.5 % percent of the premium, remaining amount is shared by the Union and State government in 50: 50 basis.

The effective participation of insurance companies in SLBC meetings needs to be ensured.

The department has given tender on PMFBY and Weather Based Crop Insurance scheme, but the participation of insurance companies is very low.

The department is proposing to develop 50 FPOs in the state.

As part of the Rebuild Kerala initiative, the agricultural department is going to be reorganized based on the agro-ecological zones. This will have a better perspective on agriculture by incooperating separate packages of practices of different crops for different agro ecological zones. It will help in enhancing the productivity, better services, delivery mechanisms and better credit flow.

Smt. Sharmila Mary Joseph IAS, Secretary, Department of Industries & Commerce, GoK in her address stated that as per the statistics given in the agenda book, MSME advances have increased over the years from 39408 crores in 2017 to 470000 crores in 2018 and to 54446 crores in March 2019. Out of the total MSME advances , 8.1 percent is ending as NPA. This is a matter of concern.

Out of the total NPA profile of the state, MSME NPA comprises nearly 37 percent which the banking fraternity and the industries department have to take a look.

Coming to the Ujjevana Scheme launched by the Industries and Commerce Department for supporting the flood affected MSME units and shops. Last SLBC meeting had decided to collect the details of the units affected bankwise and district wise. So as per the statistics compiled, As of 24th June, 2019, 5355 MSME units and 16000 shops have been identified as flood affected. But when the department collected the data, the number of units which are actually interested in getting assistance under Ujjevana scheme is only 1400 MSME and 3700 shops. Out of which 1188 MSME units and 2970 shops have submitted applications. Details of loans sanctioned is to the tune of 460 loans in the MSME sector for 50 crores and 672 shops for 35 crores. Therefore a total of 1132 units have been supported but close to 3000 units applications are still pending in various banks. She requested the bankers to process these pending applications at the earliest

Another issue regarding Ujjevana Scheme is the terms and conditions of the assistance under the scheme. The Principal Secretary Industries had written to SLBC Convenor in May 2019 in this regard. The department has made the following requests:

- The banks are taking CIBIL score report of the flood affected units as a criterion for considering the revival proposal. The state government requested to take away this criteria.
- Additional Collateral Security that the bankers are insisting upon for extending assistance under Ujjevana scheme may not be insisted upon.
- Some of the bankers are insisting that units with annual sales turnover below 20 lakh also need to have GST registration. The department has requested to do away with this criteria.
- To speed up the processing of application under Ujjevana Scheme by banks.

She requested the banking fraternity to take the request of the State Government also on board and see to it that maximum number of units are given assistance under Ujjevana Scheme

Sri. S.M.N Swamy, Regional Director, Reserve Bank of India in his address stated that the SLBC forum under Lead Bank Scheme, has been effective in the coordinating the activities of banks, government departments and other developmental agencies, owing to achieve the objective of enhancing the flow of bank finance to the priority sector and other sectors as well as to promote banks' role in the holistic development of the State, since the inception of LBS, which is celebrating Golden Jubilee this year.

He thanked all the bankers for the efforts put in for the successful conduct of Financial Literacy Week during June 3-7, 2019. Several FL events were conducted in various Districts during the week with focus on farmers as target group, with the primary theme being "Responsible Borrowing and Agricultural Finance". RBI arranged for the distribution of posters and leaflets among rural branches of all Scheduled Commercial Banks, with the efforts of ROs/ZOs of banks. Instructions to banks are provided for continuing the momentum and ensure that the awareness is created among intended audience as well as display of posters in rural bank premises for six months.

On the macroeconomic front, based on an assessment of the current and evolving macroeconomic situation, Monetary Policy Committee (MPC) in June 2019 decided to reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 5.75 per cent from per cent. Consequently, the reverse repo rate under the LAF stands adjusted to 5.50 per cent, and the Marginal Standing Facility (MSF) rate and the Bank Rate to 6 per cent.

Further, to bring Regional Rural Banks and Small Finance Banks at a level playing field with other Scheduled Commercial Banks, it has now been decided to enhance the housing loan limits for eligibility under priority sector lending. Accordingly, housing loans to individuals up to Rs 35 lakh in metropolitan centres (with population of ten lakh and above) and Rs 25 lakh in other centres, provided the overall cost of the dwelling unit in the metropolitan centres and at other centres does not exceed Rs 45 lakh and Rs 30 lakh, respectively will be eligible for classification under Priority Sector Lending.

To encourage banks to open large Currency Chests (CCs) with modern facilities, RBI vide circular dated April 08, 2019, prescribed minimum standards for setting up new CCs like:

- Area of the strong room/ vault of at least 1500 sq. ft. For those situated in hilly / inaccessible places (as defined by central / state government/ any appropriate authority), the strong room/ vault area of at least 600 sq. ft.
- Processing capacity of 6,60,000 pieces of banknotes per day. For those situated in the hilly/ inaccessible places, capacity of 2,10,000 pieces of banknotes per day.
- Amenability to adoption of automation and adaptability to implement IT solutions
- And few more.

Banks desirous of setting up CCs shall ensure that the minimum standards are conformed to.

With an objective to further financial inclusion and extend usage of Basic Savings Bank Deposit Account (BSBDA), Reserve Bank of India vide circular dated June 10, 2019, has advised banks to offer the following additional facilities in BSBDA:

- Deposit of cash at bank branch as well as ATMs/CDMs.
- Receipt/ credit of money through any electronic channel or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments.
- No limit on number and value of deposits that can be made in a month.
- Minimum of four withdrawals in a month, including ATM withdrawals.
- ATM Card or ATM-cum-Debit Card.

In payment and settlement front, the major development is that the timings for customer transactions (initial cut-off) in RTGS has been extended from 4:30 pm to 6:00 pm. with effect from June 01, 2019. The time-varying charges for transactions in RTGS from 13:00 hours to 18:00 hours shall be Rs5 per outward transaction.

Further, to provide an impetus to digital funds movement, it has been decided that processing charges and time varying charges levied on banks by Reserve Bank of India

(RBI) for outward transactions undertaken using the RTGS system, as also the processing charges levied by RBI for transactions processed in NEFT system will be waived by the Reserve Bank with effect from July 01, 2019. The banks need to pass on the benefits to their customers for undertaking transactions using the RTGS and NEFT systems with effect from July 1, 2019.

As an incentive for improving service to non-chest branches, it has been decided to allow the large modern Currency Chests to increase the service charges to be levied on cash deposited by non-chest bank branches from the existing rate of ` 5/- per packet of 100 pieces to a higher rate subject to a maximum of ` 8/- per packet.

The banks need to approach the Issue Office of Reserve Bank under whose jurisdiction the Currency Chest is located for such classification and the increased rates can be charged only after such classification by the Issue Office concerned. The Non-Chest bank branches linked with such large modern Currency Chests may be advised of the applicability of the increased rates at least 15 days in advance

Incidentally it was reported by our Central Office that some banks while charging interest on short term crop loans banks need to consider the due date/s fixed on the basis of fluidity with borrowers and harvesting / marketing season and compound the interest only if the loan becomes overdue.

Sri. S Shanavas IAS, Registrar of Cooperative Societies in his address stated that in the Cooperative sector, the government had requested SLBC to request NABARD and RBI to extend the full benefit of the moratorium to the cooperative sector also so that the department can provide better financial assistance to the farmers.

Shri R. Srinivasan, Chief General Manager, NABARD in his address highlighted the need for capital formation in agriculture and indicated that banks are yet to increase the Term lending portfolio. Referring to the GOI instructions, he called up on banks to saturate the issue of KCC to all eligible farmers and to issue loans under KCC for animal husbandry and fisheries sector. Further, he highlighted the importance of financial inclusion, Credit linkage of SHGs and JLGs and financing of FPOs.

The house then proceeded to consider the presentation of the groups and the agenda items.

1. ADOPTION OF MINUTES

The forum adopted the minutes of the 127th Meeting of SLBC, Kerala held on 16th March 2019, which was forwarded to the members vide Convener's letter SLBC 127 M SLBC2019 MA dated 6th April, 2019 without any amendments.

Thereafter, the leaders of the group were invited to present the reports and recommendations for consideration and deliberations of the house.

2. Issues on Primary Sector (Group I)

Sri. Anil D, LDM Palakkad, the leader of Group I presented the report of the group

Stated that all other districts except 5 districts have achieved primary sector targets. Trichur district didn't perform upto the mark.

The 4 aspects of the problem faced by the people in Kerala.

1. Social Aspect
2. Economic Aspect
3. Infrastructural Aspect
4. Technological Aspect

Social Aspect

The primary issue is the non-availability of average economic holdings in Kerala. Unlike other states, in Kerala, there is highly fragmented land in farming sector. For this purpose, cluster farming is encouraged by the state government, JLG financing has already undertaken as per NABARD guidelines, lease land cultivation may be promoted by permitting lease registration at a lesser stamp duty and also as informed by ACS Revenue in the 126th SLBC Meeting, Licensing of lease land cultivation may also be considered.

Non acceptance of agriculture as profession. Measures from government and bankers should be there to recognize farmers. PM Kisan Nidhi of the Union govt, Karshaka pension, Karshakasree awards of the state govt for honouring the performing farmers, 'Onathinu oru Muram pachakari' challenge of Agriculture Department are conducted. Giving incentives to farmers who produce good quality farm produce may be considered.

Reluctance of younger generation to undertake agriculture and allied activities as profession. If the social status of the agriculturist in the society is improved, more and more younger generation people may undertake this activity as profession.

Various hassles from department and regulatory bodies are discouraging entrepreneurs who are trying to establish dairy farmers of more than 5 animals, they are being asked to produce Pollution Control Board certificate which makes it very complicate and single window concept as in case of MSME loans may be considered in this sector.

Economic Aspect

Non availability of timely credit for undertaking farming activities. Now farmers who are engaged in allied activities, dairying and fisheries also have been brought under the ambit of KCC also will be benefitted.

Relaxation in security norms by RBI in agricultural loans by enhancing the loan limit from 1 lakh to 1.6 lakh without security will be beneficial to the sector.

Banks in agricultural areas may consider conducting loan melas exclusively as a part of their business and conduct of Financial Literacy Camps. In the farming community and promotion of 100% KCC saturation campaign may be envisaged.

Inspection and certification of end dues may be considered. End dues may be certified by the sanctioning authority or from the Agricultural office/ Veterinary office as the case may be.

Non availability of profitable price for the produce when harvest is done.

Methods to make farming business a profitable one may be devised. Fair MSPs may be declared with more number of crops and periodical revisions may be made and more farmer friendly methods to be introduced.

Proper channel from farmers to market may be paved with formation of FPOs.

Processing clusters and marketing arrangements for the products may be provided at various centres similar to Malabar coffee. Area specific scheme such as cage culture put forth by NABARD may be devised for the area. Supplementary income generation activities such as farm tourism with modal projects may be implemented. Other farm related industries may be promoted like processing units, rice mills, storage etc.

No protection for crops for adverse climatic conditions, wild animals etc.

In the SLBC subcommittee, an action plan was devised, to increase in coverage of crop insurance in the state and to cover more risks such as inundation, rainfall, drought, wildlife attack to be brought under the purview of crop insurance.

State Government to notify crop Insurance in time.

Awareness camps should be conducted in districts jointly with AIC

Threshold yield data to be supplied by Economic survey department and it may be supplied in a farmer friendly way.

More number of crops may be brought under the ambit of crop insurance. More weather stations and remote sensing technology may be implemented. Non availability of road network from the place of origin to the mainland is a concern. Both governments are in the said direction, our panchayats are effectively implementing PMGSY utilizing the funds of state as well as central government for improving the roads and bridges in the rural areas. NABARD also supports with RIDF.

No market place for the produce is another issue.

Establishing more clusters of farmers like banana exporting cluster under the leadership of VFPC may be promoted.

More technology related concept such as online bazaars, E mandi as envisaged by the central govt are only in the initial steps in the state.

Further on popularizing these methods, the farmers will be able to discover fair and good price for their produce.

Infrastructure Aspect

Protection of crops , adequate irrigation facilities etc.

Non availability of weather forecast centres and communication channel

Non availability of professionals who can give timely adequate help in all technology aspects.

Reluctance of farmers in switching on to modern methods, farm equipments and mechanization

Many of the above aspects are costly so requires long term assistance.

Schemes like DEDS, NLM etc are available.

Farmers reluctance to undertake additional investment in mechanization etc due to less profitability in the business needs to be addressed.

Apart from this, interest subvention for agricultural loans may be considered for enhancing the credit of long term investments.

Technological Aspects

Farmers are unaware of modern farming techniques, high yielding varieties and farming practices. Non awareness among the farmers about the modern techniques is also a concern.

2.1. Review of performance under Annual Credit Plan 2018-19

2.1.1. Bankwise Performance under Primary Sector

2.1.2. District wise Performance under Primary Sector

The forum noted that the performance under Primary sector has achieved 100% with the combined efforts of Banks, Government departments and other agencies.

2.2. Agriculture Advances

The forum noted the performance

2.3. Performance under Kisan Credit Card Scheme

The forum noted the performance

2.4 Pending Issues in Primary Sector

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

Smt. G.K Maya, SLBC Convenor & GM Canara Bank stated that

- Regarding Lease farming , SLBC has requested the State Govt to reduce the stamp duty on lease deeds from 7 % to 5% on average annual rent and to reduce registration fees by 2 percent.
- Central Govt has introduced PM Kisan Samman Nidhi for the upliftment of farmers
- SLBC has given call for KCCS Saturation campaign throughout the State.

The forum decided to pursue the agenda

(Action : SLBC, Revenue Department)

2.4.2. Suggestions of National level Monitoring Committee (NLMC) on Pradhan Mantri Fasal Bima Yojana (PMFBY) (Suggested by NABARD)

Sri. G.K Maya, SLBC Convenor & GM Canara Bank informed the forum that

- SLBC has suggested Action plan to increase the coverage of crop insurance in the state.
- SLBC has suggested for more Risk coverages like inclusion of Inundation etc on crop insurance in the SLTC.
- State Govt may notify Crop Insurance in time so that the banks will get more space to cover the accounts
- Awareness camps were conducted in all Districts jointly with AIC

Sri. D.K Singh IAS, APC Agricultural Department informed the forum that request to add inundation has been sent to GOI and is waiting for the response since it a national guideline.

This year the department will notify crop insurance within 10 days and upto 31st July 2019, the farmers can be enrolled and since this notification will be for one year, next crop will also be covered.

For coverage of farmers the department and bankers have to work jointly. At present only 30000 farmers have been covered.

Sri. R Srinivasan, CGM, NABARD requested the State Government to speed up the land records digitisation process.

Sri. Tom Jose IAS, Chief Secretary, Government of Kerala stated that digitization of land records is a time consuming time consuming process which will take an year's time to complete.

The forum decided to pursue the agenda

(Action : SLBC,AIC)

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

The forum decided to pursue the agenda

(Action : Revenue Department)

2.5 Fresh Issues in Primary Sector

2.5.1 Minutes of the SLBC sub committee on Natural Calamity held on 06.03.2019 (Information Note by SLBC Convenor)

The forum noted the information

2.5.2 Minutes of SLBC Sub Committee with Insurance Companies (Information Note by SLBC Convenor)

The forum noted the information

2.5.3 Cashew Revival Committee Report

The forum noted the information

2.5.4 Agenda by Reserve Bank of India

A] Interest Subvention Scheme- Monitoring of end-use of Funds

The forum requested the banks to adhere to the instructions specified in the RBI letter dated April 11, 2019.

(Action : Banks)

2.5.5 Agenda suggested by NABARD

A] 2% Interest subvention on crop loans

The forum noted that SLBC has already written to DFS, DAC&FW Govt of India with a copy to RBI for considering the same. Regarding HLC no information's on the recommendations made are available

B] *The forum approved to constitute a Financial Inclusion SLBC subcommittee in this regard comprising the Line departments and Kudumbhasree.*

(Action : SLBC)

C] Targets for promotion and Bank Linkage of SHGs/ JLGs 2019-20 (Information Note)

The forum noted the information

(Action : Banks)

D] Information Note on DEDS

The forum noted the information

(Action : Banks)

2.5.6. Agenda suggested by Kudumbashree

A] Bank linkage target for information

The forum noted the information

(Action : Banks)

3. Issues in Secondary Sector & Government Sponsored Schemes (Group II)

Sri. Anil Kumar LDM, Thrissur, the leader of Group II presented the report of the group

In secondary sector, 7 districts have achieved their targets, another 4 were close to achieving the targets. Kannur district couldn't perform upto the expected level. The problem of secondary sector is classified into different aspects.

In case of social aspect, the sector needs to change with the minds of society. Their requirements vary with time and culture, so updating with social changes needs to be addressed. Some of the suggestions in this regard may include

- More clusters to be formed based on the potential area approach
- Under the infrastructure aspects, infrastructure advancement in the state vary in different places.
- Advancement in secondary units also needs infrastructural growth which should be supported by Central and State government.

Coming to the economic aspect, youngsters are needed to be attracted to this sector. Awareness camps and skilled trainings like PMKVY and RSETI trainings to be more imparted. Financial Literacy Level is to be increased. Also giving incentives to meritorious entrepreneurs also may be considered.

Encouraging younger generation to undertake entrepreneurship as profession is needed. More and more younger generation may be encouraged to undertake entrepreneurship and related activities.

Hassles such as clearance of Pollution Control Board etc are already addressed to a single window concept called KSWIFT. But awareness and stabilization on the system is yet to be updated.

37% of MSME advances are under NPA. So the committee suggestion was monitoring of accounts at different levels from SMA1 status itself. A team may be formed to monitor the accounts and reduce NPA slippages. A last resort of restructuring, reschedulement, additional finance or an honourable exit may be suggested by the committee to reduce the recovery pressure on the borrower.

Flood in the state has drastically affected the MSME borrowers. Licenses are not yet renewed for the constructions near the river beds etc. the matter is of high concern and to be addressed by the Revenue department.

3.1. Banking GroupWise Performance under Secondary Sector

3.1.2. District wise Performance under Secondary Sector

The forum noted that the performance under secondary sector have achieved 100% with the coordination between the Banks and Government Departments

3.2. MSME Advances (Priority)

A. Growth in MSME Advances

The forum noted the performance

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

The forum noted the performance

3.3. Advances to Weaker Section

The forum noted the performance

3.4. Advances to SC/STs

The forum noted the performance

3.5. DRI Advances

The forum noted the performance

3.6. Credit Flow to Minority Communities

The forum noted the performance

3.7. Total Outstanding Under MUDRA Loans (PMMY) as at March 2019

The forum noted the performance

3.8. Loan Outstanding under Stand up India Programme as at March 2019

The forum noted the performance

3.9. Loan Outstanding under Pradhan Mantri Awas Yojana as at March 2019

The forum noted the performance

3.10. Cumulative enrollment under Pradhan Mantri Jan Suraksha Yojana as at March 2019

The forum noted the performance

3.11. Pending issues in Secondary Sector

3.11.1 Committees for Stressed Micro, Small and Medium Enterprises (Suggested by RBI)

The forum requested the banks which have not formed the committees may form immediately and update to SLBC

*The forum decided to pursue the agenda
(Action : Banks)*

3.12. Fresh Issues in Secondary Sector

3.12.1 Agenda suggested by MGNREGA

A] Providing DRI Loans to rural poor for creating productive assets under MGNREGS

The forum noted that under Kerala state conditions a person with family income within a limit of Rs 15000 per annum which is a mandatory condition for DRI loans may not be suitable. So loans under other schemes which are viable for the project may be considered under the existing schemes of Banks.

(Action : Banks)

3.12.2 Agenda suggested by LDM Idukki

A] Issues relating to financing MSME sector in flood affected areas under Ujjevana Scheme

The forum requested the LSGD department to renew the existing cases .

(Action : LSGD Department)

3.12.3 Agenda suggested by Coir Board [MSME Ministry, GOI] (Information Note)

The forum noted the information

3.12.4 Agenda suggested by Directorate of Coir Development, Kerala

The steering committee requested that individual banks may consider these proposals favourably.

(Action : Banks)

5. ISSUES IN TERTIARY SECTOR (Group III)

Sri Sivadasan K, LDM Kozhikode , the leader of Group III presented the report of the group

The tertiary sector could not achieve the target and the achievement stands at 74% only. The committee analysed the facts and mostly everybody agreed to the fact that the recent flood affected the state would be the reason for the low level intake of housing loans, educational loans and thereby for the lesser performance under the tertiary sector. Only 3 districts have achieved the tertiary sector targets. Wayanad tops with an achievement of 171% whereas Kannur underperformed with 38%. Last year outstanding amount under educational loan has come down from 10092 crores in March 2018 to 9841 crores in March 2019. It is mainly because of the ELRS settlement happened during the year. The NPA was also reduced from 1706 crores in March 2018 to 1346 crores in March 2019 mainly due to ELRS. Performance under housing loan outstanding also reduced from Rs 32181 crores in March 2018 to Rs 27386 in March 2019.

4.1. Performance under Tertiary Sector

The forum noted the performance

Banking Group Wise Performance under Tertiary Sector

The forum noted the performance

4.1.1. District wise Performance under Tertiary Sector

The forum noted the performance

4.2. Performance under Education Loan

The forum noted the performance

4.3. Outstanding Performance under Housing Loan

The forum noted the performance

4.4. Status of Creating Banking environment for the visually challenged

The forum noted the performance

4.5 Pending Issues in Tertiary Sector

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

The forum noted that the charges suggested for other loans are reasonable and requested for waiving the charges on agricultural loans.

The forum decided to pursue the agenda

(Action : Revenue Department)

4.5.2 Education Loan Repayment Support Scheme

Update as on 30th May 2019 (Amount in Rs Cr)

Amount processed by branch	Amount forwarded by Nodal Officer	Amount forwarded by SLBC	Amount Approved by Finance
323	227	217	156

The forum noted that a cost sharing formula for the expenses incurred for verification and scrutiny of the applications was permitted by 126th SLBC.

Quantum will be arrived and informed by SLBC

(Action : SLBC, Banks)

4.5.3 Revamp of Lead Bank Scheme (Agenda by RBI)

The forum requested the banks for timely updations of data in the upcoming quarters and decided to pursue the matter.

(Action : LDMs, Banks)

4.5.4. Rural Self Employment Training Institutes (RSETIs) – Reimbursement of Training Expenses of BPL Candidates to “AA” Rated RSETIs

The forum noted that first stage release of Rs 1.5 Cr has been received and will be credited shortly by Kudumbashree

(Action : Kudumbashree)

4.5.5 Progress made in Digitization of Land Records

Sri. Tom Jose IAS, Chief Secretary, Government of Kerala stated that digitization of land records is a time consuming process which will take an year's time to complete

The forum decided to pursue the matter

(Action : Revenue Department)

4.5.6 Delay in Appointment of Financial Literacy Counsellors

The forum decided that the banks which have not appointed may do so immediately. Banks and LDMs may inform the latest position to SLBC.

The forum decided to pursue the matter

(Action : LDMs, Banks)

4.5.7 Second phase Roadmap for opening CBS Enabled banking outlets in villages with population more than 5000 without a bank branch of scheduled commercial bank (Suggested by SLBC Convenor)

The forum requested LDMs to update on unbanked villages.

The forum decided to pursue the agenda.

(Action : SLBC, LDMs)

4.5.8 Infrastructure facilities to the Financial Literacy Counsellors

(Agenda suggested by Reserve Bank of India)

The forum requested the LDMs to write to concerned banks whose FLCs are not provided with adequate infrastructure facilities

The forum decided to pursue the agenda.

(Action : LDMs, Banks)

4.5.9 Functioning of Business Correspondents (Suggested by Reserve Bank of India)

The forum requested the LDMs and Banks to give the list of inactive BCs(if any) to SLBC.

The forum decided to pursue the agenda.

(Action : LDMs, Banks)

4.5.10 Issues in network connectivity in remote areas (Suggested by Reserve Bank of India)

The forum requested the banks and LDMs to provide the list of areas which lack network connectivity to SLBC so that SLBC can take up with telecom department.

The forum decided to pursue the agenda as no cases were referred to SLBC after 127th SLBC meeting.

(Action :SLBC, LDMs, Banks)

4.5.11 Agenda by LDM Malappuram

The forum noted that in the 127 SLBC, Representative from Industries Department informed the forum that the department in coordination with DIC will try to sort out this issue before the next SLBC meeting.

The forum decided to pursue the agenda.

(Action : Industries Department)

4.5.12 Agenda by LDM Calicut

The forum requested the Revenue department to sort out this issue.

The forum decided to pursue the agenda.

(Action : Revenue Department)

4.6 Fresh Issues in Teritiary Sector

4.6.1 Minutes of the meeting of Bankers held to discuss

A] The recent unfortunate incident at Neyyatinkara and its impacts

B]ELRS Scheme

(Information Note by SLBC Convenor)

The forum noted the information

4.6.2 Agenda suggested by Reserve Bank of India

A] Reallocation of blocks for appointment of FLCs

The forum requested the banks to appoint vacant FLCs immediately.

The forum decided to pursue the agenda.

(Action : Banks)

B] Standardisation of SLBC Website

Th forum requested to update DLRC dates, RSETI address and comprehensive Govt policies in the SLBC website

The forum decided to pursue the agenda.

(Action : SLBC)

4.6.3 Agenda by NABARD

B] List of Third Parties (eg. Jewellers) giving false certificate

Examine whether a list of third parties who give false certificates and thus facilitate perpetration of frauds in CBs/ RRBs/ StCBs.

SLBC to discuss and whether a list of third parties can be maintained at district level.

The forum requested to take legal sanctity in publishing the blacklisted jewel appraisers .
(Action : Banks)

4.6.4 Agenda by Akshaya

A] Request for waiving cash handling charges for transactions of Akshaya Centres

The forum requested SBI to take up the matter with their HO FI wing for the concession.

(Action : SBI)

B] Request for permission for Akshaya Centres to open zero balance current account in their nearest SBI branch.

The forum requested SBI to take up the matter with their HO FI wing for the concession
(Action : SBI)

4.6.5 . Agenda suggested by LDM Palakkad

A] District Collector, Palakkad has put forth an agenda in last DLRC - Exemption of obtention of Possession certificate for granting of various loans from banks

The forum noted that possession certificates are mandatory in verification of land records and creation of EMT. The representative from SIB informed that there are some village officers reluctant in providing location sketch for the banks purpose on claiming that they are not bound to issue Location sketch as per their guidelines.

(Action : Revenue Department)

4.6.6 Agenda suggested by LDM Idukki

Issues relating to financing under agriculture based on tax receipts

The forum decided to take up the matter with Revenue Department
(Action : Revenue Department)

4.6.7 Agenda suggested by Commissionerate of Rural Development

The forum requested the Individual banks to consider the proposals favourably within their existing schemes.

(Action : Banks)

4.6.8 Agenda suggested by Directorate of Social Justice Department , Kerala

The forum requested the Individual banks to consider the proposals favourably within their existing schemes.

(Action : Banks)

4.6.9 Agenda suggested by Planning and Economic Affairs Department

The steering committee decide that a subcommittee may be formed in DLRCs to review the matter.

(Action : LDMs)

4.6.10 Agenda suggested by Directorate of Industries and Commerce

The forum requested DLRCs to review the matter.

. (Action : Banks)

4.6.11 Agenda by SLBC Convenor

Impact of Government Moratorium on Scheduled Commercial Banks

The forum clarified that Scheduled commercial Banks and RRBs can only act as per the instructions from RBI and the moratorium announced by State Government are adversely affecting the repayment culture in the society. The forum also decided to take up the matter again with RBI on extension of Moratorium and Restructuring of farmers loans till 31.12.2019 along with retaining asset classification (Not to be downgraded) and for extending the interest subvention on crop loans for the extended moratorium period.

. (Action : SLBC, RBI)

4.6.12 Information note by Reserve Bank of India

The forum noted the information

. (Action : SLBC)

❖ **Table agenda suggested by Reserve Bank of India**



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

विसविवि(ति) FIDD (T) No. 618/03.01.004/2018-19

जून June 18, 2019

एसएलबीसी संयोजक
एसएलबीसी कक्षा, केनरा बैंक
सर्कल कार्यालय, केनरा बैंक भवन
एम जी रोड, तिरुवनंतपुरम - 1

The SLBC Convenor
SLBC Cell, Canara Bank
Circle Office, Canara Bank Building
MG Road, Trivandrum -1



महोदया Madam,

वित्तीय साक्षरता परामर्शदाताओं को खर्चों की प्रतिपूर्ति

Reimbursement of expenses to Financial Literacy Counsellors

कृपया 02 मार्च 2017 के पत्र विसविवि. एफएलसी. बीसी. नं. 22 / 12.01.018 / 2016-17 के साथ पठित 13 जुलाई 2017 के हमारे परिपत्र विसविवि. एफएलसी. बीसी. नं. 11 / 12.01.018 / 2017-18 देखें, जिसमें यह सूचित किया गया कि एफएलसी और ग्रामीण शाखाएं, वित्तीय साक्षरता कैंप के आयोजन में हुए व्यय के 60% तक वित्तपोषण के लिए पात्र हैं, बशर्त कि प्रति कैंप यह राशि ₹ 5,000/- से अधिक न हो।

Please refer to our circular FIDD.FLC.BC.No.11/12.01.018/2017-18 dated July 13, 2017 read with FIDD.FLC.BC.No.22/12.01.018/2016-17 dated March 02, 2017 wherein, it has been mentioned that FLCs and rural branches are eligible for funding support from the Financial Inclusion Fund for the financial literacy camps to the extent of 60% of the expenditure of the camp subject to a maximum of ₹ 5,000/- per camp.

2. आयोजित की गई कार्यशालाओं / प्रशिक्षण के दौरान वित्तीय साक्षरता परामर्शदाताओं ने एफएल कैंप के आयोजन के संबंध में हुए व्यय की प्रतिपूर्ति न किए जाने संबंधी चिंताएं / समस्याएं व्यक्त कीं। आगे प्रतिपूर्ति के संबंध में नाबाई के क्षेत्रीय कार्यालय से प्राप्त आंकड़ों की समीक्षा करने पर यह तथ्य पाया गया कि अधिकतम बैंकों ने नाबाई से प्राप्त वित्तपोषण सुविधा का उपयोग नहीं किया है।

During workshops/ trainings conducted, concerns/ difficulties were raised by Financial Literacy Counsellors regarding non-reimbursement of the expenses incurred by them for the conduct of FL camps. Further, review of the data collected from Regional Office of

वित्तीय समावेशन और विकास विभाग, पोस्ट बॉक्स सं. 6507, तिरुवनंतपुरम - 695 033
Financial Inclusion and Development Department, PB No. 6507 Thiruvananthapuram - 695 033
Tel: 0471-2329301 Fax: 0471-2329054 Email: fiddthiro@rbi.org.in

हिंदी में काम करना आसान है इसका प्रयोग बढ़ाएं।

Caution: RBI never sends mails, SMS or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

NABARD regarding the reimbursements made to banks revealed the fact that most of the banks have not utilized the funding support from NABARD.

3. इस संबंध में हम आपको सूचित करते हैं कि सदस्य बैंकों को इस संबंध में जागृत कराएं तथा इसे 25 जून 2019 को आयोजित की जाने वाली राज्य स्तरीय समीक्षा बैठक (एसएलआरएम) 2019 की कार्यसूची में शामिल करें।

In this connection, we advise you to sensitise the member banks regarding the matter and place this item as a table agenda for the upcoming State Level Review Meeting (SLRM) 2019 scheduled on June 25, 2019.

भवदीय Yours faithfully,

(वी. आर. प्रवीण कुमार V. R. Praveen Kumar)
महाप्रबंधक (प्रभारी अधिकारी) General Manager (O-I-C)

(Action : Banks)

❖ **Standard Operating Procedure prepared by SLBC to create awareness among the Bank customers regarding Non Performing Asset**

The SOP will be uploaded the SLBC website ‘‘www.slbckerala.com’’ soon

❖ **Information Note by KVIC**



**खादी और ग्रामोद्योग आयोग
KHADI AND VILLAGE
INDUSTRIES COMMISSION**

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार
Ministry of Micro, Small & Medium Enterprises, Govt. of India
वेबसाइट / Website: www.kvic.org.in
राज्य कार्यालय (केरल) STATE OFFICE (KERALA)

No.SOK/PMEGP/Implementation/2019-20

Dated: 14.06.2019

To,

**The Convener SLBC & General Manager, Canara Bank
Circle Office, Thiruvananthapuram**

**Sub: - Implementation of PMEGP during 2019-20 : Communicating
Tentative Target for the year & Policy Decisions : reg**

Sir,

The 29th State Level Monitoring Committee (SLMC) meeting on Prime Minister's Employment Generation Programme (PMEGP) has been held on 06.06.2019, under the Chairmanship of Dr.K. Ellangovan IAS, Principal Secretary (Industries), Govt. of Kerala. The 29th SLMC approved the PMEGP Tentative Target for implementation during 2019-20 and decided to proceed with selection of beneficiaries through the DLTF meetings. Minutes of the same will be transmitted shortly and meanwhile, the review of MSME activities eligible under PMEGP led to the following decisions.

1. **Activities like setting up of Fitness or Massage Center, Dental Clinics, Hospitals, Clinical Laboratories, Tuition Centre, Training Centre, Provision shops, Franchisee Sales Outlets etc. are not permitted to take up under PMEGP.**
2. **Only MSME activities under Manufacturing or Service sector involving Value Addition or Processing are permitted for setting up as a PMEGP project.**
3. **The sole responsibility on selection of the project activity rests with the concerned Implementing Agency and DLTF.**

All stake holders implementing PMEGP have been requested to continue with the implementation of the programme, based on the approved Districtwise – Agencywise target allocation. SLBC Kerala may inform the same to all Controlling Offices of Banks implementing PMEGP and may provide a tentative Bankwise target allocation as made in previous years.

Encl: As above

Yours faithfully,

K P Lalithramaney

State Director

KHADI AND VILLAGE INDUSTRIES COMMISSION, THIRUVANANTHAPURAM

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

TENTATIVE TARGET ALLOCATION UNDER PMEGP FOR THE YEAR 2019-20

Sr Imple- Agency	State Target 2018-19			State wise SCs	SC Target as per population	SC Target as per rationalisation	SC Target for Projects	SC Target for Employment	State wise STs	ST Target as per population	ST Target as per rationalisation	ST Target for Projects	ST Target for Employment
	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)		MM (Rs. in lakhs)	MM (Rs. in lakhs)					MM (Rs. in lakhs)		
1	KVIC	413	1240.41	3520									
2	KVIB	413	1240.41	3520									
3	DIC	828	2480.97	4696									
Total	1654	4961.79	11736	9.1		634.51	202	1616	1.45		58.85	19	152

Along with basic PMEGP, the overall second loan target of 25 projects with margin money of Rs 231.08 lakh to create 197 employment also to be achieved

PMEGP : DISTRICT WISE ALLOCATION FOR THE YEAR 2019-20													
Sr Agency	Imp Projects (In Nos)	TOTAL			SC			ST			Others		
		MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)
1	KVIC	30	88.6	252	3	11.3	29	1	1.05	3	26	76.25	220
2	KVIB	30	88.6	252	3	11.3	29	1	1.05	3	26	76.25	220
3	DIC	60	177.2	335	4	22.65	58	1	2.1	5	55	152.45	272
Total	120	354.4	839	10	45.3	115	3	4.2	11	107	304.90	713	

Please Note : 1. The State Target is re-distributed in the ratio 25:25:50 among the IAs. The number of project is indicative only, but a minimum of 124 projects in total to be established in a District by three IAs together. The allotted Margin Money is the deciding factor. The Margin money earmarked for SC and ST (statutory minimum) shall not be permitted to divert to any other categories. Special status/priority has to be given to Wayanadu District (10% Additional Subsidy) under Aspirational Status of NITI aayog. Coir Projects of Coir Board will also be implemented under PMEGP 2. The average Margin Money allocation per unit is Rs 3.0 lakhs (approx) and that project shall generate an employment of minimum 8 nos. 3. From the category mentioned as 'others' represents various social categories with OBC 27%, Minority-5%, PHC 3%, Ex-servicemen 1%, General and Women 30% (overall) 4. The Bankwise re-allocation target (if any) shall be made by the Core team of PMEGP (LDM, GM-DIC, PO KVIB and KVIC Dist. Officer) at District Level and report the same to District Task Force Committee. The same shall be reported to KVIC, the Nodal agency for onward consolidation and reporting to SLMC & SLBC for preparation of Bankwise targets at state level. 5. PMEGP being a Centrally sponsored scheme, and the above target thus communicated may be incorporated in the District Credit Plan by Lead District Bank and State Plan by the SLBC (Canara Bank). 6. Implementation of the PMEGP during 2018-19 in the state by the Implementing Agencies (KVIC, KVIB & DIC) to be strictly restricted to the available funds after settlement of the spill over claims of 2018-19 available with e portal during 2019-20. The PMEGP ONLINE guidelines will be continued, until any variation is notified by the Ministry of MSME, Govt of India.

STATE DIRECTOR

National Nodal Agency



खादी और ग्रामोद्योग आयोग

[सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार]
राज्य कार्यालय [केरल], महात्मा गांधी रोड, तिरुवनंतपुरम-९

KHADI AND VILLAGE INDUSTRIES COMMISSION

[Ministry of Micro, Small & Medium Enterprises, Government of India]
STATE OFFICE (KERALA), M.G. ROAD, TRIVANDRUM-695 001

दूरभाषा/Phones: (0471) 2331625, 2331061 (भेक्स/fax) ई-मेल/e-mail: kvictvm@gmail.com

Information Note on PMEGP to SLBC – SLRM of 2019-20

1. Performance of PMEGP: 2018-19

Against the revised target for PMEGP 2018-19, the achievement reported was 2483 projects, with Margin Money utilization of 5377.99 lakhs and estimated employment generation of 19362 nos altogether by the three Implementing Agencies (KVIC/KVIB/DIC). The overall Margin Money utilization is 129%. Among the Implementing Agencies, DIC recorded with 180%, KVIC 100% and KVIB 90% of its fund utilization.

Among the banks, Canara Bank registered the top position in fund utilization with Rs 1158 lakh (515 cases), followed by SBI Rs 861 lakh (383 cases), Kerala Gramin Bank Rs 527 lakh (246 cases), Union Bank of India Rs 406 lakh (192 cases), Federal Bank Rs 395 lakh (168 cases), Syndicate Bank Rs 296 lakh (145 cases), Indian overseas Bank Rs 244 lakh (124 cases) respectively.

2. Target for 2019-20

The PMEGP total target set for 2019-20 is 1731 projects with Margin Money support of Rs. 5192.87 lakh for generating 13848 new employment opportunities. The same is re-distributed among KVIC/KVIB/DIC in the ratio 25:25:50. The number of projects are indicative and the financial allocation is the deciding factor for reporting achievement. The average Margin Money allocation is Rs 3.00 lakh per project for generating 8 nos of new employment. District wise allocation of target has also been approved by the 29th State Level Monitoring Committee on PMEGP on 06.06.2019, chaired by the Principal Secretary (Ind), Govt. of Kerala. The SLBC Cell Kerala will be issuing the tentative bankwise targets shortly.

- All the spillover/Pending Margin Money applications/claims are accommodated in the current year financial target of the Implementing Agency and required action to be completed by 31st July 2019. All ONLINE applications pending with financing bank branches at various stages of Sanction/EDP training/ Documentation/ Claiming of MM etc. are revalidated to 2019-20. The implementation of PMEGP will be continued through the Online Portal only.
- The sub plan allocation approved under SC and ST shall be attained invariably by the Implementing Agencies/Banks.

- MSME is a powerful platform, having high potential in our State and the PMEGP target allocated to the state is very less compared to the potential and needs to be achieved in double or more during the year 2019-20. MSMEs contribute substantially high to the economy and new employment generation, which no other industry can. Stake holders needed to be open minded in promoting new and state of the art manufacturing industries. Service and Garment based industries will not bring much quality to MSME spectrum of the state and have to deprioritize the mundane activities.

3. New Developments in PMEGP

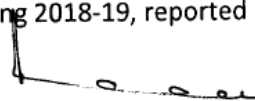
- Second Loan for Upgradation for existing and successful PMEGP/MUDRA units shall be taken up by Implementing Agencies and Banks. Maximum project cost permitted is Rs 1 Cr under Manufacturing (Maximum Margin Money assistance of Rs 15 lakh@ or 15% of total project cost) and 25 lakhs under Service sector (Max Margin Money assistance of Rs 3.75 lakh or 15% of total project cost). The Own Contribution required is 10% and remaining 90% will be considered as loan assistance from bank. Necessary link to upload application has been provided in the ONLINE portal
- Coir projects will continue under PMEGP online platform with separate target allocation from the Ministry of MSME. Coir Board has to participate in various promotional activities and to promote their clientele with innovative projects and products.
- Aspirational District notified under NITI Aayog (Waynad) is allocated with an additional target of 10% during the year 2019-20. Continuous Monitoring is required on the same.
- All PMEGP units to secure UAM registration (Unique Aadhar Memorandum) mandatory. Implementing Agencies and Banks to ensure the same for Adjustment of Margin Money.

4. Activities restricted under PMEGP from 2019-20 onwards

- Activities like setting up of Fitness or Massage Center, Dental Clinics, Hospitals, Clinical Laboratories, Tuition Centre, Training Centre, Provision shops, Franchisee Sales Outlets etc. are not permitted to take up under PMEGP.
- Only MSME activities under Manufacturing or Service sector involving Value Addition or Processing are permitted for setting up as a PMEGP project.
- The primary responsibility on selection of the project activity rests with the concerned Implementing Agency and DLFC. Banks may also looked in to the same.

5. Performance of Banks during 2018-19

A statement showing achievements of various banks under PMEGP during 2018-19, reported herewith for information.


State Director.

KHADI AND VILLAGE INDUSTRIES COMMISSION, THIRUVANANTHAPURAM

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

TENTATIVE TARGET ALLOCATION UNDER PMEGP FOR THE YEAR 2019-20

Sr No	Imple. Agency	State Target 2018-19		State wise SC%	SC Target as per population	SC Target for Projects	SC Target for Employment	State wise ST%	ST Target as per population	ST Target for Projects	ST Target for Employment
		Projects (In Nos)	MM (Rs. in lakhs)								
1	KVIC	413	1240.41	3520							
2	KVIB	413	1240.41	3520							
3	DIC	828	2480.97	4696							
Total		1654	4961.79	11736	9.1	634.51	202	1616	1.45	58.85	19
											152

Along with basic PMEGP, the overall second loan target of 25 projects with margin money of Rs 231.08 lakh to create 197 employment also to be achieved

PMEGP : DISTRICT WISE ALLOCATION FOR THE YEAR 2019-20

Sr No	Imple Agency	TOTAL			SC			ST			Others		
		Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)	Projects (In Nos)	MM (Rs. in lakhs)	Emp. (In Nos)
1	KVIC	30	88.6	252	3	11.3	29	1	1.05	3	26	76.25	220
2	KVIB	30	88.6	252	3	11.3	29	1	1.05	3	26	76.25	220
3	DIC	60	177.2	335	4	22.65	58	1	2.1	5	55	152.45	272
Total		120	354.4	839	10	45.3	115	3	4.2	11	107	304.90	713

Please Note : 1. The State Target is re-distributed in the ratio 25:25:50 among the IAs. The number of project is indicative only, but a minimum of 124 projects in total to be established in a District by three IAs together. The allotted Margin Money is the deciding factor. The Margin money earmarked for SC and ST (statutory minimum) shall not be permitted to divert to any other categories. Special status/priority has to be given to Wayanadu District (10% Additional Subsidy) under Aspirational Status of NITI aayog. Coir Projects of Coir Board will also be implemented under PMEGP 2. The average Margin Money allocation per unit is Rs 3.0 lakhs (approx) and that project shall generate an employment of minimum 8 nos. 3. From the category mentioned as 'others' represents various social categories with OBC 27%, Minority-5%, PHC 3%, Ex-servemen 1%, General and Women 30% (overall) 4. The Bankwise re-allocation target (if any) shall be made by the Core team of PMEGP (LDM, GM-DIC, PO KVIB and KVIC Dist. Officer) at District Level and report the same to District Task Force Committee. The same shall be reported to KVIC, the Nodal agency for onward consolidation and reporting to SLMC & SLBC for preparation of Bankwise targets at state Level. 5. PMEGP being a Centrally sponsored scheme; and the above target thus communicated may be incorporated in the District Credit Plan by Lead District Bank and State Plan by the SLBC (Canara Bank). 6. Implementation of the PMEGP during 2018-19 in the state by the Implementing Agencies (KVIB, KVIB & DIC) to be strictly restricted to the available funds after settlement of the spill over claims of 2018-19 available with e portal during 2019-20. The PMEGP ONLINE guidelines will be continued, until any variation is notified by the Ministry of MSME, Govt of India.

Annexure B

PMEGP e-Tracking System: Bankwise Performance 2018-19

Sr	No	Name	Forwarded to Bank		Sanctioned by Bank		MM Disbursed		TDR Details reported		Rejected by Bank		Pending at bank	
			Nos	M M	Nos	M M	Nos	M M	Nos	M M	Nos	M M	Nos	M M
1		CANARA BANK	843	2229.34	466	1055.41	515	1157.59	30	485	133	302.8	328	920.69
2		STATE BANK OF INDIA	1243	2858.06	358	787.86	383	860.6	12	371	606	1327.8	401	910.38
3		KERALA GRAMIN BANK	418	1029.99	185	394.99	246	526.62	33	213	157	380.01	108	301.65
4		UNION BANK OF INDIA	394	864.14	154	353.81	192	406.25	8	184	82	169.44	165	354.48
5		FEDERAL BANK	446	1164.26	147	358.3	168	395.17	10	158	171	399.73	165	466.32
6		SYNDICATE BANK	259	539.13	129	250.66	145	296.16	30	115	46	102.18	98	187.87
7		INDIAN OVERSEAS BANK	175	386.95	103	209.06	124	244.34	5	119	42	87.3	50	110.92
8		SOUTH INDIAN BANK	267	703.63	76	176.28	82	193.21	2	80	44	106.43	163	428.92
9		BANK OF INDIA	144	333.03	75	184.17	92	197.71	4	88	30	52.54	42	90.13
10		INDIAN BANK	127	283.88	75	171.43	108	222.17	18	90	43	72.23	22	52.68
11		VILAYA BANK	97	278.09	69	172.57	92	237.6	6	86	22	69.3	28	78.63
12		PUNJAB NATIONAL BANK	157	385.92	57	122.73	79	185.96	7	72	65	159.15	36	94.11
13		BANK OF BARODA	74	161.04	43	84.45	40	84.73	2	38	26	65.87	13	22.91
14		CENTRAL BANK OF INDIA	76	129.66	30	57.52	34	53.92	2	32	18	25.95	32	57.44
15		DHANALAKSHMI BANK LTD	70	149.21	22	50	33	64.68	2	31	16	32.78	37	74.6
16		CATHOLIC SYRIAN BANK LTD	75	157.79	16	24.03	22	25.4	0	22	23	49.63	41	89.04
17		ANDHRA BANK	18	39.42	12	19.72	8	15.07	0	8	7	17.86	0	0
18		IDBI BANK	29	82.99	12	26.28	10	28	4	6	10	27.84	10	30.08
19		UCO BANK	22	38.82	10	9.3	10	9.37	2	8	11	13.37	4	15.94
20		ALLAHABAD BANK	17	46.62	7	18.85	12	37.24	3	9	3	6.88	8	23.68
21		AXIS BANK LTD	8	11.35	5	5.78	5	5.18	0	5	0	0	8	11.35
22		HDFC BANK	40	89.91	5	4.23	10	14.13	0	10	2	1.93	35	81.37
23		ICICI BANK LTD	12	25.81	5	5.53	8	10.11	0	8	1	3.23	7	16.67
24		CORPORATION BANK	58	108.6	4	9.01	13	26.09	2	11	34	46.23	21	53.91
25		ORIENTAL BANK OF COMMERCE	9	24.4	4	9.56	5	10.96	0	5	1	1.88	3	9.86
26		BANK OF MAHARASHTRA	2	1.13	2	1.43	0	0	0	0	0	0	1	0.5
27		IDUKKI DISTRICT COOPERATIVE	8	14.49	2	2.56	3	5.14	1	2	1	1	5	10.93
28		KARNATAKA BANK LTD	3	10.86	2	5.01	4	7.99	1	3	1	2.98	2	7.88
29		TAMILNAD MERCANTILE BANK L	2	14.98	2	15.2	2	7.33	1	1	0	0	0	0
30		OTHERS	11	18.78	0	0	3	5.64	0	3	4	5.28	7	13.5
		Total	5104	12182.28	2077	4585.73	2448	5334.36	185	2263	1599	3531.6	1840	4516.44

The forum noted the information

5. Review of Performance under various segments

The forum concurred with the review of the performance under various sectors as at March 2019 quarter provided in the background notes supplied.

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

Sri. N.K Krishnankutty, Deputy General Manager, Canara Bank proposed vote of thanks.

CO-CHAIRMAN OF THE MEETING			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	Government of Kerala	Sri. Tom Jose IAS	Chief Secretary
2.	Canara Bank	Smt. A Manimekhalai	SLBC Chairperson & Executive Director, Canara Bank

GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	Department of Agricultural Development & Farmers Welfare	Sri. Devendra Kumar Singh IAS	APC & ACS
2.	Department of Industries & Commerce	Dr. Sharmila Mary Joseph IAS	Secretary
3.	LSGD	Smt. Mithra IAS	Additional Secretary
4.	Department of Agriculture	Smt. P K Jayasree IAS	Director
5.	Department of Corperation	Sri Shanavas IAS	Registrar of Cooperative Societies
6.	Kerala Khadi & Village Industries Borad	Sri. Bimal Lal. T.S	Secretary in charge
7.	Planning & Economic Affairs Department	Sri. M S Bijukuttan	Joint Secretary
8.	Commissionerate of Rural Development Kerala	Sri. T M Muhammed Ja	Joint Development Commissioner
9.	Cooperation Department	Sri. P S Rajesh	Additional Secretary
10.	Norka Roots	Smt. Kathrenamma Sebastian	Deputy Director
11.	Handloom & Textiles	Sri. K P MaheendraKumar	Deputy Director
12.	Labour Commissionerate	Sri. Thulaseedharan	Additional Labour Commissioner
13.	Dairy Development	Sri. S Sreekumar	Director
14.	Khadi & Village I Commission	Sri. K P Lalithamaney	Director
15.	Animal Husbandry Department	Dr P C Sunilkumar	Director
16.	ECGC Ltd	Sri. N Kameswara Rao	Branch Manager
17.	Akshaya/KSITM	Sri. Biju V.S Kumar	BDM
18.	Coir Board	Smt. Anita Jacob	Regional Officer
19.	Kudumbhasree	Smt. Jiji R S	State Program Manager
20.	Norka Department	Smt. Sreejayan Bhattathiri T	US
21.	Coir Board	Sri. V Sudheer	
22.	KVIB	Smt. M S Beena	Assistant Registrar
23.	Dept of Animal Husbandry	Dr B Jayachandran	Deputy Director
24.	Dept of Animal Husbandry	Dr Ganesh G	VS(Planning)

25.	Department of Industries & Commerce	Sri. Krishnakumar K N	Additional Director
26.	Department of Telecom, GOI	Sri. Ajithkumar S	Deputy Director
27.	Department of Agricultural Development & Farmers Welfare	Smt. Jyothi A R	Assistant Director
28.	Department of Fisheries	Sri. H Salim	JDF
29.	NACER	Sri. Jayaprakash K R	State Director
30.	Department of Tourism, GoK	Sri. B S Prakash	Joint Secretary
31.	ST Development Department	Sri. Saju S	Asst. Director
32.	Norka Roots	Smt. Geethakumari V S	Under Secretary
33.	Housing Commissionerate	Sri. Alex T Joseph	Chief Planner
34.	State Horticulture Mission Kerala	Smt P K Sreekumari	Asst. Director
35.	UIDAI	Sri. Noushad P	SRP
26.	VFPCCK	Sri. Saji john	CEO
37.	Directorate of Coir Development	Sri Rojimon T R	Junior Cooperative Inspector
38.	HUDCO	Sri. John Joseph Vadassery	JGM
39.	MGNREGA State Mission	Sri. C.P Joseph	JDC
40.	MSME DI LIC	Smt. R Rajasree	Divisional Manager
41.	New India Insurance	Dr B Krishna Prasad	Divisional Manager

RESERVE BANK OF INDIA		
SL NO	NAME	DESIGNATION
1.	Sri. S M N Swamy	Regional Director
2.	Sri. P V Manoharan	Assistant General Manager

NABARD / SIDBI / NATIONAL HOUSING BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	NABARD	Sri. R Srinivasan	Chief General Manager
2.	NABARD	Dr. P Selvaraj	General Manager

PUBLIC SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	State Bank of India	Sri Arvind Gupta	General Manager
2.	State Bank of India	Sri. Vinayak kaisare	DGM
3.	State Bank of India	Sri Ajith R	AGM
4.	State Bank of India	Sri. Asok Kumar	AGM
5.	Bank of India	Sri. Mahesh Kumar V	DGM
6.	Central Bank of India	Sri. P V Saisubramani	DGM

7.	Union Bank of India	Smt. Srekala L K	Deputy Regional Head
8.	Indian Overseas Bank	Sri. Ramesh Kumar S	AGM
9.	Corporation Bank	Sri. Rajkumar S A	Zonal Manager
10.	Bank of Boroda	Sri. Anand Kumar Jha	Chief Manager
11.	Andhra Bank	Sri. V Murali	Zonal Manager
12.	Andhra Bank	Sri. A P Ratnagiri	Chief Manager
13.	Allahabad Bank	Sri. Sreedevi S	Senior Manager
14.	Union Bank of India	Smt Ramya G	Senior Manager
15.	United Bank of India	Sri Adarsh Mohan	Manager
16.	UCO Bank	Sri Vijay Avinash T	Branch Head
17.	Punjab & Sindh Bank	Sri. Kesava Amar Nath R	Chief Manager
18.	Punjab National Bank	Sri. N Balasubramanian	AGM
19.	Syndicate Bank	Sri. K Haridas	Regional Manager
20.	Indian Bank	Sri. A.K Vijayan	Zonal Manager
21.	Syndicate Bank	Sri. Ravi Sankar	Senior Manager

CONVENOR BANK (CANARA BANK)

SL NO	NAME	DESIGNATION
1.	Smt. G.K Maya	SLBC Convener & General Manager
2.	Sri. K Palanivelu	General Manager
3.	Sri. Nair Ajit Krishnan	General Manager
4.	Sri. N.K. Krishnankutty	Deputy General Manager
5.	Sri. Babu Kurian	Deputy General Manager
6.	Sri. Sanjumon V	Divisional Manager
7.	Sri. Sankar K	Manager
8.	Sri. Muhammed Anseem	Manager
9.	Smt. Nisha V L	Officer

REGIONAL RURAL BANK

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Kerala Gramin Bank	Sri. Nagesh G Vaidya	Chairman

PRIVATE SECTOR BANKS

SL NO	INSTITUTION	NAME	DESIGNATION
1.	IDBI Bank	Sri. Varada Menon	General Manager & Regional Head
2.	Federal Bank	Sri. Jose K Mathew	EVP
3.	ICICI Bank	Sri. A R Bijju	AGM
4.	SIB	Sri. Peter A D	DGM
5.	IDBI Bank	Sri. Naveen Raj	Assistant General Manager
6.	Federal Bank	Sri. Jacob Eapen	AVP
7.	IndusInd Bank	Sri. Arun Raj	DVP
8.	IndusInd Bank	Sri Vaisakh H	Manager
9.	TMB	Sri T Bharath	Asst Manager
10.	CUB	Smt Saritha	Asst Manager
11.	CSB	Sri Francis Palatty	Zonal Manager
12.	Bandhan Bank	Sri. Rajeev S	AVP
13.	Bandhan Bank	Sri. PPS Prakash	DVP
14.	Yes Bank	Sri. Safeer A S	Manager
15.	LVB	Sri. Prenith PC	Branch Head

16.	CSB	Sri. George P K	Area Manager
17.	J&K Bank	Sri. Mahadevan G	Manager
18.	RBL	Sri. Hariharan S	AVP
19.	Axis Bank	Smt. Maya Kannath	Senior Manager

CO-OPERATIVE BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	Kerala State Cooperative Bank	Sri. G. Gopakumar	Deputy General Manager
2.	KSCARD Bank	Smt. Sreedevi S	ADM
3.	KSCARD Bank	Sri. K Vijayan	ADM

LEAD BANK OFFICES			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	Indian Overseas Bank	Sri. Abraham Shaji John	Lead Bank Manager, Trivandrum
2.	Indian Bank	Sri. A.Padmakumar	Lead District Manager, Kollam
3.	State Bank of India	Sri. Vijayakumaran.V	Lead District Manager, Pathanamthitta
4.	State Bank of India	Sri. V Vinod Kumar V	Lead District Manager, Alappuzha
5.	State Bank of India	Sri. Chandrasekharan C.V	Lead District Manager, Kottayam
6.	Union Bank of India	Sri. Rajagopalan G	Lead District Manager,Idukki
7.	Union Bank of India	Sri. C.Satish	Lead District Manager, Ernakulam
8.	Canara Bank	Sri. R.R.Kanakambaran	Lead District Manager, Thrissur
9.	Canara Bank	Sri. Anil D	Lead District Manager, Palakkad
10.	Canara Bank	Sri. Kunhiraman.T.P	Lead District Manager,Malappuram
11.	Canara Bank	Smt. Vinod G	Lead District Manager, Wayanad
12.	Canara Bank	Sri. Sivadasan K M	Lead District Manager, Calicut
13.	Syndicate Bank	Sri. Remanan C S	Lead District Manager, Kasargod
14.	Sundicate Bank	Sri. Frony John P	Lead District Manager, Kannur
SMALL FINANCE BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1.	ESAF Bank	Sri. Suresh K P	AVP
2.	Ujjevan SFB	Sri. Thariq Saif MI	AM