STATE LEVEL BANKERS' COMMITTEE, KERALA

(Under Lead Bank Scheme)

Convenors: केनरा बैंक Canara Bank

[सिंडिकेट Syndicate]

Ref: SLBC/K/132/133SLBC/2021/Minutes/304/AJS **23rd April, 2021**

(All Members of SLBC)

Dear Sir,

Sub: Minutes of the132nd and 133rd Meeting of SLBC, Kerala

We are forwarding herewith the minutes of the 132nd and 133rd Meetingof SLBC, Kerala held on 22nd February, 2021by Video Conference.

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

Thanking you,

Yours faithfully,

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

All communicationsto be addressed to:

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Minutes of 132nd and 133rd Meeting of State Level Bankers Committee, Kerala

Held on 22.02.2021(Monday)
Board Room, 6th Floor, Canara Bank, Circle Office,
M G Road, Thiruvananthapuram
&
Video Conferencing

The meeting commenced at 11.00 a.m. with Dr. Vishwas Mehta IAS, Chief Secretary, Government of Kerala and Smt. A. Manimekhalai, Chairperson, SLBC Kerala & Executive Director, Canara Bank in the chair.

The List of participants is as per annexure.

Sri. N Ajit Krishnan, Convenor, SLBC Kerala & General Manager, Canara Bank welcomed the participants. In the welcome speech, the Convenor touched upon the following.

- On account of the COVID related guidelines and social distancing norms, this time also the SLBC meeting is being conducted on a virtual space through Video Conferencing. The SLBC was supposed to have been held in October 2020 and January 2021. But on account of the issues connected with the ongoing pandemic, it was unable to conduct the meetings in time. To catch up with time schedule, was decided to have both the 132nd and 133rd SLBC meetings together, so that next meeting onwards it will be on time.
- In co-ordination with the Central and State Governments, various Schemes were implemented and devised to assist the people of the State to overcome their economic downturn.
    - Special Relief Scheme for Travel and Tourism Sector.
    - Revival package and Special OTS Scheme for Cashew sector
    - Navajeevan scheme for the unemployed seniors of the State
    - Emergency Credit Line Guarantee Scheme (ECLG Scheme) 2.0 announced by the Central Government for expanding the benefit to business sector.
    - NDPREM Scheme for Returned Emigrants.
- The difficult and the dangerous situation of the spread of the COVID-19 pandemic was not a deterrent for the banking fraternity to provide all these services to the people of the State unhindered.
- The Convenor highlighted the performance of the banking industry in the State, as at December 2020 as follows:
    - During the last one year the Branch network in the State improved to 6606 with the addition of 41 Branches.

- Deposits of commercial banks in the State grew by 13% Year on Year, to reach Rs.5.93 Lakh Crores. However, growth over September 2020 is at 2%.
- Advances of commercial banks have grown by 6% during last one year to reach Rs.3.78 Lakh Crores. However, growth over September 2020 is at 3%.
- NRI marked a Year on Year growth of 14 % and Domestic deposits marked a Year on Year growth of 12 %
- Total Business increased by 10 % Year on Year.
- CD ratio has decreased to 64% from 68%, during the last one year.
- The overall achievement under Annual Credit Plan (ACP) is as follows:
- Percentage achievement under ACP in Priority Sector till December 2020 is 65% of the Annual budget. The performance under primary sector at 76% and the secondary Sector performance at 68% are comparatively satisfactory, the tertiary sector shows only 42% growth needs a bit of improvement.
- Increasing the investment credit to agriculture is the area where all of us have to concentrate on.
- There is wide variation in performance among districts in achievement under Priority Sector.
    - While districts like: Kollam @ 104%, Palakkad @ 81%, Kozhikode @ 80%, Wayanad @ 75%, Trivandrum @ 73%,Thrissur @ 66% have achieved above state average of 65%.
    - There are 8 districts which have achievements below the state average. They are: Ernakulam @ 64%, Alappuzha @ 63%, Malappuram @ 62%, Kasaragod @61%, Idukki @ 59%, Pathanamthitta @57% Kottayam @ 44% and Kannur @ 36%.
- The Convenor requested LDMs to analyse the reasons for the low performance and take necessary corrective measures to reach the targets.

- The Convenor requested all the Member Banks and LDMs for prompt submission of the quarterly SLBC data and other data required from time to time. Since, non-submission of the data promptly to RBI and DFS puts SLBC into a sorry figure.
- In case of non-receipt of the data from the Banks within the time frame, the LDMs are requested to follow an escalation matrix and take up the matter to the next authorities of the Bank.
- In the Parliamentary Committee meetings held in Munnar for Rural Development and in Kochi for Urban development, certain issues were pointed out by the Committee Members, and suitable advisories had been issued regarding the same for member banks.
- On 14.02.2021, Election commissioner had called for a meeting and set forth the role of Bankers during Election and pointed out the guidelines to be strictly followed by the banks for which SLBC has issued an Advisory as well.

- The Convenor thanked the Government of Kerala, for enabling the E-Stamping facility in the State which would facilitate the Banks for E-Stamping of the documents with Value less than Rs 100000 also.

With this, the Convenor, SLBC welcomed the members.

Smt. Manimekhalai, Executive Director, Canara Bank and Chairperson SLBC Kerala welcomed the members and in her address stated the following:

- The situation of pandemic is not yet completed and everyone should try individually and collectively to flatten the curve at the earliest. Banks have been implementing various measures especially in areas of MSME and in the field of Agriculture.
- Banks in Kerala together have already disbursed around Rs 5800 Crores under ECLGS to MSME borrowers.
- CD Ratio of State has come down and is a matter of concern. The Chairperson requested all banks to work for improving the CD ratio.
- Only 65% of ACP target is achieved under primary sector for December Quarter of FY 20-21 as against 74% for the quarter of the year 19-20. The Chairman requested all banks to work for achieving ACP targets for the upcoming quarters.
- It is important that the bankers have to work to achieve various parameters under the Government initiatives.

Dr. Vishwas Mehta IAS, Chief Secretary, Government of Kerala in his address stated the following:

- Over the last few months, everyone learned how to work around Covid and how to live along with the pandemic and to ensure that the normal life to go on by safe guarding their lives.
- Now gradually businesses are coming back and the damages occurred should take months and years to recover.
- MSMEs from small to large units had suffered a lot. Many businesses were shut down and many are not able to come back due to the shortage of working capital. There are difficulties in marketing of products and all these made their lives difficult. The Chief Secretary expressed that hopefully by next meeting there should be improvements in the situations and should be able to meet targets of businesses.
- Tourism sector is an area where Banks can play an important role. The Sector has opened gradually, there are not many foreign tourists but many domestic tourists especially from North India are visiting Kerala. Out of 673 loan applications forwarded by various tourist operators, only 70 applications were sanctioned, 219 were rejected and no decision has been taken for 371 applications.
- The Chief Secretary also mentioned about his concern in reduction of CD ratio.
- Chief Secretary concluded his speech with a hope of conducting the next meeting in physical mode.

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

- Kerala has been achieved Financial Inclusion target much ahead of other states. Now it is time for Digital Inclusion and some districts were selected for this purpose. We should achieve the target this year itself due to highly developed digital infrastructure in Kerala and for that banking sector should take the lead.
- The primary objective of banking sector in assisting the development of State by enhancing the implementation of various kinds of schemes in agriculture and other sectors by both Central and State Governments. Schemes like PMMY and other agriculture related schemes help to mitigate unemployment and also those advances need immediate processing.
- In states like Kerala, the only way to overcome the problem of unemployment is promoting micro enterprises. In various areas, micro enterprises are assisted by Government of India by providing subsidies and bankers should give advances in a quick and efficient way through digital methods, which help to avoid the delay in normal paper channel.
- Credit, deposits and repayment rate are the key factors and the ACS requested to compare that with other States.
- Priority sector is also an important area which needs attention, but many banks neglected this sector.
- Regarding doubling of farmers' income by 2022, the ACS requested bankers to provide timely reports so that the progress can be analyzed.
- The ACS assured all the cooperation from the side of Government for efficient banking activities in the State.

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

The Regional Director RBI expressed the pleasure and honor to be in the meeting and appreciated the banking community and Govt. machinery for working tirelessly to ensure minimal disruption to the general public at large.

The Regional Director touched upon some of the policies and regulatory measures announced by the Reserve Bank during the period:

- **<u>Monetary and Liquidity Measures</u>**

Based on an assessment of the current and evolving macroeconomic and financial developments, the policy repo rate was kept unchanged at 4 percent. However, for revival of growth on a durable basis and mitigate the impact of COVID 19 on the economy, it was decided to continue with the accommodative stance as long as necessary. For the first time during the COVID-19 period, inflation has eased below the upper tolerance level of 6 percent. With the outlook on growth improving significantly and the positive growth impulses becoming more broad-based, the need of the hour is to continue to support growth, assuage the impact of COVID-19 and return the economy to a higher growth trajectory.

- **Developmental and Regulatory Policies**

As part of Atmanirbhar Bharat Package 3.0 announced in November 2020, the Central Government launched the Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) under which the corpus of Rs.3 lakh crore of existing ECLGS 1.0 was extended to provide 100 % guaranteed collateral free additional credit to entities in 26 stressed sectors identified by the Kamath Committee of RBI plus health care sector with credit outstanding of above Rs. 50 crore and upto Rs. 500 Crore as on 29.2.2020.

It has been decided to bring the 26 stressed sectors identified by the Kamath Committee within the ambit of sectors eligible under on tap Targeted Long Term Repo Operations (TLTRO) of the RBI. Banks are encouraged to synergise the two schemes by availing funds from RBI under on tap TLTRO and seek guarantee under ECLGS 2.0 to provide credit support to stressed sectors.

Further, given that NBFCs are well recognized conduits for providing last mile credit and act as a force multiplier in expanding credit to various sectors, it is also proposed to provide funds from banks under the TLTRO on tap scheme to NBFCs for incremental lending to these sectors.

- **Financial Literacy Week 2021**

Reserve Bank has been conducting Financial Literacy Week every year since 2016 to propagate financial education messages on a particular theme across the country. The Financial Literacy Week 2021 was observed from February 8-12, 2021 with the theme of 'Credit Discipline and Credit from Formal Institutions' which is one of the strategic objectives of the National Strategy for Financial Education 2020-2025. Banks have been advised to disseminate the information and create awareness among the consumers and general public. Further, a centralized mass media campaign is being undertaken by the Reserve Bank to broadcast essential financial awareness messages to general public.

- **Round-the-Clock Availability of Real Time Gross Settlement System**

As you are aware, the NEFT system was operationalised on a 24*7*365 basis since December 2019 and has been working smoothly since then. In furtherance of the Reserve Bank's efforts to facilitate swift and seamless payments in real time for domestic businesses and institutions, the RTGS system has also been made available round the clock on all days from December 14, 2020. You will be happy to note that with this, India will be among very few countries globally with a 24*7*365 large value real time payment system.

- **Scaling up of Centres for Financial Literacy (CFL) Project**

The Centres for Financial Literacy (CFL) Project was launched in 2017 involving select banks and NGOs to spread financial literacy in an innovative way through community led participatory approach in 80 blocks in nine states. The project was further extended to 20 more blocks in tribal/economically backward areas in three states in 2019. One of the milestones of the National Strategy for Financial Inclusion (NSFI: 2019-2024) is to expand the reach of CFLs to every block in the country in a phased manner with one CFL serving three blocks. The project cost is being funded from Depositor Education Awareness Fund (DEAF), Financial Inclusion Fund (FIF) as applicable and part portion by the sponsor banks. In pursuance of this objective, it has been decided to open 25 CFLs in the state of Kerala with funding from the DEAF. The CFLs will be set up under a common name 'MoneyWise' and a common logo has been designed for the same. The

Regional Director requested all the stakeholders and implementing banks to commit themselves to the cause in accordance with the Standard Operating Procedure released by the Reserve Bank.

- **Expanding and Deepening of Digital Payments Ecosystem**

During this pandemic the need to ensure that each and every citizen is able to access financial services in a digital mode, becomes paramount in light of the need to maintain social distancing. In November 2019, SLBC-Kerala had identified Thrissur district to make the district 100% digitally enabled within one year. Considering the impediments and challenges effected by the unprecedented COVID 19 pandemic, the timeline has been extended to March 2021. A Monitorable Action Plan (MAP) to assess the performance of the partner banks has been finalized and milestones have been set to ensure achievement of 100 % digital coverage by March 2021. The Regional Director expressed the hope and desire that all stakeholders devote personal attention and ensure adherence to the milestones so that the target can be achieved well within the revised timeline.

- **Allowing Retail Investors to Open Gilt Accounts with RBI**

The Central Government and the Reserve Bank have taken several measures to encourage retail investment in Government securities. In continuation of these efforts, it is proposed to provide retail investors with online access to the Government securities market-both primary and secondary-directly through the Reserve Bank ('Retail Direct'). This will broaden the investor base and provide retail investors with enhanced access to participate in the government securities market.

- **Caution against Unauthorised Digital Lending Platforms/Mobile Apps**

The Regional Director highlighted concern about reports of individuals/small businesses falling prey to growing number of unauthorized digital lending platforms/mobile apps on promises of getting loans in a quick and hassle-free manner. Some common grievances include excessive rates of interest and additional hidden charges being levied, adoption of high-handed recovery methods, misuse of agreements to access data on the mobile phones of the borrowers, etc. The Regional Director exhorted the banking community gathered in the meeting to take cognizance of such increased instances and spread awareness among the general public against such unscrupulous activities.

The Regional Director raised concern regarding the decline in CD ratio from 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, in order to effectively monitor the performance of individual banks, a standing agenda item of bank-wise CD ratio may be introduced from the next meeting.

Smt. M G Jayasree, Deputy Director General, DFS in her address stated the following:

- A coordinated effort from all sectors of economy to address the credit needs is the primary objective of the committee. Financial inclusion is the other key aspect and strategy for implementation of Government policies are to be addressed.
- Regarding the priorities of Central Government for the year 2021-22, The Deputy Director General stated the following:
    - Credit needs of large infrastructure projects as well as agriculture sector need to be addressed.
    - Credit needs of small green field projects by weaker section are stressed.
    - The measures for financial inclusion, insurance penetration and social security have to be formulated.
- Similar to the objectives of SLBCs, Government is conducting stakeholders seminars related to each of the budget announcements to improve the efficiency of implementation, to bring in wide perspective to reach the objective of each announcement. Consultation with State Governments, private sectors and exports in the field are acknowledged.
- The Deputy Director General suggested the Committee to formulate an implementation strategy and gap analysis as a forum mandated for the purpose.

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

- Decline in CD ratio is a major aspect that needs attention. The CGM also highlighted slight decline in the agriculture advances.
- NABARD had conducted State Credit seminars and State Focus Paper for the Financial Year 2021-22 had been released and had envisaged production of 1.62 Crores for the year 2021-22 with an increase of 6.3% over the previous year. Present ACP of Rs 1.48 lakhs, the increase is very minimal.
- Regarding agriculture advances, in the last year NABARD had introduced Agriculture Infrastructure Fund, Animal Husbandry Infrastructure Fund and other Special Finance Schemes.
- Agriculture Infrastructure Fund had already been picked up. The CGM expressed pleasure on noting that three of the Farmer Producer Organisations in the Kottayam district had already been approved by State Bank of India and are at the final stage of sanctioning under the AIF and AHIF Schemes. The CGM appreciated SBI for taking the lead in identifying good farmer Producer Organisations and supporting them. Many of them had reached the stage where they can go for capacity expansion. They require some credit assistance and if they are linked to AIF, interest burden will be less and FPOs will be able to manage their funds in a better way. The CGM asked other major banks in the State to come forward and to support these groups. Also, private farmers and agripreneur need support. If lead banks and

Agriculture department are taking initiatives in this context, NABARD will also support such projects.

- In State Credit Seminars, CGM proposed to have farmers meet and farmers' interaction rather than awareness generation. NABARD is collecting project ideas/concept note from farmers and after its analysis and through one-to-one interaction that whether those projects are feasible, their credit needs can be supported.
- NABARD is continuing the support to Financial Inclusion activities of State Cooperative Banks and RRBs.
- NABARD proposed to have special programmes together with Panchayati Raj representatives which will lead to better credit discipline and better utilization of loan among the poor people in that areas.
- The CGM suggested to adopt some mechanism like CBS and MIS linkage urgently so that purpose wise data should be readily available. For example, data related to credit distribution for a particular purpose.
- The CGM suggested to sensitize the younger generation bankers regarding the importance and relevance of meetings like BLBC, DLBC etc and to make sure that the data provided in those forums should be accurate.

Smt. Ishita Roy IAS, Principal Secretary & APC, Department of Agriculture Development & Farmers' Welfare informed the following:

- Regarding Agriculture Infrastructure Fund, it is the medium to long term facility given for investment in post-harvest management and food processing. Kerala is one of the few states which took this very early. The loan rejections are a few but loan pendency is very high. The APC requested the forum to make note on this and to take appropriate action.
- Regarding moratorium, the hon'ble Supreme Court has withheld the decision on that and as RBI is one of the members the APC requested RBI to consider this as soon as possible.
- Subhikasha Keralam is a very ambitious programme of Kerala and it is the first time Kerala is talking about Integrated farming not only agriculture but also allied sectors like Animal Husbandry, Fisheries etc. The APC appreciated banks in the State for their support they had given to this programme. However there are a few applications with unexplained rejections. Subhiksha Keralam is a Government supported programme involving PACS, community farmers, JLGs, entrepreneurs and the APC requested the forum for their maximum support and discussions regarding the same.
- Regarding fallow land cultivation, State had taken a decision that no land would be left fallow. The Government had issued a Government Order where a tri-partite agreement along with Panchayat, lessee and lesser came into effect. Panchayat came into picture if there is any problem for banks to settle. The Government is aware that the banks want to have that in form of legal agreement. Although all other states had done this, lease land farming is not yet legalized in Kerala, but the

Government is giving the protection. Despite that, the banks are not willing to come forward and help. Sufficient credit support to this programme in Kerala is very crucial for agriculture and agriculture is the only sector which grew beyond the pandemic.

- The APC requested the forum for their maximum support to core agriculture related programmes and schemes.

The SLBC Convenor replied that core agriculture projects should be financed for sure and should have sub-committee meetings to discuss and to find best ways to support them. Regarding Tri-partite agreement, there should have a meeting and should clear the issues related to the same

The forum then proceeded with the agenda.

1. ADOPTION OF MINUTES of the SLRM 2020 and 131st SLBC

The forum unanimously adopted the minutes of SLRM 2020 and 131st SLBC held on 03rd October 2020 circulated vide SLBC letter no SLBC/K/130/Minutes/AJS dated 08th Sep 2020.

2. PRIMARY SECTOR

2.1Pending Issues in Primary Sector

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

The SLBC Convenor stated that Doubling of Farmers Income is one of the most important agenda items. NABARD in consultation with RBI, selected SLBC and other stakeholders had developed the benchmarks/indicators for monitoring and reviewing the progress under Doubling by 2022. Review report has been furnished in the booklet as annexure 10.41. The data revealed that as per the PMKisan portal, there are 35.96 lakhs farmers who are engaged in agriculture and among that more than 20 lakhs farmers are provided with Kisan Credit Card benefits which amounts to Rs. 76.60 lakhs loan outstanding. Banks had been advised and most of the banks are pushing for saturation of PM Kisan beneficiaries with KCC limit.

One area of concern is crop insurance coverage in the State is less than 1% which really needs an improvement. SLBC had 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. The Convenor requested the department to provide guidance regarding the same.

Short term credit to allied activities is reported as Rs.11.04 crores. The main reason was KCC campaign to cover Animal Husbandry and Dairy farmers. Loans for capital formation under agriculture is reported a positive growth and developmental initiatives such as FPO finance, SHG finance, JLG finance and Finance against warehouse receipt had reported a growth of 3.23% ,1.24%, 6.09%, 6.31 % respectively.

Fisheries had not popped up in this regard and a couple of meetings were held to thrash out the issues related to inland and marine fisheries.

Smt. Ishita Roy IAS, APC Department of Agriculture replied that regarding insurance policy, the decision has to be taken by the higher level and the problem is if compensation to crops is linked directly to loan accounts, the farmers do not get compensation to his hands when he required the same.

The forum decided to discuss the same in Agriculture Sub-committee

The SLBC Convenor stated that the insurance issue can be taken up in the sub-committee meetings for further discussions. Regarding thandaper registration, the matter has been taken forward and assured that it will be in place..

Smt. Ishita Roy IAS, APC Department of Agriculture stated that Government had started a campaign for KCC and requested bankers for their full support on the same as KCC saturation plays an important role in Atma Nirbhar Bharat and all other centrally sponsored schemes coming by budgetary and off budgetary support of Government of Kerala.

The SLBC Convenor assured full support to take the saturation programme forward.

(Action: SLBC, Banks, LDMs and Government Department)

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

Smt. Reeny Ajith, Regional Director, Reserve Bank of India stated that the agenda can be retained as the action is not yet complete.

The SLBC Convenor stated that the agenda can be retained and can work on how the tri-partite agreement can be made beneficial to bankers so that they have no issues to financing under the scheme.

The forum decided to pursue the agenda.

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

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

The SLBC Convenor stated that the matter had already discussed in the forum. Sub-Committee meetings can be arranged for the same to ensure that financing is done as much as possible. The loan applications had already made available and found that all the applications are getting cleared as per the eligibility norms.

(Action: SLBC and Banks)

2.1.4 Agenda Suggested by SLBC (Loan against Paddy Receipt Sheet to registered Paddy growers under SUPPLYCO - Renewal of MoU)

This as an information note and a draft MoU has been circulated among member Banks. Nine banks had already signed the MoU with SUPPYCO

(Action: Banks)

2.1.5 Agenda Suggested by Reserve Bank of India

A. Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem

A representative from RBI stated that there is not much developments in the programme and this is basically term loans. The progress to be analysed and should be reviewed in DLRC level also.

The SLBC Convenor stated that LDMs have to take lead in promoting the same.

(Action: LDMs, Dept of Agriculture and Banks)

B. A Monograph on the State of Sikkim's Organic Transformation

A representative from RBI stated that Government's fallow land cultivation policy can linked to this and it need to start from granular level.
The forum opined that the Department can provide the data on transformation to organic farming at State level/ District level and the same can be reviewed in SLBC meeting.

Smt. Ishita Roy IAS, APC Department of Agriculture asked to share the presentation regarding the same to the department.

(Action: SLBC, Kudumbashree, Dept of Agriculture)

2.2 Pending Issues in Secondary Sector

2.2.1 Agenda Suggested by the Director of Industries and Commerce

The SLBC Convenor informed that under Emergency Credit Line Guarantee Scheme (ECLGS), total banking sector in the State had disbursed an amount of Rs. 5761.42 crores and which benefitted around 117153 beneficiaries.

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)

The SLBC Convenor stated that in the last meeting with hon'ble Minister Sri. E P Jayarajan the issues of bankers had been discussed and the minutes are yet to be shared. The bankers are worried about the three years clause. The bankers will be having a meeting shortly with directorate of Industies on how to finance and to discuss about the implementation of KSWIFT.

(Action: Dept of Industries, Banks)

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)*

The Assistant Commissioner, Land and Revenue Department informed that they had obtained the Government Order for implementation of the same last week and can roll out the same for all banks from next week.

(Action: Dept of Land & Revenue, Banks)

2.3.2 Agenda Suggested by Reserve Bank of India

A. National Strategy for Financial Inclusion (NSFI): 2019-2024 – Universal Access to Financial Services

The SLBC Convenor stated that all the LDMs had confirmed that all the hamlets of 500 households in hilly areas are with financial services and will collect the confirmation again and submit the same to RBI.

(Action: LDMs)

B. Expanding and Deepening of Digital Payments Ecosystem

The SLBC Convenor stated that the percentage of Eligible Operative Accounts digitally covered (with at least one of the facilities) out of total Operative Accounts is 85.97% and that of current accounts is 62.91%. In case of current accounts some improvement is needed. The Convenor requested all banks and LDM to fully gear up to complete the progress so that the gap can be covered before timeframe. i.e, before 31 March 2021, the process can be completed and be ready for certification.

A representative from RBI stated that most of the banks had done very well and the criteria is at least one digital facility. CSB Bank, IPPB, Kerala Bank and Yes Bank are lagging in their performance, the matter will be discussed separately.

(Action: LDM, Banks)

C. Revamp of Lead Bank Scheme standardized system for data flow

The SLBC Convenor stated that 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.

A representative from RBI pointed out that data submission from banks is not in timely and many times it affects the functioning of SLBC. Banks need to sensitise their MIS teams so that they provide relevant data and also to ensure that the data is submitted timely so that all the policy makers can make use of it and also for deliberations.

The SLBC Convenor highlighted the point that SLBC has got a letter from RBI regarding mismatch and delay in data submission. Based on that SLBC had informed all the member banks and wrote to MD and CEO of a couple of banks regarding the non-submission of required information. Convenor requested all banks to submit the verified and authenticated data within the time frame without getting any reminders from SLBC.

(Action: Banks)

D. Infrastructure facilities to the Financial Literacy Counselors

The SLBC Convenor stated that the matter has been taken up.

A representative from RBI informed that NABARD had issued a circular in this regard, wherein which for rural banks and FLCs they are providing reimbursement for projectors based on the actual expenditure. In Special Focus District (SFD) 90% of actual expenditure incurred or maximum eligible support, whichever is less, in other Areas for Rural Branches of SCBs and FLCs it is 60%. Banks can approach NABARD and make use of the same.

(Action: Banks)

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

The SLBC Convenor stated that progress of implementation social security schemes is attached in the annexure 8.30. Social security schemes and its implementation was one of the areas which had been taken up in Parliamentary Committees both rural and urban. In this regard, SLBC had meeting regularly with DFS and the Convenor requested all banks to take up the matter as a requirement so that it will help people during emergencies. As per the report, 892203 people enrolled for PMJJBY, 42 lakhs people for PMSBY and 615614 people for APY. Compared to other states APY enrollment is very low and SLBC had issued an advisory that each bank branch has to enroll atleast 60 APYs by 31st March 2021.

(Action: Banks)

2.3.3 Education Loan Repayment Support Scheme

The SLBC Convenor informed that SLBC had forwarded ELRS claims amounting Rs.207.96 lakhs to Government for approval and Government had approved Rs.205.31 lakhs. The Convenor requested banks to process and forward the pending applications as early as possible as the funds are available and Government wants to clear it as soon as possible.

(Action: Banks)

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

The SLBC Convenor informed that SLBC had written directly to Joint Secretary, Skills, Ministry of Rural Development, Government of India and Kudumbasree had also taken up the matter. SLBC is awaiting the confirmation from MoRD

(Action: MoRD)

2.3.5 Progress made in Digitization of Land Records

The SLBC Convenor stated that as per the information from Land Revenue Commissioner office, the process of digitalization of Land is completed and banks can make use of the same at the earliest.

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

The SLBC Convenor stated that the matter has been taken up by the Department of Registration and now e-stamping is permitted for amount below one lakh also. The forum highlighted the need for E-stamping of of Bank guarantee as advised by the Indian Bankers Association and sought the support of Government for the implementation of e-stamping.

(Action:Dept: of Registration)

3. FRESH ISSUES

3.1 Primary Sector

3.1.1 Minutes of SLBC sub committee on Agriculture to discuss about KCC Loan to Fisheries

The forum approved the minutes.

3.1.2Agenda Suggested by Director Agriculture

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

The SLBC Convenor stated that the APC had already briefed about the expectations from bankers and the Convenor assured that the matter will be taken up in a best possible manner and awareness will be created among the bankers. Almost all banks had taken up and in Kottayam three projects are going on. Canara Bank had one project and is about to sanction. The Convenor also requested all the banks to come forward and finance under this portfolio.

2. **Extension of Moratorium and waiving of Interest for other farmers**

   The SLBC Convenor stated that the APC had already explained about the position.

3. **Credit under Subhiksha Kerala**

   The SLBC Convenor stated that with regard to the fallow land cultivation and related tri-partite agreement there should be a sub-committee meeting to thrash out the minor issues and to discuss on how much this tri partite agreement will be helpful for bankers during the failure of repayment without any kind of guarantee.

3.2 Secondary Sector

3.2.1. SLBC Sub-Committee to discuss about implementation of KSWIFT

The SLBC Convenor stated that the matter has already discussed in the forum and had a meeting with Hon'ble Minister E P Jayarajan. The final advisory will be issued after clearing all the doubts regarding the same.

3.2.2 Minutes of the subcommittee meeting to discuss about PMAY, Navajeevan Scheme and Social Security Schemes

3.2.3 Agenda Suggested by Employment Directorate – Implementation of Navajeevan Scheme

The Deputy Director, Employment Directorate briefed on the Navajeevan scheme. The Deputy Director stated that the scheme is implemented through the National Employment Service Department and is beneficial to the people of age group 50 to 65 years and also described the eligibility criteria of the scheme. This is a scheme for bank loans upto Rs. 50000 and a subsidy of 25% of loan amount with maximum of Rs12500 will be given by Govt: of Kerala. No collateral security is required and interest rebate is applied to senior citizens. Around 1000 applications were received this financial year and the Deputy Director requested the forum to make this programme a success.

The SLBC Convenor replied that there was a sub-committee meeting to discuss about the scheme requested all the member banks to dispose all the pending applications at the earliest so that the support can be given to those people.

3.2.4.Information note placed by industries Dept - Interest subvention on Term loan and Working capital loan

The agenda is as an information note by Industries Dept. regarding interest subvention on term loans and working capital loans.

3.2.5 NORKA Dept - Information note on NDPREM

The SLBC Convenor stated that about 1778 applications are still required to be processed by respective banks and requested banks to clear the pendency at the earliest.

3.3 Teritary Sector

3.3.1 Agenda by Reserve Bank of India

A representative from RBI stated that RBI had already celebrated the Financial Literacy Week where the theme was enhancing credit from formal institution and credit discipline. Banks are now moving towards providing the customers with life time services and need to develop a business plan on this rather than only a social activity. People are to be made aware of the credit discipline which is required. Banks should come forward and plan progammes for the customers.

The SLBC Convenor stated that agenda can be pursued and by next meeting the required information can be furnished.

3.3.2 Agenda Suggested by Department of Financial Services

The SLBC Convenor stated that the matter had already been informed to the member banks and advisory also issued with regard to the housing subsidy, rural housing as well as PMAY-G. Interest subsidy for MIG I and II category is getting over by March 2021, and assuming that there will not be any extension, the Convenor requested all member banks to provide maximum housing finance under the scheme. All banks are requested cover all the eligible beneficiaries under the scheme so that subsidy can be provided.

Table Agenda

1. **Agenda Suggested by Planning Department – Implementation of recommendations of Adhoc committee on SARFAESI**

The SLBC Convenor stated that regarding bilingual bank applications, the matter had already been taken up with the Corporate offices of banks. Canara Bank got communication from corporate office that applications should be bilingual and it is under process.

Regarding SARFAESI notice, avoiding advertisementsis not possible as the SARFAESI Act demands for publishing the notice in a national daily. As a remedy for this maximum possible advertisements can be put together so the total cost is minimized and only that part is charged from the respective defaulter.

2. Agenda Suggested by KVIC – regarding PMEGP

The SLBC Convenor stated that the matter had been taken up in many SLBC forums and recommended to ensure that all the banks should taken care of the sanctions and margin money claims as per the norms.

3. Upcomig Assembly Election- General Guidelines to be followed

The SLBC Convenor stated that SLBC had already released advisory in this regard and informed banks to take note of the same. Any further information from Election Commission should be shared accordingly. The respective District Collectors had started collecting the data of employees and the Convenor requested bankers to furnish correct data as per the format provided by them.

The LDM Palakkad raised two issues and are stated below:

1. Regarding PMEGP, banks with verticals for sanctioning PMEGP loan are facing problems. After submission of full documents, sometimes the loan applications are getting rejected and at branch level they do not have power to reject any applications prima face on receipt of the application. The LDM requested the forum to have a discussion on this so that powers can be given to bank branches.

   The SLBC Convenor asked LDM Palaghat to share the list of such banks and can discuss on the matter.

   The RBI representative replied that there should be some mechanism for fast communication of information to the customers regarding the rejection of applications and the reason.

2. The LDM Palakkad requested member banks to communicate the decisions of SLBC meetings to the branches and few branches are not aware of the decisions taken in the SLBC meetings.

Regarding PM SVANidhi scheme*, the SLBC Convenor* stated that Central Government and DFS are following up on this on regular basis and have weekly meetings. The number of pending applications is around 2772 and the Convenor requested all member banks to dispose the applications at the earliest.

The forum approved the performance under various sectors as at December 2020 Quarter provided in the background notes supplied.

The 132nd and 133rd meetings of SLBC, Kerala concluded with the above deliberations.

Sri. N Ajit Krishnan, Convenor, SLBC Kerala & General Manager, Canara Bank proposed the vote of thanks and the meeting concluded at 1.30 pm.

List of participants is annexed.

CO-CHAIRPERSON OF THE MEETING			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	**Government of Kerala**	**Dr. Vishwas Mehta IAS**	**Chief Secretary**
2	**Canara Bank**	**Ms. A. Manimekhalai**	**Executive Director**

GOVERNMENT OF KERALA			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	**Government of Kerala**	**Sri. V P Joy IAS**	**Additional Chief Secretary**
2	**Department of Agriculture Development & Farmers' Welfare**	**Smt. Ishita Roy IAS**	**Principal Secretary & Agricultural Production Commissioner**

RESERVE BANK OF INDIA		
SL NO	**NAME**	**DESIGNATION**
1	**Smt. Reeny Ajith**	**Regional Director**
2	**Cedric Lawrence**	**General Manager**
3	**Murlee Krishna**	**AGM**

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

PUBLIC SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	BANK OF BARODA	D Prajith Kumar	Regional Manager Trivandrum
2	BANK OF INDIA	P. G. Pappu	Zonal Manager
3	BANK OF MAHARASHTRA	Mr. Raaj Kumar	Manager
4	CENTRAL BANK OF IND	P.V Saisubramani	Dy. General Manager
5	INDIAN BANK	Shri A K Vijayan	Deputy General Manager
6	INDIAN OVERSEAS BANK	Ramesh Kumar S	AGM
7	PUNJAB & SIND BANK	Kesava Amarnath R	Chief Manager
8	PUNJAB NATIONAL BANK	Shri Surinder Kumar Raizada	Deputy General Manager
9	STATE BANK OF INDIA	Sri. Aravind Gupta	General Manager (Network Iii), Chief General Manager In Charge
		Sri. Santhosh Sadasivan Nair	Deputy General Manager (Fimm)
		Sri. Asok Kumar S	Assistant General Manager(Lead Bank)
10	UCO BANK	Sabeer Nazeem	Chief Manager
11	UNION BANK OF INDIA	Manjunathaswamy C J	Regional Head & Deputy General Manager

PRIVATE SECTOR BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	AXIS BANK	Maya Kannath	Senior Manager
2	CATHOLIC SYRIAN BANK	Roy Varghese	Head –Agri & Fi
3	CITY UNION BANK		
4	DHANLAXMI BANK LTD	Manu R Nair	Manager

5	FEDERAL BANK	Shri. Mohan K	Senior Vice President
6	HDFC BANK	Jitheesh Janardhanan	Assistant Vice President
7	ICICI BANK	Mr. Biju R	AGM, Regional Head, Trivandrum
8	IDBI BANK LTD	Hari T K	Asst General Manager
9	INDUS IND BANK	1) Arun Raj	DVP
		2) Jyothi Prabhu	AVP
10	JAMMU & KASHMIR BANK	Mr. Mahadevan .G	Branch Head
11	KARNATAKA BANK	Smt. Mallika Ashok	Chief Manager-Regional Office
		Mr. Jaffar Shariff	Afo-Regional Office, Mangalore
		Sreejith Kumar V	Senior Manager, Trivandrum
12	KARUR VYSYA BANK		
13	KOTAK MAHINDRA BANK	Jiju P David	SQM
14	LAXMIVILAS BANK	V Chanthirasekar	Vice President
		V K Lalitha	Asst Manager
15	SOUTH INDIAN BANK	Mr.Peter A D	Deputy General Manager
16	T.N.MERCANTILE BANK	Prabhath C	Assistant Manager, Thiruvananthapuram Regional Office
17	YES BANK	Sreejit K Anirudhan	Vice President / Branch Manager
18	Bandhan Bank	PPS Prakash	Cluster Head
		Lilgith Mohanan	Branch Head
19	IDFC First Bank	Mr. Bijesh Chandra R	Branch Head
20	RBL Bank	Hariharan S	Branch Manager

CO-OPERATIVE BANKS			
SL NO	INSTITUTION	NAME	DESIGNATION
1	KSCB	Anitha	Deputy General Manager
2	KSCARD	Brinda.R	Agricultural Development Manager

REGIONAL RURAL BANK			
SL NO	INSTITUTION	NAME	DESIGNATION
1	Kerala Gramin Bank	Mr. JAYAPRAKASH C	CHAIRMAN

CONVENOR BANK (CANARA BANK)		
1	Mr. N Ajit Krishnan	SLBC Convener & General Manager
3	Mr. Santhosh A V	Deputy General Manager
4	Mr. Sanjumon V	Divisional Manager
5	Mr. Ajas A	Senior Manager
6	Smt. Sheeja Nair J	Manager
7	Mr. Arun G S	Officer
8	Mr. Sreejith R	Officer

LEAD BANK OFFICES			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	Indian Overseas Bank	Mr. Sreenivasa Pai G	LDM Tvm
2	Indian Bank	Smt. Reena Susan Chacko	LDM Kollam
3	State Bank of India	Mr. V. Vijayakumaran	LDM Pathanamthitta
4	State Bank of India	Mr. Vinodkumar V	LDM Alappuzha
5	State Bank of India	Mr. A.A.John	LDM Kottayam
6	Union Bank of India	Mr. Rajagopalan G	LDM Idukki
7	Union Bank	Mr. C Satish	LDM Ernakulam
8	Canara Bank	Mr. Anilkumar K K	LDM Thrissur
9	Canara Bank	Mr. Anil D	LDM Palakkad
10	Canara Bank	Mr. Jithendran P P	LDM Malappuram
11	Canara Bank	Mr. Muraleedharan T M	LDM Kozhikode
12	Canara Bank	Mr. Vinod G	LDM Wayanad
13	Canara Bank	Mr. Frony John P	LDM Kannur
14	Canara Bank	Mr. N Kannan	LDM Kasargod

SMALL FINANCE BANK			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	ESAF	Suresh KP	Asst.Vice President
2	Ujjivan Small Finance Bank	Thariq	Area Manager

PAYMENTS BANK			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	India Post Payments Bank	Divakara N R	AGM
2	Airtel Payments Bank		