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

Convenors: केनरा बैंक Canara Bank

Ref: SLBC 35 156 2018 SK **Date: 13th November, 2018**

(All Members of SLBC)

Dear Sir,

Sub: Minutes of the 125th Meeting of SLBC, Kerala

We are forwarding herewith the minutes of the 125th Meeting of SLBC, Kerala held on 28th September, 2018 at Hotel Residency Tower, Government Press Road, Trivandrum.

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,

G.K Maya
Convenor, SLBC, Kerala
& General Manager, Canara Bank

All communications to be addressed to:
General Manager
Canara Bank, **SLBC Cell**
Circle Office, Canara Bank Bldg.
P.B.No.159, M.G.Road
Thiruvananthapuram -695 001

Phone : 2331302 (Direct),
2331051 Ext .608,609
Fax : 0471 2338236 /
2331355
E-mail : slbckerala@canarabank.com
Website: www.slbckerala.com

MINUTES OF THE 125th MEETING OF
STATE LEVEL BANKERS' COMMITTEE, KERALA

Held on 28.09.2018(Friday)
at Hotel Residency Tower
Govt. Press Road, Trivandrum

The meeting commenced at 11 a.m. The List of participants is annexed.

Smt. G.K Maya, Convenor, SLBC Kerala & General Manager, Canara Bank welcomed the participants. In her welcome speech, she touched upon the following.

- The state saw one of the worst natural calamities after the great floods of year 1924.The devastation it caused was beyond description. But in the rescue missions Kerala displayed its unity and will power that amazed the entire country. But things do not end with rescue. Rehabilitation has to follow rescue. Rehabilitation requires capital. Here is where, a banker's role becomes vital. She said that the banks have played their role well and shall continue to do so. We ensured that disruption in banking service was to the minimum. Branches that got submerged were made operational within the next fortnight. Till such time we ensured that services were made available from other branches. Wherever possible we had deployed Mobile ATMs. We also had advised all member banks to refrain from various recovery actions for the next three months after the calamities. Thereafter, We have declared various relief measures both in loans and in service charges. We have also made the new credit schemes Resurgent Kerala Loan Scheme (the RKLS) a reality. We have also made substantial contributions to the Chief Minister's Distress Relief Funds .Despite acute manpower shortage and various obstacles even during the calamity periods entire banking fraternity in Kerala stood with the decisions of Government & SLBC for supporting the people in distress. The credit relief measures which we have laid out for our state were the result of detailed and well thought out procedure. It will be a bench mark for other states in future. We have covered the MSME, housing and Education sectors also in the relief measures other than Agriculture. Apart from extending moratorium and rescheduling the existing loans, instructions were given for providing additional finance also. The Housing loan top up scheme was specially introduced, in view of the extensive flood damage to houses. In the Resurgent Kerala Loan Scheme, we are partnering with Kudumbasree Mission. The mission has a rich resource of matured Self Help Groups who will ensure that the loans are going to eligible persons only and its repayment as well. Government has announced its support with an interest subvention of 9 % .The banking performance for the quarter will be covered in detail by the Chairman of the forum.

- However the mounting NPA in Education Loan Portfolio is a serious concern. It has increased alarmingly to 20%. It may be a fall out of the ELRS scheme. But if Govt could release its share in time it would be of support to banks to contain this NPA percentage. Also we require an awareness creation through the media for credit discipline especially among the younger generation.

- Another matter of concern is that of Kollam Cashew Industry. There is no doubt that there are units which are ailing and require support.

- But without the backing of a viable revival package, how long the banks can keep the recovery measures in abeyance is the question.
- We have to segregate the units into those which can be revived and those which are beyond salvage.
- For the first category, this is the suitable time , with current import price of West African raw nuts falling below US$ 1600,
- For the second category , we should have an appropriate exit policy

Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank in his presidential address extended a hearty welcome to all participants on behalf of SLBC Kerala and touched upon the following.

It is a great privilege to be amongst you for this most important SLBC meeting when Kerala state is in the rebuilding process after the worst flood of the century.

This meeting assumes more significance as we need to take decisions on Agenda items related to the Relief measures suggested to bring back normalcy and help in resuming the economic activities in the state.

Hence, in addition to the regular review of the performance of banking sector in the State for the first quarter of the financial year 2018-19, today's SLBC meeting has to take decision on the relief measures suggested so that the same could be implemented within the specified time frame.

To improve the pace of rebuilding God's own Country, we the bankers fraternity should support the Government whole heartedly.

He urged the bankers to extend all possible steps in the initiatives taken by the Government of Kerala in the rebuilding process.

Government of India has announced continuation of National Mission on Financial Inclusion 'Pradhan Mantri Jan Dhan Yojana' with the change in Focus of accounts from every house hold to every adult. With a view to increase banking penetration and promote financial Inclusion, the Government is moving in the direction of enhancing physical Presence of banking outlets, even in unbanked villages and leveraging technology for better access to banking services. Accordingly, the agenda for FI has gone beyond the six flagship schemes like PMJDY, PMSBY, PMJJBY, APY, PMMY and SUPI with special emphasis on providing banking facilities in remote/ difficult areas. The focus is also on taking digital transaction to a higher platform in the country.

SLBC Kerala has always been in the forefront in implementation of all Government directives on Financial Inclusion. He sought the continued support of all the stake holders for successful implementation of the Comprehensive Financial Inclusion Mission and the digital pipeline in the form of JAM Trinity (Jan Dhan, Aadhaar and Mobile).

National Common Mobility Card: With a view to take digital transactions a step further, the Government is in the process of implementing National Common Mobility Card (NCMC) in the country.
This will further drive digitalization for low value with high frequency payments leading to change in consumer behavior for such daily usage.
The banks need to ensure that henceforth all re-carding and issue of new debit cards should be NCMC compliant, with offline wallet as a default option. NPCI has also advised banks to make the necessary changes in the software to make their PoS machines NCMC compliant at the earliest.

He called upon all banks to publicize the changes and re-orient the strategies to accelerate for a digitalized, financially included and insured society.
As at June 2018, there are 6266 commercial bank branches in the State of Kerala.9104 ATMs have been deployed in the State out of which, 6959ATMs have Braille keypad. Kerala has bank density of one bank branch for every 5585persons and one ATM for every 3800 persons. All the Business Correspondents deployed are to be kept activated. Inactive BCs are to be replaced wherever necessary.

Coming to opening of banking outlets in unbanked villages, the reorganization of revenue villages by the State Government, about39locations with population above 5000 are still without banking outlets. He requested the banking fraternity to put forth whole hearted effort in opening banking outlets in these villages. This would enable the State to have further inroads in financial inclusion and will improve the living conditions of the people of the unbanked villages. Ensuring100% coverage of villages in compliance with the RBI directions will be yet another achievement for the state.

In terms of Business, the Commercial banks have a Total business of Rs.7, 45,010 Crores in the State. There was an increase of Rs 68,845 Crores over June 2017 with a growth rate of 10%.

The Deposits increased by Rs.38590 crores to Rs. 4,53622 crores and Advances increased by Rs.30,255Crores to Rs. 2,91,388 crores. NRE deposits witnessed a Y-o-Y growth of 14.16%, with an outstanding level of Rs. 176098 crores.

- Deposits have registered a growth rate of 9 % (Y-o-Y) whereas the advances have grown by 12% (Y-o-Y).
- The CD ratio of the state has recorded marginal improvement from 63 % as at June 2017 to 64 % as at June 2018.
- The performance of Banks under priority sector, agriculture and weaker sections, is well above the mandatory levels of 40%, 18% & 10% of Gross credit, with outstanding levels of 58%, 24% and 24% respectively.
- The priority sector advances have grown by 14% to Rs 1, 70,062 Crores and Agriculture sector has shown a growth of16%, reaching an outstanding level of Rs71, 076 Crores.
- Advances to MSME sector has shown a substantial growth of 18% and achieved an outstanding level of 47,543 Crore.
- Housing loan portfolio has grown by 12 %
- The achievement under Annual Credit Plan (ACP) for First Quarter of FY 2018-19: Achieved only primary sector target. Missed the targets under Secondary, Tertiary sector and Total priority sector. He called upon all the banks for a better performance under ACP so that the set targets are achieved in the ensuing quarters.
- All the banks together have disbursed Rs 1527 Crores under MUDRA loans and the outstanding under Mudra loans has crossed Rs 5,784 crores.
- All the banks together have mobilized over 35 lakhs enrolments under the three Social Security Schemes (PMJJBY, PMSBY & APY).

He requested banks to explore newer areas of lending, look for opportunities for credit expansion and extend finance to all feasible bankable ventures that are coming up in the state especially the Infra Projects coming up in Kerala.
The Ease of Doing Business Act will be a boon for MSME sector and the growth under MSME sector is a positive indication. The bankers can tap the untapped potential in these areas to improve the lending on the priority sector. Agro processing facilities under tourism & health, Small &Medium

Industries, loans under Stand Up India, MUDRA all offers an excellent opportunity for credit expansion to augment the credit growth, thereby helping to achieve a desirable C: D ratio.

Coming to the clarion call by the Government of India for doubling of farmers' income by 2022, there is an urgent need to revise the strategies and the Investment credit needs to be augmented to ensure the sustained development of the Agriculture in the state.

Suitable district wise action plan is to be drawn and implemented and monitored to achieve the goal. Post-harvest management, Agro processing, Value Addition and Proper Marketing are major areas of focus for doubling the farmers' income. Project lending especially in Agro processing, Hi tech farming, Precision farming, High value farming like fruits /medicinal plants etc. and cold storage have to be encouraged in a big way.

He hoped that sub committee comprising of RBI, NABARD, SLBC and State Agriculture Department will formulate suitable schemes and the same will be presented in the next meeting.

Gram Swaraj Abhiyan Phase I and the extended Gram Swaraj Abhiyan in the Aspirational district Wayanad have been successfully carried out and the set targets were achieved within the stipulated time frame. He thanked the District Administrations, Bankers and LDMs for their active involvement and unstinted support.

He urged all the stake holders to concentrate on certain priorities such as;

1. Opening of banking outlets in the remaining unbanked villages within 5 km radius.
2. Issuance and Activation of Rupay cards in all eligible accounts.
3. Promotion of Financial Literacy through Rural Branches and F L Counselors. FLCs are to be made more efficient and counselors are to be appointed in all vacant posts by the respective Banks well before October 2018.
4. Activation of all BC outlets.
5. Banks to focus on achieving the set targets under Annual Credit Plan for the year 2018-19 with focus on investment credit.
6. Successful implementation of comprehensive financial inclusion Mission.
7. Extension of flood relief measures within the specified time.

The Banking sector in the state has displayed vibrancy in all the endeavors of the State Government. He thanked the Central and the State Governments and various developmental agencies, RBI and NABARD for the excellent support, guidance and co-operation rendered to the banking sector in the State over the years. He congratulated all the fellow bankers for their significant contribution in improving the economy of the State, and for partnering in the process of growth and development. More so in the matter of taking banking to the doorsteps of financially excluded segment.

He assured the State Government that all the member banks will strive together for rebuilding Kerala and also for the overall Socio economic development of the State.
On behalf of all the bankers in the State, He thanked the entire Government machinery of Kerala State for the support being extended to the bankers.

Sri. PH Kurian IAS, Additional Chief Secretary, Revenue Department, Govt of Kerala commenced his speech by complementing SLBC for the decisions that have been taken in the special SLBC meetings which were conducted on the backdrop of the unprecedented flood that occurred in the state of Kerala. Government has issued an order for the Resurgent Kerala Loan Scheme [RKLS] for the flood affected people. Government declared 942 villages which include 7 districts in total as flood affected villages and is in the process of adding a few more.
In RKLS, government has declared that it will be an interest free loan and the interest subvention will be fully done by the state government. Government capped the interest under this loan scheme at 9

percent. Banks should adhere to it. Only 1.38 lakh people came for the RKLS loan. Those are the people who belong to the disadvantaged sections of the society.

Lot of loss has happened to the state but the losses in livelihood are the most worrying concern, especially in Animal husbandry and MSME sectors.

As per the Quick Survey report, the loss in investment is 350crores. They need to be supported.

Industry development, animal husbandry and dairy development have to come from the plan funds and if any additional requirement is there the government will provide from the budget and the respective departments will come out with support schemes for these people. Their existing loans have to be restructured for 3 to 4 years and the additional assistance for investment has to be provided. In case of people who have lost their stocks and for the traders who lost in terms of their working capital, support from banks is required. If there is any delay in getting the claims for their coverage, it should be brought to the notice of the government so that the government can take up with the insurance companies to settle the claim amount as early as possible. So with this money and with a little more assistance from the banks, the business can be brought on track again.

Following discussion with Micro Finance companies, many of them have already started lending additional loan to the affected people. In the case of the investment requirement, the government will come out with a scheme similar to those of Animal husbandry and Dairy Development Department. Similar way Industries department will also formulate a scheme to help the people. KFC is also working on a scheme to give investment support. The government requests the banks to do the same.

On livelihood matter, there needs to be urgency. Unprecedented flood which is unknown to our history has happened in their life but they are not down and out and are trying to stand up and these initiatives will bring back the life better than what was. The government has announced a new Kerala. So we expect that new Kerala with lot of changes will emerge much more better. Various initiatives are being taken to reorient the society into a new set up. He hoped that in three to four years we will redefine the way we can carry out the economic activity in an eco friendly and sustainable way of development.

Banks have a tremendous role to facilitate this process because the thinking has to actually go into each one of our minds to make it into a sustainable development model. The immediate requirement is to support the livelihood of the people. Around 3 lakh families need this support. Government will rebuild the infrastructure from its own sources i.e., from loans, cutting down plan investment by 20 percent which will add to reconstruction requirement.

Sri. S M N Swamy, Regional Director, Reserve Bank of India in his address stated that State Level Bankers' Committee (SLBC) has been constituted as an apex inter-institutional forum to create adequate coordination machinery in all States, on a uniform basis for development of the State. SLBC has proved itself to be an effective forum for the convergence of efforts of all the stakeholders to ensure the holistic development of the State.

A major disruption in our lives happened during this quarter came in the form of unprecedented rainfall and resultant floods and landslides which destroyed many lives, livelihoods and severely dented the infrastructure of the State. The Central, State and Local Governments with the active association of people have been playing a major role in the relief and rehabilitation operations, to restore the lives of the people affected by the natural calamity. In this period of recovery following the major natural calamity, the role of financial institutions (banks) is significant in restructuring, rescheduling existing loans and lending fresh finances to the affected people to resuscitate their lives and livelihood. Banks may be guided by the relief measures formulated by SLBC, which is in line with the Master Directions issued by Reserve Bank of India.

SLBC in the state has been quite proactive in convening meetings to analyze the flood situation at frequent intervals and framing the necessary measures to alleviate the sufferings of the people in close coordination with banks and various Government agencies. It is a matter of great pride to underscore the efforts of our Lead District Managers who were instrumental in providing support on behalf of the banking community and were at the forefront of the rescue operations even to the cost of their own personal safety and comfort. The efforts have greatly contributed to the rescue operations and hoped to continue the momentum in providing relief to the affected millions in coordination with authorities.

On the macroeconomic front, based on an assessment of the current and evolving macroeconomic situation, Monetary Policy Committee (MPC) in August 2018 decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.5 per cent. Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent.

Reserve Bank of India recently announced innovative guidelines for co-origination of priority sector loans by banks and NBFCs with a view to enhance flow of funds to the sector at competitive rates. The arrangement should entail joint contribution of credit at the facility level, by both lenders. It should also involve sharing of risks and rewards between the bank and the NBFC for ensuring appropriate alignment of respective business objectives, as per the mutually decided agreement between the bank and the NBFC.

On the financial inclusion front, India Post Payment Bank has been launched on September 1, 2018 in New Delhi. It is set up as Public Limited Company under Department of Posts with 100% Government of India equity. It has begun operations with 650 branches and 3,250 access points across the country. It leverages DoP's network, resources and reach to make low-cost, quality and simple financial services easily accessible to customers in the country.

Another major development in the quarter is the amendment of Reserve Bank of India (Note Refund) Rules 2009, to enable the public to exchange mutilated notes in Mahatma Gandhi (New) series at bank branches and RBI offices, which are smaller in size compared to the earlier series.

Payment and Settlement Systems are at the heart of a modern economy. Recognizing this, the Reserve Bank has been, over the years, initiating measures that have resulted in the payment systems in India gaining international recognition. The recent past has witnessed significant developments in this area, which have brought in a sea-change in the way our citizens use technology-based systems and products to take care of their funds transfer requirements. With a view to widen the scope and to increase digital payments in India, an enhanced version of UPI (UPI 2.0) was launched by Reserve Bank of India on August 16, 2018. This would open new areas such as retail applications for Initial Public Offerings of companies, which can now be processed through UPI. It is certain that UPI 2.0 will take simplicity, security and seamlessness to the next level which will serve as a benchmark for other products in the eco-system. A noteworthy feature is the increase of the "Per-Transaction" cap from the existing level of ₹1.0 lakh to ₹2.0 lakh, which would support large-value real-time transactions on a mobile phone.

Banks play an important role in the development of the nation and the furtherance of the financial inclusion agenda. It must be recognized that banking is becoming complex and increasingly subject to scrutiny of the public and the regulator. However, the banking system is never immune to the general sentiment of the public and as custodians of public money banks need to act with understanding and empathy. He hoped that bankers in Kerala are aware of this aspect of banking with human face and will live up to the challenge.

Sri. R Srinivasan, Chief General Manager, NABARD in his address stated that after the devastating floods, in discussion with the state government, RIDF allocation for the state has been increased by around 500 crores for rebuilding the damaged infrastructure in the state. The government has increased the allocation for NIDA for infrastructure in the state and also for the refinance which NABARD gives to the state cooperative banks and RRBs to help banks to extend additional crop and term loans for agriculture and allied activities. These are the initiatives of NABARD in regard to the unprecedented flood that occurred in the state.

Coming to the flow of credit to agriculture and allied activities due to the conversion of the crop loan to medium term loan there may be a need for the issue of crop loans to the affected people. For RRBs and cooperative banks, NABARD is extending conversion loans. For other banks, the request from NABARD is to ensure that they are covered through KCC mode. Under Financial Inclusion, NABARD recommends to issue Rupay KCC, so that they will be able to use the rupay KCC not only at the ATM but also at the dealers. He requested the bankers to give crop loan through KCC mode so that they will be eligible under PMFBY. The coverage of farmers under PMFBY or the State Government's crop insurance scheme has been very less which has put the farmers as well as the bankers in a disadvantaged position. So coverage of farmers under FBY should be the main priority in addition to the issue of KCCs.

The need for issuing of term loans for the sustainable development and GOI's strategy of doubling of farmers' income will be possible only when there is capital formation in agriculture.

NABARD has been coming out with various Area Development Schemes, in fact during the current year, a scheme on cage fish culture is to be introduced. The emphasis is on taking the advantage of the potential available in the State in cage fish culture.

NABARD is supporting banks for digitalization. As advised by RBI One lakh loan is made available through Kudumbashree model or fresh loans that can be given for purchasing of animals. For DEDS NABARD has requested the government for additional allocation for the state.

Coming to the Financial Inclusion, NABARD has been vested with Financial Inclusion fund. NABARD is willing to sponsor the digital programs conducted by the banks.

Secondly, NABARD is supporting cooperative banks and RRB's for setting up of micro ATMs, Pos machines and even mobile VANS, VSAT so that the benefits either through the branch or through the BCs should necessarily reach the remote rural areas.

DBT as and when it was introduced by GOI to reach each and every household in the country is the major objective of the financial inclusion program of Government of India.

Coming to the Farmer Producer Organizations, NABARD has one exclusive fund with GOI as PRODUCE [Producers Organization Development and Upliftment Corpus] fund. NABARD is supporting the formation of producer companies just like the SHG's and JLG's. With Kudumbashree NABARD is working on the formation of farmers organizations. He requested the bankers to support them with credit. NABARD rates these FPOs and whenever they are rated, NABARD will be recommending them to the nearby bank branches. Banks can consult the NABARD District Development Managers of all the districts. So banks should help the produce organization to get better price for the produce. NABARD will support for an initial period of 3 years for giving training for CEOs of FPOs.

Coming to the Tribal Development Fund, NABARD has assured the State Government that it will be providing support to the new water shed development projects in Wayanad and Idukki districts which will be risk proof to the farmers so that the bankers can come forward to lend and they will be assured of return of their loans.

Coming to the data integrity, data accuracy and timely receipt of data, RBI has issued guidelines in April 2018 which specifies that SLBC has to ensure that the data is properly obtained by the controlling offices of the branch. Like data on the no. of units of activities financed under the minor irrigation, land development and farm mechanization, plantation, horticulture etc. Data accuracy and timely availability will help NABARD to come out with realistic credit plan for all the districts in the state.

Smt. Geetha Muralidhar, ECGC Chairman & MD in her address mentioned that the devastation that has happened in the state has moved each and every one of us in the country. ECGC instantly rushed to the affected within two days and provided solar lamps as the electric network had completely collapsed and also provided various essential materials to the relief camps and the employees contributed to the CMDRF.

Kerala has been one of the centres of international trade for centuries. Kerala had set the trend for other states on how to trade internationally and they have had their natural advantages. She assured that ECGC would provide all possible support to the people who are involved in the exports and international trade from Kerala. The international trade makes it about 40 percent against letter of credit and about 7 percent goes against "Stand by LoCs" and 23 percent against proper guarantees. Rest 30 to 35 percent is on open account term and where supply chain financing is involved. These are transactions which do not have any layer of protection and this is where the credit insurance plays a very crucial role. Credit insurance is an instrument which has been with the export credit agency since 1920s and world over this is being exploited by various countries in augmenting their own trade and their own exports. While analyzing our country's exports more than 90 percent of our exports are on short term basis i.e, payment has to be released within 180days and maximum of 360 days wherever RBI permits and this is more than 90 percent trade involving not only traders but also manufactures and employment intensive industries and more. The huge contribution from these sectors is something very vital and this is where ECGC plays a crucial role because almost 95 percent is short term only and around 5 percent in medium and long term which includes project exports. Financing for MSMEs is totally collateral free lending and we have to trust against the future receivables, the capability of the entrepreneur to manufacturing export and receive and repay the loan that he has taken. A natural tendency for risk aversion has prohibited from free lending, free credit to the MSME's .

For an exporter today, there is no geography, no destination, no buyer is safe, and nobody is going to dispute this fact. Wherever the destination is there is ample risk, whether it is a developing or developed country. The risk is as high when we export to USA or if you export to Western Europe, because there is so much of uncertainty, political situations, and currency situations etc. Non tariff barriers are the biggest risk today for any Indian exporter. Import of a particular item from a country can suddenly be prohibited or they could impose a very high import duty on it. So these are the risks which our exporters are facing apart from world economy being so much in turmoil ever since 2007 meltdown. All the big corporations like JCPenney, Walmart are in such difficult situation. So exporters also have to worry about the commercial risk, the individual buyers default and insolvency. This is place were the role of ECGC become very pertinent. ECGC is a diamond jubilee organization and is in the 62nd year of operation. The 3 major businesses done by the ECGC are

- Insuring the receivables of the Indian exporters under the short term export.
- Insuring the bank working capital lending to the exporters.
- Insuring the medium and long term exports including project exports

ECGC insures about 65% of the export credit disbursed in the country for nationalized and private sector banks. So with so much of coverage obviously when there is stress in the system, it applies to ECGC also.

As of March 2018, banks are under huge loss. ECGC paid out gross claims which were much more than the gross premium that year. But ECGC managed nominal profit and gave dividend to the government because ECGC has built up a lot of reserves and adequate provisioning was made. The overall value insured by ECGC is over 6 lakh crores with the maximum liability of 96000 crores which means ECGC is supporting 33% of India's exports directly and indirectly through the banks.

Coming to Kerala, the first ECGC branch was opened in 1971 in Kochi and the second in 2015 in Kollam. ECGC covers almost all exports which are exported from here like marine products, rubber, spices, cashew, tea, coffee and readymade garments.

ECGC supports around 20000 exporters overall in India but in Kerala only around 800 exporters. Nationally, MSME constitutes more than 85% in the portfolio, both in bank lending as well as in direct receivables cover. But in Kerala, the percentage is only 75. Not many SME's are into exports. ECGC is serving 140 bank branches in the state and the total advances covered are 5000 crores.

Coming to the cash credits due to the unprecedented flood the borrowers have ended up in losses. SLBC has planned a restructuring by giving 3 year repayment period. The concern is that all exporters invariably enjoy cash credits and packing credits simultaneously. Banks also sanction them simultaneously. This is the reason why ECGC presence is required in SLBC meetings.

She requested the forum to share the decisions taken in the SLBC meetings. ECGC has been an export promotion organization which is regulated by the IRDA. ECGC would take perusal actions based on the inputs communicated to us.

She added that ECGC has collected the names of the exporters units which have undergone destruction in the floods and the numbers are very low. It may not be the reality so she requested all the bankers to share the data detailing the units that have suffered loss and send it over to ECGC, so that the claims can be settled faster. She assured that ECGC will actively participate in all the efforts in rehabilitation and also in the exports promotion of the state.

Sri. S. Harikishore IAS, Executive Director, Kudumbashree commenced his speech by thanking the banking fraternity for their excellent response to the RKLS announced by the Government of Kerala which decided to give up to one lakh rupee interest free loan for the flood affected families with 9% interest rate borne by Government of Kerala. The scheme is devised in such a way that it is available only to Kudumbashree members. Non Kudumbashree members have to join the SHG network to avail this facility. There are 3.8 lakh affected families and out of these 2.7 lakhs are Kudumbhashree members i.e, 52000 neighborhood groups of Kudumbashree. Till now about 1500 groups have collected the loan applications. In order to reach this loan to the needy people, Kudumbashree has asked the neighborhood groups to check the needs of the people. The average loan size of the received 1.5 lakh application is around 65000 rupees only. The total loan demand till now is about 900 crores.

He requested the banks to speed up sanctioning of loans and requested the LDMs to give awareness about this scheme to bank managers and to disburse the loans from the first week of October.

Coming to the repayment part of RKLS, the SHGs shall repay with interest to the bank and the Kudumbasree will pay the interest subvention of 9 percent. SHG's can approach the bank multiple times with a maximum restriction of 10 lakh per group.

Coming to the PMAY Urban scheme 93 urban local bodies have implemented this scheme. Under CLSS, a person taking housing loan can avail interest subsidy from GOI. The government is trying to push this scheme in Kerala, but only about 7000 people have availed this facility. The feedback received from the people indicates that interest subsidy is not credited to their account till now. He requested the banks to credit the interest subsidy as soon as possible since this is a limiting factor in reaching the scheme to more people.

Coming to the MNREGA scheme, it is seen that the tribal people are not coming forward for taking up work because of the delay in wage payment. So Government has given Kudumbashree 12 crore rupees for Attapadi and Wayanad to give wages in advance. It will be disbursed directly from Kudumbashree. He requested the bankers to credit the wages to the respective beneficiary accounts. A new modus operandi is devised for this scheme, wherein the amount disbursed by Kudumbhasree to the tribal beneficiaries has to be recouped through their bank accounts. Details the scheme will be circulated in this regard. The repayment scheme is slightly tricky and hence it has to be implemented carefully. It's a pilot project which is implemented for the first time in the country. Hence the cooperation of banks is required for its prompt implementation.

Representative from SBI stated that in tribal wage advance payment for the recovery of the advance payment made, Kudumbashree has to send the data in spreadsheet.

Sri. M.V Rao, SLBC Chairman & Executive Director, Canara Bank commented that since the wages are to be paid in advance and again goes back to bank, he requested to place the minutes of the implementation in the SLBC website so that whichever bank branches are involved can easily access it.

Smt. G.K Maya, SLBC Convenor& General Manager stated that In CBS [Core Banking System] hold fund facility is provided thereby as and when amount is credited into beneficiaries account, banks can hold it. The beneficiary won't be able to withdraw. A draft of agreement regarding this has been prepared which authorizes the banks to recover the money and pay it to Kudumbashree.

Sri. K Biju IAS, Director Industries Department, Govt of Kerala in his address stated that a survey is going on to determine the depth of losses for individual households and also for MSME units happened. Survey is being conducted in all the districts. This survey is to map each industrial unit which have sufficient loss in terms of plant and machinery as well as the losses which happened because of the infrastructure degradations such as buildings etc. Another aspect is the inventory loss including the stock losses which are estimated around 652 crores. The plant and machinery loss is about 352 crore only. These estimates can be revalidated with the IT mission app in which each individual unit is taken at micro level to determine the extent of losses. This data can be shared with bankers at respective district levels so that bankers can look at these units which have suffered loss and take decisions appropriately.

The SLBC decisions taken on 20th August should be implemented quickly so that relief can be provided at the earliest to the affected people.

Speaking on the occasion **Smt. T Mithra IAS, Additional Secretary, LSGD** in her address talked about the issues involved in the land allotment for construction of RSETI buildings which was incorporated in the agenda booklet as item No: 2.3.1.

The forum then proceeded with the agenda.

1. ADOPTION OF MINUTES OF SLRM 2018

The forum unanimously adopted the minutes of the State Level Review Meeting of SLBC, Kerala held on 20th& 21th June, 2018, which was forwarded to the members, vide Convener's letter SLBC 38 86 2018 GN dated 7th August, 2018.

2. PENDING ISSUES

2.1 Pending Issues in Primary Sector

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

The forum decided to pursue the agenda

(Action: SLBC)

2.1.2. Suggestions of National level Monitoring Committee (NLMC) on Pradhan MantriFasalBimaYojana (PMFBY) (Suggested by NABARD)

***Smt. G.K Maya, SLBC Convenor & General Manager** informed the forum that farmers are badly affected due to the recent floods because of the lack of insurance coverage to their crops.*

***Representative from Agricultural Insurance Company** stated that the state government is working on alternatives; they can compensate to their people as if the insurance cover was already there.*

The forum requested to ensure all risk parameters that are probable in Kerala including excess rainfall, flood and wind to be included in the scheme coverage.

(Action: SLBC)

2.2. Pending Issues in Secondary Sector

2.2.1. Issues involved in the implementation of PMEGP Scheme

The forum noted that the state government has gone forward in ease of doing business in the state by amending seven vital acts. Hence the forum decided to drop this agenda.

2.2.2. Committees for Stressed Micro, Small and Medium Enterprises (Suggested by **RBI**)

***Sri. K Biju IAS, Director Industries** stated that for the stressed assets, bankers from the respective districts have to help in restructuring this which RBI has approved previously. There should be a committee at each district in which bankers have to join so that prompt decisions can be taken regarding stressed assets. This committee has to be active at district level so that General Manager DIC would be part of it, thereby providing some amount to this sector.*

***Smt. G.K Maya, SLBC Convenor & General Manager** informed the forum that most of the banks have already constituted the suggested committees and requested other banks who have not constituted to do the same.*
The forum decided to pursue the matter.

(Action: Banks)

2.2.3 <u>Review of implementation of Coir Udyami Yojana (CUY) during 2017-18</u> (Suggested by Coir Development Board)

The forum requested the Coir Board to assist the recovery of Remote loans through a special repayment support package and recommend to the MSME Ministry for a repayment support scheme to settle all the remote scheme NPA accounts.

(Action: Coir Board)

<u>2.3. PENDING ISSUES IN TERTIARY SECTOR</u>

2.3.1. Land Allotment for construction of RSETI Buildings *(Pending since July 2012)*

***Representative from SBI** stated that in Pathanamthitta RSETI, there is a subway problem so the re-allotment process is not robust. In case of Wayanad RSETI, the approach road problem is not yet resolved. In Kottayam RSETI, problem of cutting of trees for making way to the proposed building is the issue.*

In Pathanamthitta, Wayanad and Kottayam due to the land related issues construction is not progressing.

***Representative from RSETI, Trivandrum** stated that in 2009 itself, land was allotted but due to the inadequate width of the approach road, construction work is delayed. He added that they have tried at many levels; even the secretary of LSGD got involved into the issue and gave special permission to get the license from the corporation. Again it got stuck at the corporation level. They are trying to get it approved for last 8 years but nothing is moving forward. He requested SLBC and LSGD to take up the issue as whole for its resolution.*

***Representative from IDUKKI RSETI** stated that problem of land allotment is not completed. Nedumkandam block Panchayat has offered the land but the files have been transferred by LSGD department to Revenue department since the land is in Purampokku. Now Revenue department has transferred the file to the Idukki collectorate but so far they have not given any report on it.*

***Smt. T Mitra IAS, Additional Secretary, LSGD** stated that in case of Calicut RSETI, Land as per village records is under the Commissionerate for Rural Development. So LSGD needs to confirm it from Revenue Department. After Revenue Department gives their remarks, LSGD will process it as early as possible.*
She noted that there are issues in almost all the districts. So SLBC may take this issue as a whole and take up with LSGD department.
She stated that based on today's meeting, this issue will be taken up with Sri. T K Jose IAS , Additional Chief Secretary for doing the needful.
The forum requested the SLBC cell to collect the base papers of all the pending RSETIs and write to LSGD with the list of RSETI pending in the respective government departments.

(Action: RD Commissionerate, SLBC, Banks)

2.3.2. Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository *(Pending since June 2006)*

The forum decided to drop this agenda as it 2was merged with agenda no 2.3.9

2.3.3. Noting of Equitable Mortgage created in favor of the banks in Revenue Records *(Pending since March 2014)*

Sri. PH Kurian IAS , Additional Chief Secretary, Revenue Department, Govt of Kerala *informed the forum that tenancy in any form is banned under the Land Reforms Act. Instead of tenancy, Licensed farming can be suggested. The bill is ready and once it is enacted, the issues will be sorted out. Three years licensing is much better than annual lease. Once the bill is enacted he expects more number of farmer companies. Even individual farmers who are now cultivating on informal lease will be more investment friendly. Small farmers can be licensed with more of uncultivated land.*

The forum decided to pursue the matter

(Action: Revenue Department)

2.3.4. Loan Waiver Scheme of Scheduled Tribes Development Department

Representative from ST Development Department *stated that department is implementing loan waiver scheme from 2015 onwards and almost 3216 tribes were covered and 9.71 crores was written off. An amount of rupees 30 crores is remaining with ST development department under this scheme which has been deposited in SC/ST Corporation. All the tribes have been adequately covered and no new claims are coming from banks.*

She requested the bankers to ensure that all the eligible tribes have been covered. In continuation with this scheme, the department is going to extend the period to March 2016. So all the eligible claims arising can be settled with this remaining 30 crores.

She requested banks to give the list of eligible claims at the earliest.

Sri. M.V Rao, SLBC Chairman & Executive Director, Canara Bank *stated that a deadline has to be kept for its quick implementation.*
In regard to the current flood situation, GoK has announced Rs10000 emergency benefit to the affected people. ST department is giving an additional amount of Rs 10000 to the tribes but unfortunately some tribals are not having bank accounts hence the amount cannot be disbursed. He requested the bankers to help the department in this regard.

Sri. Anil D, LDM Palakkad *stated that for Attappady, if any particular area is to be covered an account opening campaign can be conducted along with the department officials.*
The forum decided to pursue the agenda

(Action: Banks)

2.3.5. Education Loan Repayment Support Scheme

Smt. G.K Maya, SLBC Convenor & General Manager *informed the forum that 90 crore of rupees has already been released by the government. Thereafter SLBC has again forwarded around 40 crore of claims to the government. But the government is yet to release the amount. SLBC is continuously following it up with the government and they had assured to release the amount by October 2018.*

Representative from Finance Department *informed the forum that the amount will be released in the following week.*
The forum raised concern on the sharp rise of NPAs in educational loans after the ELRS scheme was notified in the State.

The forum decided to pursue the agenda.

(Action: Finance Department, SLBC)

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

Sri. Harikishore IAS, Executive Director, Kudumbashree *informed the forum that Kudumbashree is the nodal agency for Kerala in this regard. About three crore rupees is pending with Kudumbashree and the matter is under discussion with MoRD and they requested to bring all the pending applications to Delhi for settlement. It would be done as early as possible.*
The forum decided to pursue the agenda

(Action: Kudumbashree)

2.3.7. Aadhaar Seeding and Verification of bank accounts

Sri. Harikishore IAS, Executive Director, Kudumbashree *stated that this issue was taken up with MNREGA office and they informed that there are some issues in the MIS system which they are sorting out. It will be solved at the earliest.*
The forum decided to pursue the agenda.

(Action: Banks)

2.3.8. Discrepancies in Quarterly FLC reporting by SLBC on number of Rural branches-District wise (Suggested by RBI)

Sri. Sooraj S, AGM, Reserve Bank of India *stated that many of the banks have corrected the discrepancies except a few. He informed the forum that Reserve Bank of India will be taking up with the individual banks and will be trying to sort out this issue at the earliest*

The forum decided to pursue the agenda

(Action: Banks)

2.3.9. Progress made in Digitization of Land Records

Sri. P H Kurian IAS , Additional Chief Secretary, Revenue Department, Govt of Kerala *informed the forum that out of the 1674 villages, around 1300 villages have been digitalized. Department will issue a GO which would make BTR [Basic Tax Receipt] sufficient in this regard.*

The forum decided to pursue the agenda.

(Action: Revenue Department)

2.3.10. Delay in Appointment of Financial Literacy Counsellors

***Sri. Sooraj S, AGM, Reserve Bank of India** stated that Kerala is one of the states where RBI has been successfully implementing the FLC model. There is urgent requirement from banks to fill up the vacancies. Only a few are pending.*

He requested the banks to take up this issue seriously and do the needful at the earliest.

The forum noted that only 7 FLCs are vacant and requested the concerned banks to fill up the vacancy at the earliest.

(Action: Banks)

2.3.11. 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)

***Sri. Nandakumar, Senior Manager, SLBC Cell** informed the forum that Department of Financial Services has launched an app called Jan Dhan Darshak to locate the banking infrastructure service points of a particular area which would help identifying the left out areas.*
***Smt. G.K Maya, SLBC Convenor & General Manager, Canara Bank** informed the forum that in total SLBC has received suggestions on 51 probable locations. It is in the process of examination. The list is being examined. 12 locations have been found inside Municipal limits. The remaining are being subjected to initial scrutiny through Jan Darshak portal of DFS at a buffer distance of 5 km and shall present the final data in next SLBC*

The forum decided to pursue the agenda.

(Action: SLBC)

2.3.12. Standard Operating Procedures (SOPs) for preventing Cybercrime
(Agenda suggested by Reserve Bank of India)

***Sri. Sooraj S, AGM, Reserve Bank of India** stated that efforts taken by SLBC in this regard are appreciable. Forum requested banks to give publicity to the SOP through their branches*

(Action : Banks/SLBC)

2.3.13.Infrastructure facilities to the Financial Literacy Counselors (Agenda suggested by Reserve Bank of India)

The forum noted that there are some FLCs who have not been provided with the required infrastructures. The forum requested the concerned banks to take a note of this and do the needful.

(Action: Banks)

2.3.14. SLBC Website – Standardization of Information/ Data
(Agenda suggested by Reserve Bank of India)

***Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank** requested SLBC to form a whatsapp group consisting of LDMs and SLBC nodal offices so that whenever something new is uploaded in the SLBC website, immediately it can be communicated to the members.*
***Smt. G.K Maya, SLBC Convenor & General Manager, Canara Bank** informed the forum that the SLBC website is now fully operational and training has been given to LDMs and other member banks*

(Action: SLBC)

2.3.15. Functioning of Business Correspondents (Suggested by Reserve Bank of India)

***Sri. Vinayak Kaisare, Deputy General Manager, SBI** informed the forum that in Kerala, most of the CSCs are totally inactive. He requested to go for remapping.*
***Sri. Palanivelu, General Manager Canara Bank** stated that incase of subservice areas, banks are expected to put up BCs. In other areas, it is with the discretion of the individual banks to appoint the BCs.*
***Sri. Nandakumar, Senior Manager, SLBC Cell** informed the forum that Department of Financial Services has launched an app called Jan Dhan Darshak to locate the banking infrastructure service points of a particular area which would help in identifying the left out areas.*
***Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank** stated that issue of inactive BC is discussed even at the ministerial level. In Kerala, issue of CSCs has come up. Wherever CSCs are appointed as BCs, there is little participation from people. They are not contributing to the level what is required, so most of the banks have gone for the replacement now. At the same time, since it is coming under a single ministry, the secretary assured the bankers that CSCs will gear up. But this issue still persist.*
As far as Canara bank is concerned, CSCs have been replaced with alternatives. Around 103 inactive BCs has been replaced. Other banks may also adopt this strategy if CSCs are not coming up to the expectation of the banks.

The forum decided to pursue the agenda.

(Action: Banks, SLBC)

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

***Sri. Sooraj S, AGM, Reserve Bank of India** stated that in the last SLBC meeting, Telecom authorities informed the forum that if banks are able to pinpoint the areas where they lack network connectivity, they would sort out the issue with the telecom operators of the respective areas. But the response from the banks is poor. He added that network connectivity is the main reason for the under performance of the BC model. The doorstep delivery of financial services is highly dependent on the network connectivity, so unless the banks gives the list of areas where there is lack of network connectivity, the telecom department won't be able to sort out this issue.*
***Representative from Telecom department** informed the forum that Indian bank has given a list of 11 areas which have been reported by their bank branches in Trivandrum and Kollam districts. But they didn't specify the actual location where they lacked network connectivity, hence when the telecom authorities enquired with the telecom operator, no connectivity issue in the specified bank branches was found. So the telecom department has requested the Indian bank to give the concerned BCs number and names so that the telecom operators can coordinate with them to find out the location where the BC lack network connectivity, if remedy can be done , it would be done by the telecom operator , otherwise the BCs have to change to the available operator of that place.*
He requested the banks to come up with the accurate information so that the issue could be sorted out at the earliest.

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.

(Action: Banks)

FRESH ISSUES

3.1 Primary Sector

3.1.1. SLBC approved Relief Measures for the flood affected areas in Kerala during SW Monsoon -2018 (Information Note by SLBC Convenor)

Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank *requested the forum to include export finance in the addendum.*
The forum noted the information.

(Action: SLBC)

3.1.2. Decisions of the SLBC Sub Committee on Natural Calamity dt 2018 Sept 11th (Suggested by SLBC Convenor)

Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank *requested the member banks to speed up the process because if the relief is not provided to the affected people at the earliest, there will be issues at the ground level.*
The forum requested SLBC to write to the corporate offices of the member banks regarding the decisions and schemes which were taken in the special SLBC meetings since many of the banks operating in Kerala are expressing that they have not yet received approvals from their higher authorities.

The forum approved the decisions taken.

(Action: Banks)

3.1.3 Clarification on Asset classification in Master direction on Natural calamity relief measures (Information note by RBI)

The forum noted the information

3.1.4. Review of Relief Measures by scheduled commercial banks in areas affected by Natural Calamity (Suggested by SLBC Convenor)

The forum approved the decisions of the steering committee and directed the banks to submit the progress of implementation of the relief measures on a fortnightly basis.

(Action : Banks)

3.1.5. Natural Calamity Relief Measures to Self Help Groups (Agenda suggested by Kudumbhashree State Mission)

The forum approved the clarification given by the steering committee

3.1.6. Replacement for loss to productive assets in Dairy Farmers (Agenda suggested by Directorate of Dairy Development)

1. **Flood relief programme of the department assisting for replacement of dead livestock, immediate feeding assistance for cattle which survived the flood calamity and assisting flood affected farmers for rebuilding the dairy infrastructure.**

The forum requested the banks to extend necessary credit support within their existing schemes subject to the NABARD approved unit cost.

(Action: Banks)

2. **Requesting bank loans for compensating losses to commercial fodder lands.**

The forum requested the banks to extend necessary credit support within their existing schemes subject to the NABARD approved unit cost.

(Action: Banks)

3. **Extending loan to dairy cooperatives for infrastructure development**

The forum requested the banks to extend necessary credit support within their existing schemes subject to the NABARD approved unit cost.

(Action: Banks)

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

Smt. G.K Maya, SLBC Convenor & General Manager *stated that because of high stamp duty no one registers the lease deeds. SLBC has recommended for deduction of registration charges so that lease farmers can be brought into the fold of normal banking.*

The forum decided to pursue the agenda

(Action: Revenue Department)

3.1.8. Study on loan sanctioned by banks under Kisan Credit Card Scheme (Agenda by RBI)

Sri. Sooraj S AGM RBI *informed the forum that the scheme guidelines are not strictly adhered by the banks. He requested the banks to comply with the guidelines.*

Sri. R Srinivasan, CGM, NABARD *stated that GOI is planning to extend KCC facility for dairy, fisheries and other animal husbandry farmers wherever working capital is required, Interest subvention facility is also is in the offing.*

The inputs NABARD received through the field visits infers that mostly fisheries sector is not being extended either the working capital or term loan facility by the banks. Hence they depend on moneylenders which is affecting their income. So inaddition to the KCCS flagged by RBI extending credit facility to the fishing farmer community through JLGs will be viable and a workable alternative which will be a win win situation for fish farmers as well as for the banks.

The forum requested the banks to do the needful in this regard.

(Action: Banks)

3.2. Fresh Issues in Secondary Sector

3.2.3 Information Note on Skill India Mission (by SLBC Convenor)

Smt. G.K Maya, SLBC Convenor & General Manager *informed the forum that the list of PMKK centres is available on PMKK website*

The forum noted the information

3.3 FRESH ISSUES IN TERTIARY SECTOR

3.3.1 Agenda suggested by Office of the Inspector General of Registration

Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank *stated that as per law whoever registers first with CERSAI will get first charge, even though mortgage happens earlier with the other banks. So if CERSAI comes out with the noting it would be better but it may take some time.*
The forum noted that Mortgage through Registration mode is optional and Individual banks may take appropriate decision at their level

(Action: Banks)

3.3.2. Exclusion of service charge and fine for non maintaining minimum balance in Anganwadi savings bank account for flexi fund (Agenda suggested by Directorate of Women **&** Child Development)

Representative from Women and Child Development Department *stated that the amount the GOI gives as Flexi grand for Anganwadi centres couldn't be utilized completely as banks are levying service charge and fine for non-maintaining of minimum charges. There are about 3115 accounts under ICDS scheme in the state. It's a joint account of an anganwadi worker and the supervisor.*

The forum requested the Women and child Development Department to give the list of banks in which they are having account to SLBC so that SLBC could communicate with the member banks to do the needful.

(Action: Department of Women & Child Development)

3.3.3. **Issues in Revenue Recovery (**Agenda Suggested by Land Revenue Commissioner**)**

The forum requested the banks to take a note of it and do the needful.

(Action: Banks)

3.3.4. Informative Note on Continuation of Comprehensive Financial Inclusion Mission (Agenda by SLBC Convenor)

The forum noted the information

3.3.5. Information note on GSA 2 in Wayanad Aspirational district (Agenda by SLBC Convenor)

Smt. G.K Maya, SLBC Convenor & General Manager *stated that all member banks have ably contributed to make this campaign a huge success. A lot of appreciation was received from DFS for GSA 2 implementation in Wayanad despite the natural calamities that occurred in the district.*
Sri. Vinayak Kaisare DGM, SBI *stated that although banks have collected various application forms for account opening and other social security schemes, Only a few accounts have been opened and the remaining applications are pending with individual banks.*
The forum entrusted LDM Wayanad to ensure that all the received applications are processed at the earliest.

(Action: LDM Wayanad)

3.3.6. Issues in Remitting RR recoveries by Village Officers (Agenda by LDM (Thrissur)

Sri. PH Kurian IAS, Additional Chief Secretary, Revenue Department, Govt of Kerala *stated that even after RR is issued, banks are collecting dues. After collection of dues, immediately bankers have to withdraw the RR. The requisition can be withdrawn at anytime under the law and don't keep pending of the same with revenue department.*
The forum decided to pursue the agenda.

(Action: SLBC)

3.3.7. Information Note DBT and Banker's Right to Set Off (Agenda by RBI**)**
The forum noted the information

3.3.8. Revamp of Lead Bank Scheme (Agenda by RBI)

Sri. Sooraj, AGM, RBI *informed the forum that uploading of data by the controlling offices of banks and then allowing the LDMs to download the data district wise or block wise is not yet done since there are issues with banks in aligning with the CBS.*
Standardization of SLBC website has been done.

The forum decided to pursue the agenda.

(Action: SLBC)

3.3.9.1. Decisions of the meeting of major banks and Kudumbasree regarding the proposal from Govt of Kerala for Loan up to Rs.1 lakh to Natural Calamity victims, through SHG model (Information Note by SLBC Convenor)

The Forum noted the information

Table agenda 1 Refinance Scheme under Affordable Housing Fund (suggested by National Housing Bank)

Refinance Scheme under Affordable Housing Fund

Salient features of Refinance Scheme under AHF are as follows.

- **Objective**

The AHF shall be utilized for refinancing the individual housing loans sanctioned and disbursed on or after 01-04-2017 falling under rural and urban category based on the demands received from the PLIs.

- **PLIs eligible for refinance under Affordable Housing Fund**

- Housing Finance Companies (HFCs)
- Scheduled Commercial Banks (SCBs)
- Scheduled Urban Cooperative Banks (UCBs)
- Regional Rural Banks (RRBs)
- Scheduled Cooperative Banks (SCoBs)
- Small Finance Banks (SFBs)
- Apex Cooperative Housing Finance Societies (ACHFS)
- Agricultural & Rural Development Banks (ARDBs)

- **Areas Covered**
  - **Urban** - All areas falling under the Statutory Town definition of Pradhan Mantri Awas Yojana – Urban;
  - **Rural** - Any other areas not falling under the Statutory Town definition of Pradhan Mantri Awas Yojana – Urban.

- **Eligible individual housing loans**
  - **Urban** - Annual household income not exceeding ₹6 lakh.
  - **Rural –** (i) Weaker Sections as defined in the RBI's priority sector guidelines (as amended from time to time); (ii) Annual household income not exceeding ₹3 lakh; and (iii) Women.

- **Loan Tenure** – Maximum 7 years

- **On-lending interest rate Cap :**

The on-lending interest rate cap is MCLR *plus* 100 bps for Scheduled Commercial Banks and NHB Refinance Rate *plus* 350 bps for others. Refinance offered by NHB to PLIs will be presently at a fixed interest rate of 4.93% p.a.

- **Payment of Interest-** Compounded monthly and payable quarterly
- **Repayment of Principal** – Quarterly

- **Others**

Any disbursement made under the AHF will be within the PLI's annual sanction limit approved by the NHB and other terms and conditions applicable under NHB's Regular Refinance Scheme. PLIs are required to submit the category wise eligible individual housing loan accounts list in soft format as well as print outs.

National Housing Bank announces Rs.200 crore Refinance Assistance to facilitate housing loans at concessional interest rate for construction/repair and renovation of houses by the households in Kerala

To provide relief to the households having annual income upto Rs.3 lakh in rural areas and upto Rs.6 lakh in urban areas, National Housing Bank (NHB) announces the refinance assistance of Rs. 200 crore, at concessional rate of interest for construction/repair and renovation of houses, through Primary Lending Institutions.

Individual housing loans, which have been disbursed on or after 1st August , 2018 and till June 30, 2019 by the Primary lending institutions (PLIs) in rural and urban areas of Kerala, are covered under this assistance.

Refinance offered by NHB to PLIs will be presently at a fixed interest rate of 4.93% p.a. for 7 years with on lending cap to ultimate beneficiaries as tabulated below :

Primary Lending Institutions	On Lending Cap
Scheduled Commercial Banks	MCLR+1.00%,
Others	8.43%

This will form part of the Affordable Housing Fund established in NHB, consequent to the announcement made by the Hon'ble Finance Minister in the Union Budget 2018-19.

For further details, please refer to www.nhb.org.in

***Representative from NHB** stated that Rs.200 crores has been allocated for Kerala for refinancing at 4.93 % under affordable housing loan scheme of GOI. The loans which are given by commercial banks from 1st August 2018 to 30th June 2019 are covered under this. The only criterion is that in urban areas, the maximum income should be 6 lakhs. Bankers can use this facility and lend it at MCLR up to one percent more.*

***Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank** requested NHB to share the detailed information with SLBC so that it can be circulated among the member banks.*

In PMAY scheme, as per SLBC records there are 12000 accounts but only 4500 accounts claims have come to NHB. He requested the bankers to kindly claim the subsidy at the earliest.

Table agenda 2 Status of PMEGP (suggested by KVIC)

KHADI AND VILLAGE INDUSTRIES COMMISSION
MINISTRY OF MSME, GOVT. OF INDIA

Status of PRIME MINISTERS EMPOYMENT GENERATION PROGRAMME

a. Implementation of PMEGP During 2018-19

TARGET 2018-19 :

KVIC/KVIB: projects 440 nos, MM Rs 1100.20 Lakh, & Emp 3520 nos each and DIC 587 projects, MM 1467.17 lakh, Emp 4696 Total : 1467 nos MM Rs 3667.38 lakh & Emp 11736 nos. No. of project is indicative, Average MM per project is Rs 2.50 lakh and Emp of 8 nos.

Performance reported under PMEGP e-Portal from 01.0.4.2018 to 24.09.2018

ID	Agency	No of Applications at Agency			DLTFC		No of Applications Forwarded to Bank	Sanctioned by Bank		EDP Training undergone (In Nos)	MM Claimed		MM Disbursement	
		Received	Rejected	Forwarded to DLTFC	Approved	Rejected		No of Prj.	MM Involve (In Lakh)		No of Prj.	MM (In Lakh)	No of Prj.	MM (In Lakh)
1)	COIR	46	0	44	0	0	0	0	0	0	0	0	0	0
2)	DIC	1877	4	1645	1252	246	1269	275	519.78	97	400	751.49	538	992.43
3)	KVIB	414	2	396	350	72	386	90	227.76	39	120	293.07	139	342.13
4)	KVIC	725	11	744	471	247	497	130	245.38	87	179	390.71	216	500.05
5)	Total	3062	17	2829	2073	565	2152	495	992.92	223	699	1435.27	893	1834.61

50% of the target of 2017-18 achieved as on date (including settlement of spill over claims) and 1790 projects worth Rs 41.80 Cr available with various banks under processing

b. 2nd Stage upgradation Loan under PMEGP / MUDRA during 2018-19

The Ministry of MSME announced 2nd stage Financial Assistance to successful PMEGP and MUDRA beneficiaries. The second stage subsidy administration is capturing through the PMEGP Old E-tracking database. The existing ONLINE portal has been provided with additional link for applying to the same. Adjustment of existing Margin Money, UAM& PAN registration, IT returns and CA certified balance sheet of previous 3 years, Recommendation of Bank branch are mandatory.

Manufacturing units can go for second stage project upgradation, costing Rs 1.00 Cr and Service units for Rs 25 lakhs which includes Capital Expenditure and Working Capital. 10% of the project cost shall be invested as Own Margin. 15% will be the Eligible Margin Money and 18 months will be the lock-in time for the same.

Kerala state has been given a target project of 46 nos with MM of Rs 220.84 lakh to generate 368 employments during 2018-19. Out of the same, preferring 30% of the projects from Manufacturing Sector and 70% from Service Sector. Already an application link towards the same has been provided with **www.kviconline.gov.in/pmegpeportal**

PMEGP PROGRESS 2018-19 **BANK WISE STATUS : REPORTING PERIOD 01.04.2018 TO 24.09.2018**

No	Name	Forwarded to Bank		Sanctioned by Bank		MM Disbursed		Rejected by Bank		Pending at bank		Pending for MM Disbursement	
		No of Prj.	MM Involve (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)	No of Prj.	MM (In Lakh)	No of Prj.	MM Involve (In Lakh)	No of Prj.	MM (In Lakh)
(A)	(B)	(F)	(G)	(H)	(I)	(L)	(M)	(R)	(S)	(V)	(W)	(X)	(y)
1	STATE BANK OF INDIA	541	1217.21	87	169.94	138	299.56	53	105.55	476	1076.91	18	46.8
2	CANARA BANK	318	800.45	129	217.08	202	370.88	21	54.11	260	657.22	14	42.7
3	KERALA GRAMIN BANK	190	464.32	28	61.92	90	182.38	18	40.75	164	404.93	5	9.6
4	FEDERAL BANK	185	448.94	41	115.5	56	132.01	31	72.63	147	360.73	11	36.32
5	UNION BANK OF INDIA	165	361.66	27	64.57	61	129.41	16	20	135	311.46	10	17.19
6	SOUTH INDIAN BANK	110	255.46	18	25.07	30	50.69	2	3.23	103	244.16	6	23.19
7	SYNDICATE BANK	96	171.78	23	41.92	45	103.99	10	24.18	79	137.1	7	12.47
8	INDIAN OVERSEAS BANK	67	139.99	26	52.25	52	94.75	4	7.3	57	116.73	12	32.06
9	INDIAN BANK	63	138.66	22	42.29	47	74.39	6	15.84	47	100.78	3	12.35
10	PUNJAB NATIONAL BANK	65	154.24	15	32.24	32	74.95	27	62.36	28	67.55	6	18.28
11	BANK OF INDIA	55	143.73	19	48.66	19	69.22	5	12.39	38	101.22	4	10.99
12	VIJAYA BANK	47	153.2	26	56.91	33	99.11	5	19.47	35	113.67	9	16.47
13	CATHOLIC SYRIAN BANK LT	43	92.58	2	3.73	12	12.83	2	4.87	41	87.71	0	0
14	DHANALAKSHMI BANK LTD	35	73.65	3	8.25	15	25.09	3	4.17	32	69.48	2	2.06
15	CENTRAL BANK OF INDIA	34	49.89	4	8.66	12	17.29	3	3.31	30	45.83	1	1.4
16	BANK OF BARODA	33	81.09	7	15.68	13	38.1	4	12.43	26	64.41	2	2.9
17	CORPORATION BANK	23	68.67	2	1.8	6	13.55	4	9.01	18	57.16	0	0
18	HDFC BANK	18	43.83	1	1.46	7	11.68	0	0	17	41.03	0	0
19	UCO BANK	13	17.13	4	3.41	6	6.06	1	2.13	11	14.5	0	0
20	ALLAHABAD BANK	9	21.15	0	0	1	2.33	1	0.75	8	20.4	0	0
21	ANDHRA BANK	8	14.87	4	9.09	3	5.98	2	4.46	3	3.07	1	1.15
22	AXIS BANK LTD	4	4.81	2	1.73	1	0.26	0	0	4	4.81	0	0
24	BANK OF MAHARASHTRA	0	0	1	0.8	0	0	0	0	0	0	0	0
27	ICICI BANK LTD	4	9.23	4	4.41	4	3.33	0	0	2	7	0	0
28	IDBI BANK	8	18.47	4	9.11	3	7.07	0	0	7	17.94	1	3.32
29	IDUKKI DISTRICT COOPER/	7	12.91	0	0	0	0	1	1	6	11.91	1	2.58
30	INDUSIND BANK	1	1.67	0	0	0	0	0	0	1	1.67	0	0
32	KARNATAKA BANK LTD	1	5.95	1	3.2	2	4.49	0	0	1	5.95	1	1.69
33	KARUR VYSYA BANK	1	1.93	0	0	1	0.65	0	0	1	1.93	0	0
35	ORIENTAL BANK OF COMME	3	7.61	1	0.36	1	0.36	0	0	2	7.25	1	1.4
37	TAMILNAD MERCANTILE BA	1	6.3	1	6.63	0	0	0	0	0	0	0	0
39	UNITED BANK OF INDIA	4	6.21	0	0	0	0	2	3.48	2	2.73	0	0
41	Total	2152	4987.59	502	1006.67	893	1834.61	221	483.42	1781	4157.24	115	294.92

Representative from KVIC *informed the forum that the program is moving on the right track. At end of the second quarter, 50 percent target has been achieved..*

For MUDRA and PMEGP those who have completed 3 years can go for the second stage, the application can be uploaded in the website.

In bank wise pendency, SBI has to improve

The forum decided to pursue the agenda.

(Action: Banks)

The 125th meeting of SLBC, Kerala concluded with the above deliberations by 2 PM.

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

CHAIRMAN OF THE MEETING			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1	**Canara Bank**	**Sri. M.V Rao**	**SLBC Chairman & Executive Director, Canara Bank**

GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES			
SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1.	Revenue Department, GoK	Sri. P H Kurian IAS	Additional Chief Secretary
2.	Kudumbashree	Sri. Harikishore IAS	Executive Director
3.	Industries Department, GoK	Sri. K Biju IAS	Director
4.	LSGD	Smt. T Mithra IAS	Additional Secretary
5.	Agriculture Department	Dr.P.K.Jayasree IAS	Director
6.	ECGC	Smt. Geetha Muralidhar	Chairman
7.	Planning & Economic Affairs	Sri. M S Bijukuttan	Joint Secretary
8.	Planning & Economic Affairs	Smt. Sheela G	Under Secretary
9.	VFPCK	Sri. Saji John	Chief Executive Officer
10.	Women & Child Development Department, GoK	Sri. Venu V S	Additional Director
11.	Animal Husbandry Department	Dr M Anilkumar	Joint Director

12.	MNREGA	Sri Sanob S	Deputy Development Commissioner
13.	SC/ST Development Department	Sri. Rajesh Kumar M	Joint Secretary
14.	SC Development Department	Sri. V Anil Kumar	Joint Director
15.	Labour Department	Sri. K Vinod Kumar	Dy Labour Commisssioner
16.	Industries Department	Sri. K Radhakrishnan	Additional Secretary
17.	NORKA Department	Sri. K Janardhanan	Joint Secretary
18.	LSGD	Sri. Patry Stephen	Joint Secretary
19.	National Horticulture Board	Sri. Ramesh S K	Sr. Horticulture Officer
20.	The Directorate of Handlooms and Textiles	Sri. K P Maheendrakumar	Deputy Director
21.	ANERT	Sri. C T Ajith Kumar	State Program Manager
22.	Kudumbhashree	Smt. Jiji R S	State Program Manager
23.	State Horticulture Mission	Sri. K J Skandha Kumar	Asst. Director Agriculture
24.	MNREGA	Sri. Raviraj R	Assistant Development Commissioner
25.	Commissionerate of Rural Development	Smt. Lisha Mohan M	Assistant Development Commissioner
26.	Fisheries Department	Smt. R Radha	Assistant Director
27.	KVIC	Sri. Pradeep R	Assistant Director
28.	ST Directorate	Smt. Josephine J	Assistant Director STDD
29.	Telecom department	Sri. M Neelakandan	JJO
30.	UIDAI	Sri. Noushad P	SRP
31.	Kerala State Planning Board	Sri. S S Nagesh	Agricultural Chief
32.	MSME Thrichur	Smt. Kathreniamma Sebastian	DD
33.	Rural Development	Sri. Joseph C P	JDC
34.	Coir Borad	Sri. V Sudheer	Regional Officer
35.	Finance Department	Sri. V R Rajamma	AS
36.	SIDBI	Sri. T Balaji	AGM
37.			
38.	RSETI IOB Trivandrum	Sri Premjeevan P G	Director

39.	Agricultural Insurance Company	Sri.Vimal C V	A O
40.	Akshaya	Sri. Biju V S Kumar	BDM
41.	New India Assurance Company	Dr B. Krishna Prasad	Divisional Manager
42.	LIC	Smt R Rajasree	Divisional Manager
43.	UICL	Sri. Janardhanan	Assistant Manager

RESERVE BANK OF INDIA

SL NO	NAME	DESIGNATION
1.	Sri. S M N Swamy	Regional Director
2.	Sri. V.R Praveen Kumar	General Manager
3.	Sri. Sooraj S	Assistant General Manager
4.	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	Sri. K S M Lakshmi	General Manager
3.	National Housing Bank	Sri. Hemkumar G	Regional Manager

PUBLIC SECTOR BANKS

SL NO	INSTITUTION	NAME	DESIGNATION
1.	State Bank of India	Sri. Vinayak Kaisare	Deputy General Manager
2.	State Bank of India	Sri. Asokkumar	Assistant General Manager
3.	Dena Bank	Sri. Prasanth K	Chief Manager
4.	United Bank of India	Smt. Lekshmy Ravikumar S	Assistant Manager
5.	Punjab & Sind	Sri. T Ravikumar	Zonal Manager
6.	Allahabad Bank	Smt. Sreedevi S	Senior Mananger

7.	Oriental Bank of Commerce	Smt. Suseel Kumar K R	Senior Branch Manager
8.	Andhra Bank	Sri. A P Ratnagiri	Chief manager
9.	UCO Bank	Sri. Sabin B	Chief Manager
10.	IDBI Bank	Sri.Vidyod Narayanan	Assistant General Manager
11.	Corporation Bank	Sri. Laxman Kudva	Deputy General Manager
12.	Central Bank of India	Sri. P N Radhakrishnan	Chief Manager
13.	Bank of India	Sri. Mahesh Kumar V	Zonal Manager
14.	Kerala State Cooperative Bank	Sri. G Gopakumar	Deputy General Manager
15.	KSCARD Bank	Sri. S M Sharabudeen	ADM
16.	Syndicate Bank	Sri. D Ravi Sankar	Senior Manager
17.	Bank of Maharastra	Sri. Perumal B K	Branch Manager
18.	Punjab & Sind bank	Smt. Dhanya V L	Credit Officer

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. N.K. Krishnankutty	Deputy General Manager
4.	Sri. Babu Kurian	Deputy General Manager
5.	Sri. Sunil Kumar S	Divisional Manager
6.	Sri. G.Nandakumar	Senior Manager
7.	Sri. K Sankar	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
2.	Kerala Gramin Bank	Sri. Krishnan Namboothiripad	Assistant General Manager

PRIVATE SECTOR BANKS

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Federal bank	Sri. Jacob Eapen	Assistant Vice President
2.	ICICI Bank	Sri. Tony Thomas	Regional Coordinator
3.	Catholic Syrian Bank	Sri. M P Davis	Zonal Manager
4.	Dhanlaxmi Bank	Sri. Jayadev J	Senior Manager
5.	Yes bank	Sri. Bijesh Chandra	Branch Business Leader
6.	IndusInd bank	Sri. Rajeev S	Asst Vice President
7.	Axis Bank Ltd	Sri Sanoop T S	Nodal Officer
8.	Karur Vysya Bank Ltd	Sri. Rajasekharan K	Senior Manager
9.	Tamilnad Mercantile Bank	Sri. T Bharath	Assistant Manager
10.	City Union Bank	Sri. Ramprasad	Senior Manager
11.	Kotak Mahindra Bank	Sri. Deepu Nair	Branch Manager
12.	Bandhan Bank	Sri. Hariharan S	Branch Head
13.	Laxmi Vilas Bank	Sri. Prenjith P C	Branch Head

CO-OPERATIVE BANKS

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Kerala State Cooperative Bank	Sri. G Gopakumar	Deputy General Manager
2.	Kerala State Cooperative Bank	Sri. V Muraleedharan	General Manager
3.	KSCARD Bank	Sri. S M Sharabudeen	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. Raghavendra R	Lead District Manager, Kannur
14.	Syndicate Bank	Sri. Remanan C S	Lead District Manager, Kasargod

SMALL FINANCE BANK

SL NO	**INSTITUTION**	**NAME**	**DESIGNATION**
1.	ESAF Bank	Sri. Suresh K P	Branch Head