STATE LEVEL REVIEW MEETING 2019

1. ADOPTION OF MINUTES

The minutes of 12 7th Meeting of State Level Bankers Committee held on 16th March 2019 were circulated vide SLBC letter no SLBC 127 SLBC 2019 MA d ated 6th April 2019

The house may adopt the said minutes

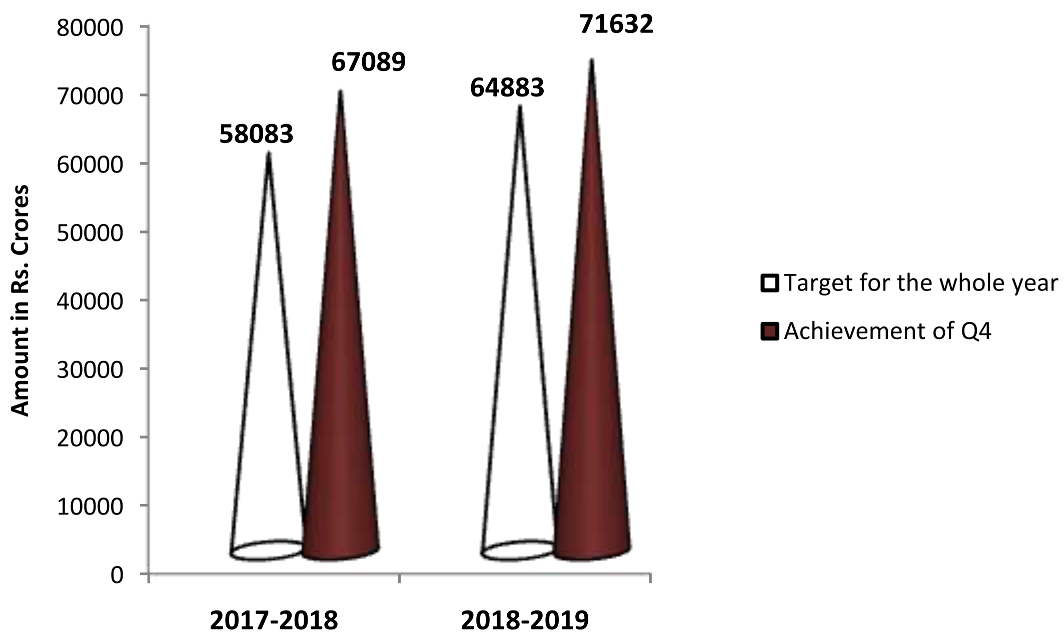
2. Issues on Primary Sector (Group I)

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

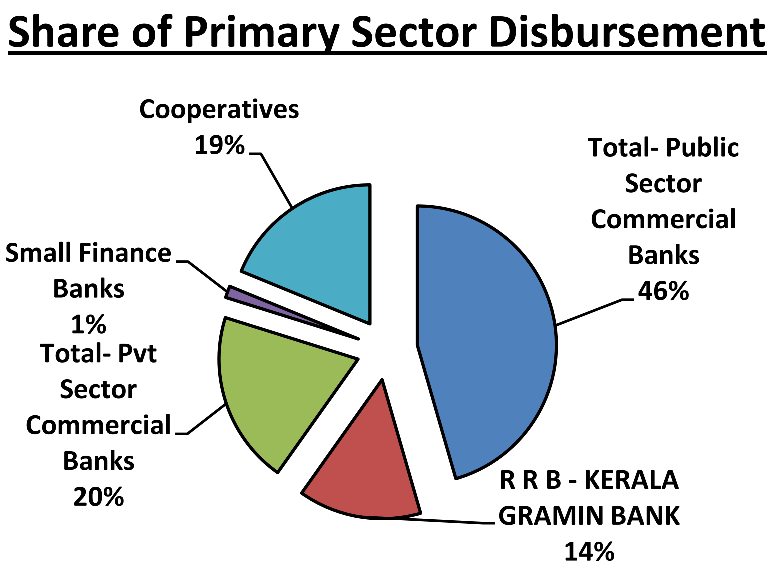
2.1.1. Bankwise Performance under Primary Sector

(Rs. in Crores)

Parameter	2017-2018	2018-2019
Target for the whole year	58083	64883
Achievement of Q4	67089	71632
% Achievement for Q4	116%	110%



Banking GroupWise Performance under Primary Sector

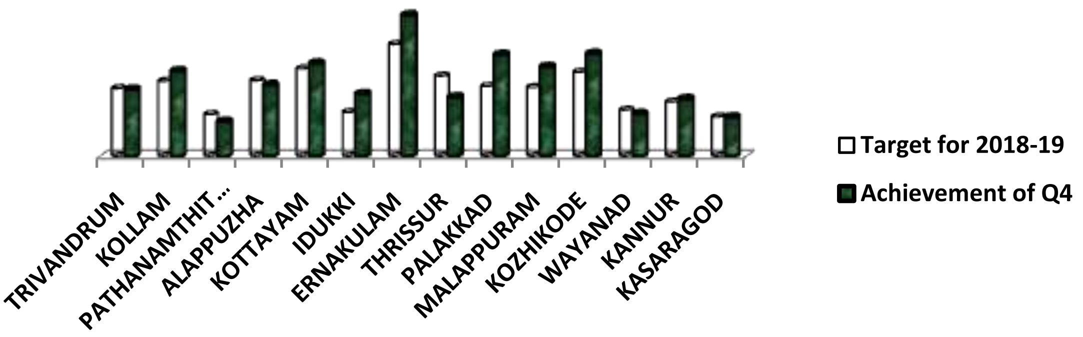


2.1.2. District wise Performance under Primary Sector

(Rs. in Crores)

Sl. No.	District	Target for 2018-19	Achievement of Q4	% Achievement
1	TRIVANDRUM	4640	4568	98%
2	KOLLAM	5151	5839	113%
3	PATHANAMTHITTA	2859	2365	83%
4	ALAPPUZHA	5186	4894	94%
5	KOTTAYAM	6000	6364	106%
6	IDUKKI	3005	4257	142%
7	ERNAKULAM	7672	9679	126%
8	THRISSUR	5502	4047	74%
9	PALAKKAD	4789	6964	145%
10	MALAPPURAM	4728	6126	130%
11	KOZHIKODE	5765	7029	122%
12	WAYANAD	3168	2901	92%
13	KANNUR	3721	3925	105%
14	KASARAGOD	2697	2674	99%
TOTAL		64883	71632	110%

Primary Sector Target Vs Achievement



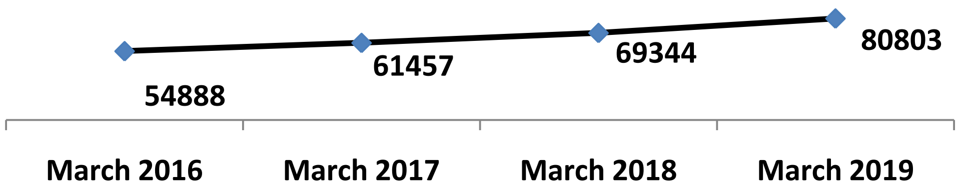
2.2. Agriculture Advances (Refer Annexure 7.5)

A. Growth in Agriculture Advances

(Rs. in Crores)

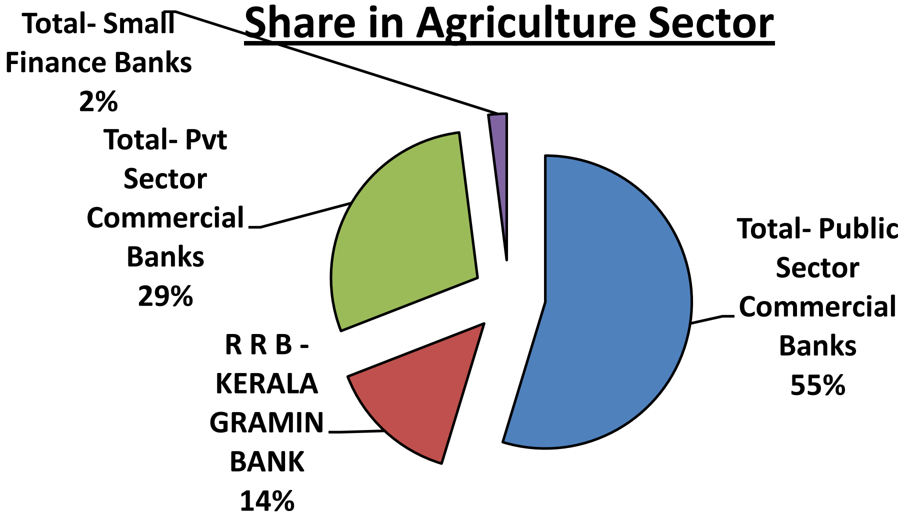
Agriculture Advances over the years			
March 2016	March 2017	March 2018	March 2019
54888	61457	69344	80803

Agriculture Advances

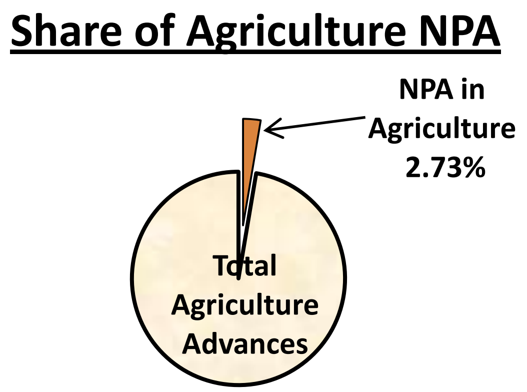


B. Banking Group wise Growth in Agriculture Advances

Share in Agriculture Sector



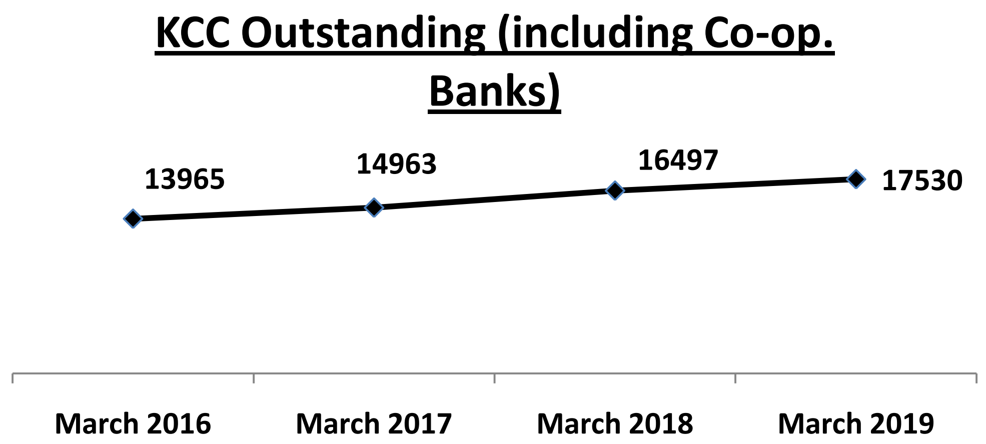
C. % Share of NPA in Agriculture Advances



2.3. Performance under Kisan Credit Card Scheme (Refer Annexure 7.17)

(Rs. in Crores)

Parameter	Outstanding			
	March 2016	March 2017	March 2018	March 2019
KCC (including Co-op. Banks)	13965	14963	16497	17530



2.4 <u>Pending Issues in Primary Sector</u>

2.4.1. <u>Doubling Farmers' Income by year 2022</u> (Suggested by Reserve Bank of India)
The SLBC standing sub committee on Primary Sector had made the following strategies for doubling of fasrmers income

The sub group on primary committee recommended the following strategies to reach the target :

- Reducing the cost of production
- Increase the Minimum Support Price of crops with periodical revision
- Insure the farmers against crop loss through crop insurance at an affordable premium
- Adopting latest technology right from sowing to marketing

- Hassle free credit with thrust on investment credit.
- NABARD may formulate area based schemes in tune with PLP.
- Innovative ideas like farm tourism to be encouraged
- Pisciculture to be encouraged under blue revolution.

Progress so far in increasing farmers income was nullified by the devastating flood especially in the agricultural sector. The state is recovering from the loss**.**SLBC has initiated natural calamity measures to overcome the disaster**.** Limited credit exposure to the Lease farming sector in Kerala was an issue pointed out by the SLRM . Regarding issues related to lease land farming , SLBC Convenor has made the following recommendations to the State Government.

Ref: Kerala SLBC/95 /78/GN/2018 ***Date: 2018 July 13th***

To

THE PRINCIPAL SECRETARY (FINANCE)
GOVT OF KERALA

Dear Sir,

Sub: Reducing Stamp duty & Registration fees on lease deeds for lease land cultivation

Ref: Meeting held by your office on 2018 June 28th

This with reference to the discussion we had with you in the above meeting. We are submitting a recommendation for reducing the stamp duty and registration fees on deeds executed for lease of farm lands for cultivation

1. Our Specific Recommendation

- *Lease deeds for periods exceeding 11 months are compulsorily registrable in |Kerala . The prevailing charges for registration is 7 %(stamp duty : 5 % stamp duty on average annual rent (AAR) & 2 % registration fees 2 % AAR*
- *This is applicable for leasing farm land for cultivation also*
- *SLBC Kerala recommends that the above tariffs may be brought down to a reasonable rate of 1 % stamp duty & 0.5 % registration fees in the cases of lease deeds executed for leasing farm lands for cultivation*

2. Need for the above recommendation

a) For increasing lease land cultivation

- *1, 27,838 Ha of land is lying fallow (current fallow & other than current fallow) in the state*
- *This in addition to the increasing underutilisation of land under tree crops for intercropping (as is evident from the falling crop intensity over the decade)*
- *Lease farming can be promoted on these lands. As of now many farmers and self help groups are engaged in lease farming. But their scale of operation is small.*
- *Non availability of credit from banks is a limiting factor. Most of these farmers have only unregistered lease, which a banker can treat as oral lease only and can only lend small sums. As a result they either cultivate less, or go to the money lender for larger sums.*
- *Reducing the registration costs, the lease farming sector can be opened up to the formal banking channels.*

b) In Opening up Rubber Slaughter tapping & Replanting activity to formal banking channels

- *Out of the 5,51,050 ha Rubber plantations in the state around 36700 ha go for slaughter tapping and replanting every year. After the economic life period, the rubber plantations are let out for two years' slaughter before felling the trees and replanting*
- *In the first four years after replanting, the plantations are once again leased out for 4 years' intercropping (pine apple or tapioca)*

- *Compared to the previous item, the amount involved in the lease is also large (ranging from 4 laths upwards per acre). Here also the cost of registration discourages the beneficiaries from registering the lease deeds*
- *As a result the lessees are not able to raise loans from Banks. So the activity is funded by parallel economy and money lenders.*
- *Rationalising the registration cost can open up the activity to formal banking channels .*

3. Win – Win Situation for all

- *Farmers will benefit by getting cheaper credit in adequate quantity*
- *Banks will be able to lend more in agriculture*
- *Govt will gain more revenue through more registrations*
- *The society at large will benefit from more agriculture output*

In view of the above, we recommend that the stamp duty and registration fees on lease deeds for farming activities may be brought down as suggested in para no 1 .

We also suggest that Govt may kindly examine in similar lines, the premises leasing practice in MSME sector. The feedback from banks is that many small and micro enterprises are taking premises on 11 months' lease and renewing them every year to circumvent the registration. Due to this the small manufacturing units working on rented premises are unable to avail long term loans from banks

In 127th SLBC forum, Chief Secretary Sri Tom Jose IAS pointed out the importance, issues and the need of increased coverage of insurance to farmers. He also requested the forum to constitute a subcommittee comprising insurance companies. Base on his suggestions SLBC has constituted a subcommittee with insurance companies and the subcommittee meeting with insurance companies was held on 9th May 2019.The committee suggested measures to increase Insurance coverage of farmers which will help them to overcome crop losses and to create more awareness on the same.

The Steering Committee held on 28/05/2019 recommended to pursue the agenda .

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

The captioned meeting was convened on 8th May 2018 at Krishi Bhawan, New Delhi under the Chairmanship of Dr. P.K.Mishra, Addl. Principal Secretary to the Hon'ble Prime Minister. The committee observed that there is increase in the coverage of GCA from 22% to 30%, increase in coverage of non-loanee farmers from 5% to 24%, there is quick disposal of claims, increase in notified crop combination from 80 to 200, remote sensing technology has been used selectively for Crop Cutting Experiments and ,National Crop Insurance Portal has become functional during 2017.

However, the committee had expressed its concern over the following areas:

- Banks have not been strictly complying with the compulsory coverage of loanee farmers
- Poor response by banks to cover non-loanee farmers. Extent of coverage of non-loanee farmers is quite low
- Aadhar details of the beneficiaries of the scheme are not being captured mandatorily by the Banks.
- Banks have failed to verify whether the crops that have been declared by the farmers are actually being grown by them.
- Delayed and inaccurate uploading of farmer's data in the National Crop Insurance Portal (NCIP).
- Delayed and incorrect remittance of insurance premium by the Banks to Insurance Companies.
- Slow response by Banks in the reconciliation drive of Kharif 2017.

2. We therefore, request you to incorporate the above issues in the agenda for ensuing SLBC meeting for increasing the coverage of crop insurance under PMFBY in the state of Kerala.

In 127th SLBC forum, Sri Devendra Kumar Singh IAS, ACS & Agricultural Production Commisssioner informed that lack of yield data on various crops is preventing the state to add more crops under PMFBY scheme. Now the SLTC has decided to add more parameters for crop losses, but the insurance premium has gone high. He also informed some farmers are not able to get insurance claim in time due to lack of account details. SLBC has constituted a subcommittee with insurance companies and the subcommittee meeting with insurance companies held on 9th May 2019 suggested measures on the following agendas of PMFBY

To increase & ensure adequate Insurance coverage to farmers

To notify the crop insurance in time to get more space to cover the accounts. .

***Conduct more awareness camps**.*

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

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

The Steering committee decided to place it in the SLBC meeting.

In 126th SLBC, Additional Chief Secretary (Revenue) informed Instead of tenancy licensed farming can be suggested. The bill is ready for enactment. Once the bill becomes an act the issue can be resolved.

The steering committee noted that there is no progress in the issue and decided to pursue the agenda

2.5 Fresh Issues in Primary Sector

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

STATE LEVEL BANKERS' COMMITTEE, KERALA

(Under Lead Bank Scheme of RBI)

Convenor: केनरा बैंक Canara Bank Together We Can

Ref: Kerala SLBC/NC/127/MA/2019 Date: 06 March 2019

SLBC Sub Committee on Natural Calamity(2018) - Decisions taken in the meeting dt 06 March 2019

The meeting commenced at 2.30 pm in the Board Room , Floor no 6 , Canara Bank Building , Trivandrum , with Smt G K Maya, Convenor SLBC & GM Canara Bank in Chair. The list of participants is annexed.

The meeting was convened subsequent to the unfortunate suicides reported in the State, especially in Idukki and Wayanad Districts and in the backdrop of a meeting called by the Hon'ble Chief Minister on 06 March 2019 at his chamber.

1. The committee decided that SLBC may write to RBI on the following issues

- To permit Morotorium till 31.12.2019 on Agricultural loans and loans to those borrowers whose income is mainly from agriculture and allied activities.
- To permit DPD (Days Past Due) for 2 crop seasons for Agricultural loans and loans to those borrowers whose income is mainly from agriculture and allied activities.
- Permission for retaining the asset classification (Not to be down graded) at par with the relaxations permitted for MSME borrowers as per RBI Cir DBR No. BP 18/21.04.048/2018-19 dt.01.01.2019.

2. With regard to providing morotorium on Agricultural loans and loans to those borrowers whose income is largely from agriculture and allied activities, the committee clarified that Banks may permit morotorium to those loans pertaining to flood affected villages notified by Government, subject to the permission from RBI.

Borrowers need to submit application for restructure/fresh finance in flood affected areas. Banks have to take care to save limitation in all the cases.

3. The Govt: of Kerala has demanded moratorium on RR proceedings. The committee clarified that even if Banks are compelled to initiate RR proceedings, RR authorities may keep the same in abeyance as advised by the Government.

4. SARFAESI actions may be avoided as far as possible in Idukki and Wayanad Districts till 31st Dec 2019 as demanded by the State Govt.

5. A Committee at District level with LDM, representative from SLBC and respective Bank Official may examine the cases before initiating / continuing the SARFAESI actions. This is in respect of loan accounts where source of repayment is mainly from agriculture.

6. The committee clarified that fresh finance under Agriculture can be provided to applicants in the flood affected villages wherever restructuring of existing loans is permitted as a relief measure. For those accounts where restructuring has not been done, the same can be done upto 31.12.2019, subject to RBI permission.

7. The committee observed that for crop loans upto Rs.3 Lakhs, rate of interest charged is 9%, which is uniform across Banks.

8. The Committee clarified that Gold Loans granted to agriculturists may be excluded from the relief measures.

9. The committee recommended that FLCs in coordination with Agriculture & Allied Departments of the Government, may conduct camps to create proper awareness on restructuring and financial literacy among the farmer borrowers. All Banks to actively participate in the said camps.

10. The Committee observed that relief measures for non-farm sector were not implemented by Co-operative Banks. In this regard, NABARD and Kerala State Cooperative Bank, who are both members of SLBC, may take the initiative to communicate the RBI's Relief Measures implemented by Commercial Banks.

The meeting concluded at 4.15 p.m.

G K MAYA
Convenor, SLBC Kerala
& General Manager, Canara Bank

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

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

Convenor: केनरा बैंक Canara Bank Together We Can

Ref: Kerala SLBC/127/221/MA/2019 **Date: 14 May 2019**

SLBC Sub Committee with Insurance Companies dt 09 May 2019

The meeting commenced at 11 am in the Board Room , Floor no 6 , Canara Bank Building , Trivandrum , with Sri N K Krishnankutty, DGM, SLBC Kerala in Chair. The list of participants who are the members of this committee is annexed.
The meeting was convened in the backdrop of instruction given by the Hon'ble Chief Secretary on 127 SLBC forum to discuss/ decide insurance related matters in a phased manner.
The sub committee of SLBC for Insurance matters was constituted with the representations from RBI, NABARD & Insurance companies and major banks. The forum recommended to include representation from Fisheries Department, Finance Department, Economics & Statistics Department, Kerala Agricultural University also to be members of this committee.

The Agendas placed before the committee were

- To increase & ensure adequate Insurance coverage to farmers
- To notify the crop insurance in time to get more space to cover the accounts.
- Conduct more awareness camps
- To provide Insurance coverage in fisheries & poultry sector
- Any other issues with the permission of chair

Sri N K Krishnankutty, DGM, SLBC Kerala welcomed the gathering and briefly explained the present scenario of the Insurance sector in Kerala. He pointed out that Still there is lack of awareness among the public about various schemes and Insurance packages. The coverage ratio has to be far more increased compared to the credit disbursements in the State.Claim processings has to be fasten up.

- **To increase & ensure adequate Insurance coverage to farmers**

The representative from AIC explained on the proceedings of PMFBY & RWBCIS. He informed that more Crops to be brought under PMFBY and more Common Service Centres (CSC) should be opened at panchayat level. The contributions from Dept of Economics and Statistics, KAU and other State Govt Agencies are significant in improving the Insurance coverage for farmers. He also requested that Government level interactions are required to bring more companies with attractive packages.
Agriculture department representative informed that due to high weather abnormalities in the State many insurance companies are reluctant in participating the bid of these schemes.
The committee discussed on the State Insurance schemes in which the insurance premium is less and claims are generated based on the individual plot verifications by the officials. This type of simpler proceedings will attract farmers in covering their crops more in number.
Agriculture department representative informed that Government is planning to merge State Insurance schemes with central Schemes.
(Action : Agri Dept,AIC)

- **To notify the crop insurance in time to get more time to cover the accounts.**

The committee discussed the following major Issues in this agenda

- Delay in issuing the Govt notification on PMFBY/RWBCIS and thereby getting lesser time for coverage through the portal.
- Time lag in communication from controlling offices to the Branches
- Branches may be busy with quarter ends.
- Some farmers are reluctant in giving declarations

Agriculture department representative informed that from 2019-20 FY single bidding is done for the 2 seasons and this years process is progressing and the notifications can be expected without any delay.

(Action : Agri Dept, Banks)

- **Conduct more awareness camps**

AIC represantative informed that already district level camps are being organised jointly with the help of SLBC and LDMs.

The committee requested the Nodal Insurance company to conduct more camps in association with individual banks and at BLBCs also.

(Action : AIC, Banks, LDMs)

- **To provide Insurance coverage in fisheries & poultry sector**

Now the GOI has come up with interest subvention schemes on Dairy farming, Poultry& Fisheries . So now banks will require more attractive Insurance schemes on these Sectors to increase the credit growth under these portfolios.

The major Insurance companies present in the committee informed that they are already having attractive packages on these sectors. But they recieve very few enqueries and policies on these sectors.

Many Banks and LDM Trivandrum pointed out that they are getting frequent complaints from branches that insurance companies are reluctant to give coverage to these sectors.

The Committee advised the insurance companies to forward their packages available on these sectors with the contact details of concerned officials to SLBC which inturn can be circulated among controlling offices of all banks. Any specific complaint from Branches can be taken up with respective contact person.

(Action : Insurance Companies, SLBC, Banks)

Vote of Thanks was delivered by Sri Sanjumon V, DM SLBC.

The meeting concluded at 1 p.m.

N K Krishnankutty

DEPUTY GENERAL MANAGER

SLBC KERALA

2.5.3 Cashew Revival Committee Report

Report of the Committee for assessing the viability of cashew processing units facing crisis

In the meeting convened by the Chief Secretary of Government of Kerala with the representatives of the banks to discuss the crisis being faced by the cashew processing units in the state on 15.10.2018 following decision was taken.
"Decision No.2: A committee consisting of a representative of SLBC, RBI and Government of Kerala will be constituted for the purpose of individual assessment of liabilities and ways and means to find solutions for their revival. The representative of the concerned bank will be the fourth member in the committee. The committee will hold discussions with the unit management and assess the possibility of turning around. In the case of a possibility of turning around, the unit should be assisted with a new loan."
Accordingly Government as per Government orders GO(Rt)1279/18/ID dated 19.11.2018 and GO(Rt)1319/2018/ID dated,29/11/2018 constituted a committee with the following composition to assess the financial viability of the cashew processing units that are facing crisis so as to revive them. Further on 29th November, 2018, Government of Kerala amended the GO(Rt) 1319/2018/ID by excluding the representative of Reserve Bank of India from the Committee and constituted as follows.

1	Convener SLBC or his nominee	Member
2	Deputy Secretary, Industries(K) Department	Member & Convener
3	Representative of the Bank concerned	Member

Objectives of the committee as laid down by the Government are as given under:

1. Committee is to assess the financial viability of the unit so as to examine the feasibility of the revival package if any submitted by the borrower and make recommendations to the respective Banks.
2. To recommend an honorable exit package if the revival package is not found feasible.

Operational guidelines of the Committee were detailed in the Government orders referred above.
The committee through the concerned banks had intimated the account holders to submit their proposal to the concerned banks and to the Government or SLBC. The committee had earlier considered 175 cases one by one and made recommendations and submitted its report to Government**(Consolidated list of cases considered is shown in Annexure 2 of this report).**
In the meeting convened by the Honourable Chief Minister on 06/02/2019it was decided to extend one more chance to the units which failed to submit revival proposals earlier. Accordingly the Committee considered another set of applications submitted by the Cashew Units. Altogether 126 more applications were received. List of the applications received are placed as **Annexure 2** to this report. As part of its proceedings,the committee had given opportunity for the applicant for a personal hearing along with the representative of the banks(member of the committee). Hearing was conducted on 21st, 22nd, 25th March, 2019 and 29th and 30th April, 2019 at Canara Bank, Circle Office

building, Trivandrum. The hearings of the committee was chaired by Sri. Sunil Kumar, Joint Secretary, Department of Industries, Government of Kerala. Sri. N.K Krishnankutty, Deputy General Manager, SLBC and representatives of concerned banks took part in the proceedings. List of banks that were represented in the Committee meetings is given under.

1	State Bank of India (SBI)	13	South Indian Bank (SIB),
	Catholic Syrian Bank (CSB)	14	Tamilnadu Mercantile Bank (TMB),
3	Corporation Bank	15	UCO Bank,
4	Federal Bank,	16	Vijaya Bank,
5	HDFC,	17	Syndicate Bank,
6	IDBI Bank,	18	Bank Of India,
7	Indian Overseas Bank (IOB)	19	Central Bank of India,
8	ICICI Bank, Bank of Baroda,	20	Dhanlaxmi Bank,
9	Karnataka Bank	21	Indian Bank,
10	Karur Vysya Bank,	22	Axis Bank,
11	Andhra Bank,	23	Canara Bank
12	SIDBI.		

Cases were taken up by the committee on individual basis and disposed with the recommendations.

Recommendations of the Committee

Committee was constituted to examine proposals submitted by cashew units under distressso as to find out viability of revival of respective units. Out of the 126 cases considered, restructuring/ Additional finance is recommended in 74 cases. 13 cases referred for an honourable exit through One Time Settlement. Majority of Cases recommended for OTS include suit filed and SARFEASI initiated, which became NPA long back. Existing Liability in some of the accounts are huge so that the revival will not be possible without infusing huge amount of money in the form of capital and loan. Wherever the committee had valid reasons to suspect diversion of funds, such cases are not considered for revival. However OTS is recommended in such cases also. Wherever loan liability is less, the committee is of the opinion to consider such cases favorably for revival/restructuring and made recommendations accordingly. The committee also recommended the banks concerned for extending One Time Restructure (OTR) announced by RBI vide Circular DBT.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019 to all the eligible units. Consolidated list of cases recommended for Additional Finance/Restructuring of Accounts / OTS is given in **Annexure 3**.

There were 16 units which were examined by the committee under phase 1 resubmitted the revival proposal again before the committee in phase 2 in view of the revival package announced by the Govt. Hence the total cashew units examined by the cashew revival committee under both the phases are as follows:

Committee Recommendation	**Number of Clients**
Additional Finance/ Restructuring	**176**
One Time Settlement	**67**
Others	**42**
Total	**285**

The committee after having their interactions with the account holders and the concerned banks, have the following findings and had made general suggestions/recommendations in this regard.

Findings of the committee

- Instances of diversion are observed in many cases.
- In some cases party utilized the working capital finance for purchase of factory, its renovation and for mechanization.
- There are cases where the fund was utilized for purposes other than business like purchase of land, construction of houses and buying car.
- However there are genuine borrowers also who were affected due to the following industrial issues.
- Increase in price of Raw Cashew Nuts without a corresponding increase in kernel.
- Stiff competition from markets like Vietnam made export unattractive .Domestic demand was not adequate to compensate/support the industry.
- As the export was less comparing the import the depreciation in the value of rupee also affected the industry
- Increase in cost of labour and deficiency in mechanization also attributed to the crisis.
- Cheated by brokers/middlemen as in some cases they have not supplied the quantity against money received/not ensured the quality of the RCN supplied
- Instances are there advance payment sent and RCN received. Similarly debtors aged for a long period are outstanding which is to be written off.
- The committee also observed lack of awareness among the borrowers engaged in the industry. Firms having huge exposures were not professionally managed and entrepreneurs were not well educated. Guidance of financial consultants/CAs were not proper as could be seen in many cases. Units which are practicing financial discipline are found to be surviving even in crisis.
- **Banks Role:** While the industry was flourishing there was no hesitation from the part of banks in extending finance to the cashew companies. Banks failed to check diversion of funds. Stock statements and Balance sheets submitted by the firms were not correct. Till last year majority of the firms were showing profit

with sufficient stocks in the balance sheets. Banks were mainly relying on these financial statements rather than physical verification of stocks.

General recommendations:

- Bank should create awareness among the cashew borrowers about the financial discipline to be maintained.
- To avoid middlemen, Cashew Board can take initiative to ensure supply of quality RCN worth for the money they receive.

Accounts Sold to Asset Reconstruction Companies(ARCS) :

The committee examined the proposals submitted by the units whose accounts are transferred to Asset Reconstructing Company (ARC)

Representative of the ARC (Phoenix Pvt Ltd) had attended the proceedings of the Committee held on 16/05/2019 which was also attended by the parties whose accounts were transferred to ARC and the representatives of the banks which transferred the accounts to the ARC. ARCs are companies(not individual) functioning as per the mandates of the RBI and are governed by relevant statutes. Representative of the ARC submitted that they are taking steps to recover the dues the units had with the banks concerned and that they are only charging interest and other charges at the rates which was agreed by the parties before availing the loans and that are regulated by the RBI. Representatives of the banks which transferred the accounts to ARC submitted that, as far as the banks are concerned there is no record/ data available with the banks so as to consider their revival. The representative from ARC further informed that they are ready to extend Restructuring/ OTS within their norms if viable proposals are submitted by them. Borrowers under ARC agreed to forward their proposals before 31/05/2019.

As per the operational guidelines that regulate functioning of the Committee , it has no mandate to consider and make recommendations on these proposals. More over ARC firms are not coming under the purview of SLBC. Hence the committee has limitations to make recommendation on the proposals submitted by the account holders in this regard.

However the committee makes following recommendations in this regard.

1. ARC Account holders may submit viable proposals for Restructuring of their accounts or for OTS to the ARC within 31.05.2019. ARC may consider such proposal for restructuring/OTS favorably extending maximum concessions possible. ARC may also consider extending maximum period of repayment for the restructured loans. ARC may also keep in abeyance further coercive measures till the proposal for restructuring /OTS is considered.

2.However, even if the accounts are restructured by the ARC, the account holders will not be in a position to repay the loan back within the extended period unless the units starts functioning which requires additional Capital investment as well as working capital for keeping the operation going on. It is also a concern that the ARC account holders will not be eligible for the benefits of the interest subvention and other financial assistance the Government is offering to the units as part of the revival package, as the ARC is not empowered to sanction any loans and that the benefits of interest subvention etc will be on the additional loan extended only. Hence the committee recommends the Government to consider the cases of the restructured ARC accounts separately so as to derive a mechanism by which the benefits of the proposed revival package of the Government are made available to them also.

The Committee has examined all the proposals submitted by the parties on or before 30.04.2019 and has advised suitably. Since the committee has completed the task entrusted with it the State Government may consider dissolving the Committee. Government may issue necessary orders for winding up the committee. The individual banks may be directed to resolve any further issues appropriating at their end

K Sunilkumar

K.SUNIL KUMAR
Joint Secretary
Planning & Economic Affairs (RKI) Dept.
Govt. Secretariat
Thiruvananthapuram

Joint Secretary to Govt of Kerala

Convenor, Cashew Revival Committee

Dated: 17th May, 2019

Place: Trivandrum

N K Krishnakutty

For SLBC Convenor

एस एल बी सी सेल / SLBC Cell
अंचल कार्यालय, तिरुवनन्तपुरम
Circle Office, Trivandrum

Annexure 1.

Consolidated list of cases considered by the committee in Phase 1.

Earlier in the **Phase I** of the Cashew Revival Committee held in January 3rd, 4th, 8th ,9th, 10th , 11th, 23rd, 25th January, 2019, Out of the 175 cases received, Restructuring/ Additional Finance were recommended in 111 cases. 58 cases were referred to an honorable exit through One Time Settlement. Brief Summary is given as under

Committee Recommendation	Number of Clients
Additional Finance	76
Restructuring	35
One Time Settlement	58
Contact ARC	6
Total	175

Consolidated list of cases considered by the committee in Phase II

A total of 126 Cases were taken up by the committee for discussion and the cases were disposed with the recommendation as follows:

4 Units Sold to ARCs attended the meeting on 16.05.2019

The phase 2 committee recommendations can be summarised as follows.

Committee Recommendation	Number of Clients
Additional Finance/Restructuring	74
One Time Settlement	13
Others	39
Total	126

2.5.4 Agenda by Reserve Bank of India

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

Banks may be advised to adhere to the instructions specified in our letter dated April 11, 2019 (copy attached) on monitoring end-use of crop loans.

The steering committee held on 28th May 2019 informed that Banks may adhere to the instructions from RBI

2.5.5 Agenda suggested by NABARD

A] 2% Interest subvention on crop loans

a) Govt. of India will continue to provide interest subvention @ 2%p.a. to State Cooperative Banks on their own funds involved (excluding NABARD ST(SAO) refinance) in respect of short term crops loans provided by them to farmers up to Rs. 3.00 Lakh per farmer as contained in last year ISS Circular.

b) Govt. of India will continue to provide interest subvention @ 2% p.a. to State Cooperative Banks for financing farmers against Negotiable Warehouse Receipts for a period of 06 months.

c) 3% interest subvention as incentive to prompt paying farmers: Govt. of India will continue to pay interest subvention @ 3% as incentive to prompt paying farmers for short term production credit up to Rs. 3.00 Lakh as contained in last year ISS Circular. The Banks should first credit the eligible amount of 3% incentive to farmer's loan account and claim reimbursement from NABARD.

d) Limit towards household consumption requirement/maintenance expenses of farm assets, term loan forming part of KCC will be outside the purview of the Interest Subvention Scheme.

Interest subvention on Crop Loans Converted due to Natural Calamities/Severe Natural Calamities: (modification incorporated this year)

1. Natural Calamities: In case of occurrence of natural calamities Interest subvention of 2% will be available to Banks for the first year on the restructured amount. Such restructured loans will attract normal rate of interest from the second year onwards.

2. Severe Natural Calamities: Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and cold wave &frost where crop loss is more than 50% are considered to be severe natural calamities by Govt. of India. Interest subvention @2% and 3% PRI for prompt repayment shall be provided on restructured loans on account of severe natural calamities.

Interest Subvention of 2% will be available to Banks for the first three years/entire period(subject to maximum of 05 years) on the restructured loan amount

Benefit of prompt repayment incentive @3% per annum shall also be provided to the affected farmers.

The grant of such benefits in cases of severe natural calamities shall be decided by a High Level Committee (HLC). The High Level Committee will be constituted with Home Minister, Finance Minister, Agriculture Minister and (Planning Minister/ VC-NITI Aayog)GoI as members.

Issues for discussion

1) Ministry of Agriculture & Farmer Welfare, vide their communication dated 14 March 2019 had forwarded the Operational guidelines for Constitution and Administration of the National Disaster Response Fund (NDRF) including the composition of the HLC. As per the guidelines, upon a request made by a State after the occurrence of a natural calamity, a Central Team will be deputed for making an on the spot assessment. Report of the Central Team shall be examined by the Subcommittee of

the National Executive Committee (SC-NEC) and based on the recommendation of SC-NEC, the HLC will approve the quantum of immediate relief through NDRF.

2) The devastating flood that hit the state during July/August 2018 was treated as a severe natural calamity and the crop loss assessed was more than 50%. SLBC vide their letter No. 61 dated 21st August 2018, advised banks to provide relief measures for borrowers affected due to the flood by restructuring ST crop loan for a maximum period of five years including one year moratorium. If the banks have restructured the crop loans as per SLBC guidelines, the bankers and farmers are eligible for interest subvention and interest incentive respectively for a period of up to five years.

3) Although the NDRF guidelines narrates about the operationalisation of the State and National Disaster Response Fund, it is not clear as to whether the NDRF covers assistance provided under Interest Subvention Scheme or the modalities for providing interest subvention and incentive in the event of a normal/severe natural calamity.

4) There are reports of farmer suicides from various parts of the state post flood scenario, as they find it difficult to come out of the debt burden. If such incentives are made available, it would be a relief to the farmers of the state. As the interest subvention and interest incentive are provided by GoI, SLBC may discuss the matter and seek clarification from GoI on the procedures to be followed for getting the same granted from GoI.

Request SLBC to discuss the issue in the ensuing SLBC and take up with GoI/RBI so that farmers in Kerala are eligible for interest subvention and interest incentive on crop loan coverted due to severe natural calamity.

The steering committee informed that SLBC has already written to DFS, DAC&FW Govt of India with a copy to RBI for considering the same. Regarding HLC no informations on the recommendations made are available

B] NABARD in its operational guidelines of Financial Inclusion Fund (FIF), the FI sub committee of SLBC and SLBC fora may be utilized for eliciting cooperation and synergise efforts of all stake holders and also as stated in RBI's master circular No. RBI/2014-15/94 on lead bank scheme advised as under;

In view of the large membership of SLBC, it would be desirable for the SLBC to constitute Steering Sub Committee/ Sub Committee for specific tasks like agriculture, micro, small/ medium industries/ enterprises, handloom finance, export promotional and financial inclusion, etc. The Sub Committee may examine the specific issues in-depth and devise solutions/ recommendation for adoption by the full committee, and it is expected to meet more frequently than the SLBC.

In this context, we recommend SLBC to considering constitution of a Sub Committee for Financial Inclusion in SLBC.

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depth and devise solutions/ recommendation for adoption by the full committee, and it is expected to meet more frequently than the SLBC.

In this context, we recommend SLBC to considering constitution of a Sub Committee for Financial Inclusion in SLBC.

The steering committee decided to constitute a Financial Inclusion subcomittee in SLBC

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

Based on the potential available in the state for promotion of SHG/ JLGs and taking into account the performance of the previous years, the following targets have been fixed for promotion and bank linkage in the State of Kerala. We request you to kindly include this as an agenda and arrive at the targets accordingly.
Credit Linkage --1,43,000
Financing of JLGs --50,000

List attached

NABARD, Kerala RO

Allocation of no of SHGs & JLGs to be credit linked / financed during 2019-2(

Sl No	Name of the bank	No of SHGs	No of JLGs
A	Public sector banks		
1	Allahabad Bank	51	150
2	Andhra Bank	2668	300
3	Bank of Baroda	946	250
4	Bank of India	2694	300
5	Bank of Maharashtra	35	150
6	Canara Bank	40718	3500
7	Central Bank of India	0	150
8	Corporation Bank	225	150
9	Dena Bank	0	150
10	IDBI Bank	8287	500
11	Indian Bank	0	1000
12	Indian Overseas Bank	2410	300
13	Oriental Bank of Commerce	0	150
14	Punjab & Sind Bank	0	150
15	Punjab National Bank	1767	150
16	State Bank of India	4592	3000
17	Syndicate Bank	8251	600
18	UCO Bank	405	150
19	Union Bank of India	18288	2000
20	United Bank of India	0	150
21	Vijaya Bank	3041	500
B	Private Sector Banks		
1	AXIS Bank		50
2	Catholic Syrian Bank		50
3	City Union Bank		50
4	Dhanlaxmi Bank	7609	1000
5	Federal Bank	70	450
6	HDFC Bank	26549	2000
7	ICICI Bank	0	100
8	Indus Ind Bank	0	50
9	Jammu & Kashmir Bank	0	50
10	Karnataka Bank	0	50
11	Karur Vysya Bank	0	50
12	Kotak Mahindra Bank	0	50
13	Lakshmi Vilas Bank	0	50
14	South Indian Bank	83	50
15	T.N Mercantile Bank	10	50
16	YES Bank	0	50
17	Bhandan Bank	0	50
18	RBL Bank	0	50
19	IDFC Bank	0	50
C	Kerala Gramin Bank	7200	4000
D	Coop Banks including KStCB	7100	28000
	TOTAL	**143000**	**50000**

The steering committee requested the banks to achieve the targets

D] Information Note on DEDS

DEDS: Submission of Claims for the year 2018-19 and 2019-20 in ENSURE

The administrative approval of DEDS for the year 2019-20 has been received from GOI. A budget provision of Rs.325.00 Crore has been made by Government of India for the year 2019-20 and Kerala has been allocated a budget of Rs. 201.72 Lakh for the year 2019-20 and category-wise allocation is, General : Rs.145.24 Lakh, ST : Rs.19.16 Lakh, SC : Rs.37.32 Lakh. Copy of NABARD H.O. Circular No.135/Ref.40/ 2019 dated 22 May 2019 is enclosed.

The uploading of claims for the year 2019-20 will start from 1st June 2019. Since the claims received from 1st April 2019 at bank level are eligible for subsidy, one-time relaxation is being provided on the time limit of 30 days from date of sanction, for uploading claims. Therefore, the claims received from 1st April 2019 can be uploaded at the first level in the portal till 30th June 2019.

One-month validation for second level upload from date of first upload will still be applicable (there is no relaxation for the same).

From 1st July 2019, controlling offices of banks will be able to upload claims only as per the DEDS guidelines and the relaxation of the earlier timelines will be stopped.

Further, we advise that the submission of claims for the year 2018-19 in DEDS ENSURE - Portal (first upload) has stopped on 30 April 2019. Time limit for second upload is till 30 May 2019, after which the banks will not be able to submit claims for the year 2018-19.

We request you to advise all the controlling offices of banks in the State immediately about the budgetary allocation under DEDS for the financial year 2019-20, and also relaxations indicated above regarding submission of claims for the year 2019-20 and to complete the second upload for claims of 2018-19 before 30 May 2019.

2.5.6. Agenda suggested by Kudumbashree

A] Bank linkage target for information

As Kudumbashree is the nodel agency to implement National Rural Livelihood Mission programs, NRLM has given the target for SHG bank linkage program for the FY 2019-20 both Bank wise and District wise. Bank Wise target is given below for information and support. Kindly give direction to banks to support Kudumbashrees bank linkage loans.

SHG Bank Linakge - Annual Credit Plan for the FY 2019-20

Kerala - Bank wise Report

Amt in Lakhs

		Target for 2019-20				
Sl.No.	Bank	Fresh Accounts	Renewal Accounts	Total Eligible Accounts	Disbursement Target	Outstanding Target
1	ALLAHABAD BANK	10	80	90	429.86	185.86
2	ANDHRA BANK	10	110	120	429.86	279.17
3	BANK OF BARODA	0	70	70	229.92	1877.54

4	BANK OF INDIA	110	1240	1350	2889.04	14160.59
6	CANARA BANK	300	3490	3790	16914.36	101653.34
7	CENTRAL BANK OF INDIA	790	9130	9920	43385.54	40372.86
8	CORPORATION BANK	370	4220	4590	19123.63	10889.75
10	HDFC BANK	330	3780	4110	26674.44	51406.17
11	ICICI BANK	40	450	490	1999.33	14147.95
12	IDBI BANK	0	10	10	59.98	12934.19
13	INDIAN BANK	1010	11730	12740	56671.11	43729.68
14	INDIAN OVERSEAS BANK	740	8600	9340	36387.87	28857.27
15	Kerala Gramin Bank	130	1490	1620	6597.80	31608.47
17	PUNJAB AND SIND BANK	10	0	0	10.00	12.64
18	PUNJAB NATIONAL BANK	370	4230	4600	14185.27	13907.73
19	STATE BANK OF INDIA	40	400	440	1109.63	12479.02
20	SYNDICATE BANK	510	5950	6460	26891.04	25716.65
21	UCO BANK	40	390	430	1449.52	1613.30
22	UNION BANK OF INDIA	1660	19240	20900	51942.69	111274.45
24	BOB - VIJAYA BANK	70	780	850	2619.13	6979.15
	Grand Total	**6540**	**75390**	**81920**	**310000.00**	**524085.79**

❖ **Table agenda suggested by Department of Financial Services, Ministry of Finance, GOI**

F. No. 7(61)/2008-RRB(V-Part 2)
Government of India
Ministry of Finance
Department of Financial Services

'Jeevan Deep' Building,
Parliament Street, New Delhi,
Dated: June 3, 2019

To,

All the Conveners of SLBC of States/UTs

Subject: Target Allocated for Lending to Minority Communities under Priority Sector for 2018-19- reg

Sir/Madam,

Based on the information received from PSBs, States/UTs wise target allocated and communicated to all PSBs for Lending to Minority Communities under Priority Sector for 2018-19. On review of the progress for quarter ending December.2018, it has been observed that only 4 states/UT namely Goa, Mizoram, Lakshadweep & Manipur have achieved the target for lending to Minority Communities.

In view of the above it is requested to raise this issue at the SLBC and issue suitable instructions to the banks to gear up efforts to enhance the pace of Lending to Minority Communities under Priority Sector. Further, lending to minority community under Priority sector should be taken as a regular agenda item in the SLBC meetings.

Yours faithfully

(Manish Gupta)
Director
Ph: 23362422
email-cmsec-bkg@nic.in

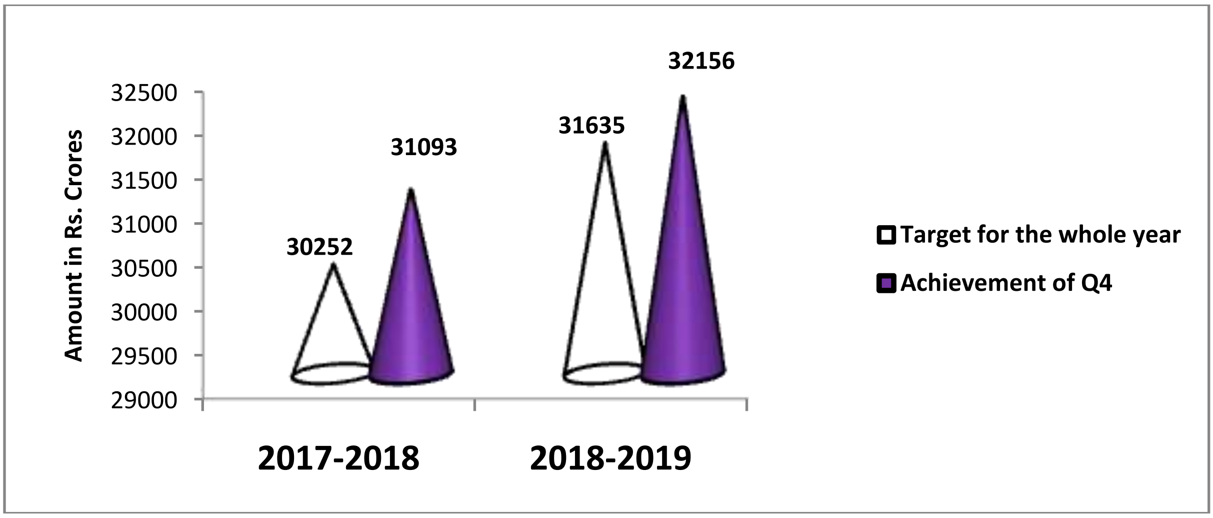
State- Wise Target for lending to Minority Communities for the year 2018-19 of Public Sector Banks Amt. in Rs. Crore			
State	Target for the year 2018-19	Achievement as on 31.12.2018	
	Minority Community Lending (MCL)	Minority Community Lending (MCL)	% of MCL to Target
Andaman & Nicobar	261	211.97	81.09
Andhra Pradesh	22958	13115.89	57.13
Arunachal Pradesh	675	564.20	83.63
Assam	5307	4577.62	86.25
Bihar	7359	5214.83	70.86
Chandigarh	2234	1718.73	76.95
Chhatisgarh	4455	2368.07	53.16
Dadra & Nagar Haveli	111	36.25	32.66
Daman & Diu	91	31.19	34.27
Delhi	10436	7420.96	71.11
Goa	2820	2852.74	101.17
Gujarat	20882	9009.66	43.15
Haryana	10861	6967.18	64.15
Himachal Pradesh	2364	1218.31	51.54
Jammu & Kashmir	2596	1347.75	51.92
Jharkhand	3772	2927.13	77.60
Karnataka	25902	21669.98	83.66
Kerala	46487	44978.73	96.76
Lakshadweep	37	49.76	135.22
Madhya Pradesh	15706	8328.02	53.02
Maharashtra	45816	37440.32	81.72
Manipur	462	788.67	170.58
Meghalaya	1853	1614.34	87.12
Mizoram	774	892.92	115.36
Nagaland	870	803.29	92.33
odisha	5980	2875.20	48.08
Puducherry	942	936.58	99.46
Punjab	41868	39370.55	94.04
Rajasthan	17004	9650.08	56.75
Sikkim	450	390.52	86.85
Tamil Nadu	36518	30726.53	84.14
Telangana	14262	11550.40	80.99
Tripura	573	404.66	70.65
Uttar Pradesh	27442	26202.14	95.48
Uttarakhand	7128	3968.12	55.67
West Bengal	14387	13346.48	92.77
Total	401642	315570	78.57
Source:PSBs			

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

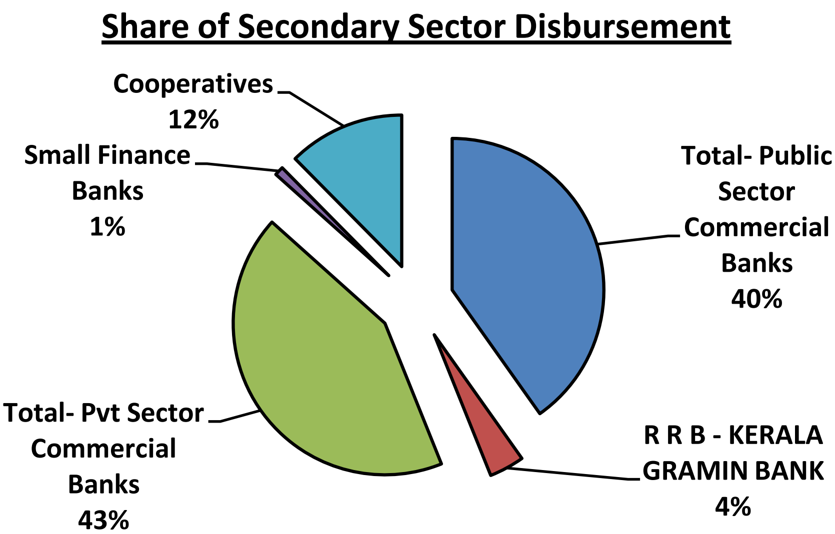
3.1. Performance under Secondary Sector

(Rs. in Crores)

Parameter	2017-2018	2018-2019
Target for the whole year	30252	31635
Achievement of Q4	31093	32156
% Achievement for Q4	103%	102%



Banking GroupWise Performance under Secondary Sector

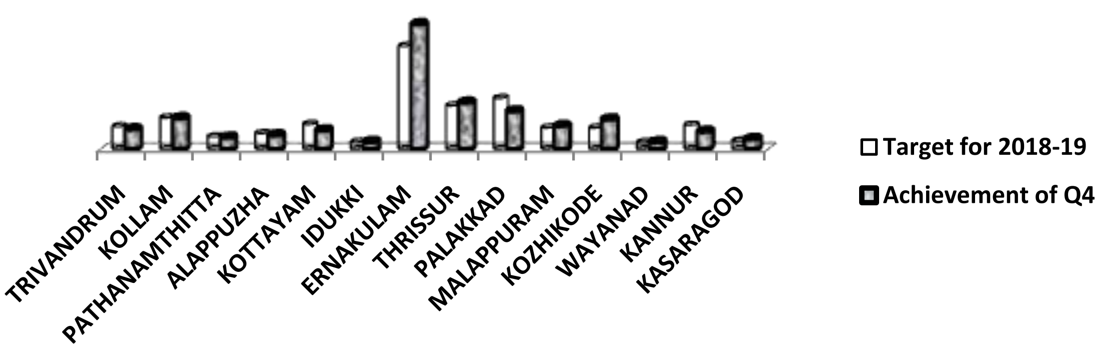


3.1.2. District wise Performance under Secondary Sector

(Rs. in Crores)

Sl. No.	District	Target for 2018-19	Achievement of Q4	% Achievement
1	TRIVANDRUM	1823	1612	88%
2	KOLLAM	2517	2492	99%
3	PATHANAMTHITTA	1005	937	93%
4	ALAPPUZHA	1272	1127	89%
5	KOTTAYAM	2000	1509	75%
6	IDUKKI	572	590	103%
7	ERNAKULAM	8271	10034	121%
8	THRISSUR	3493	3744	107%
9	PALAKKAD	4094	3041	74%
10	MALAPPURAM	1716	1871	109%
11	KOZHIKODE	1712	2394	140%
12	WAYANAD	541	570	105%
13	KANNUR	1943	1415	73%
14	KASARAGOD	674	820	122%
TOTAL		31635	32156	102%

Secondary Sector Target Vs Achievement



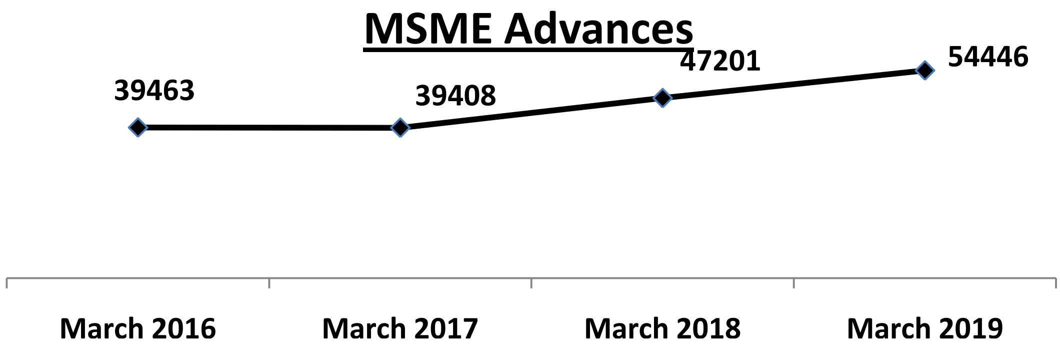
3.2. MSME Advances (Priority) (Refer Annexure7.6.)

A. Growth in MSME Advances

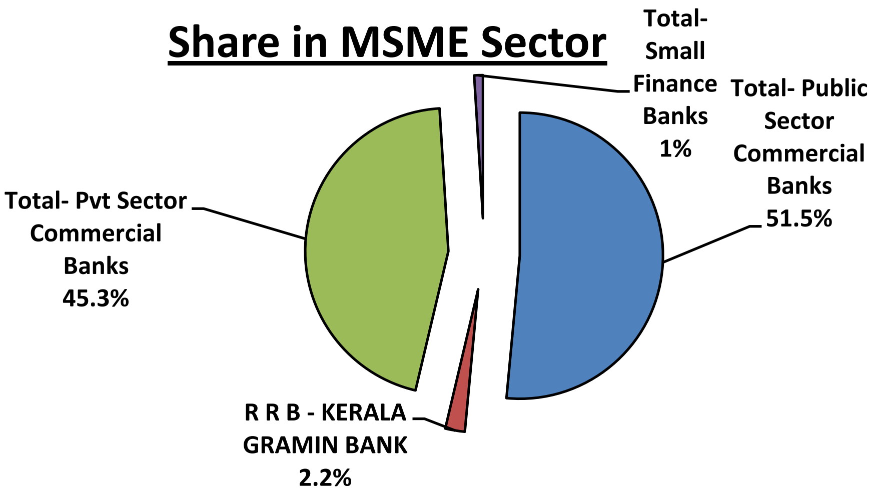
Micro, Small and Medium Enterprises are now part of the Priority Sector (MSME).

(Rs. in Crores)

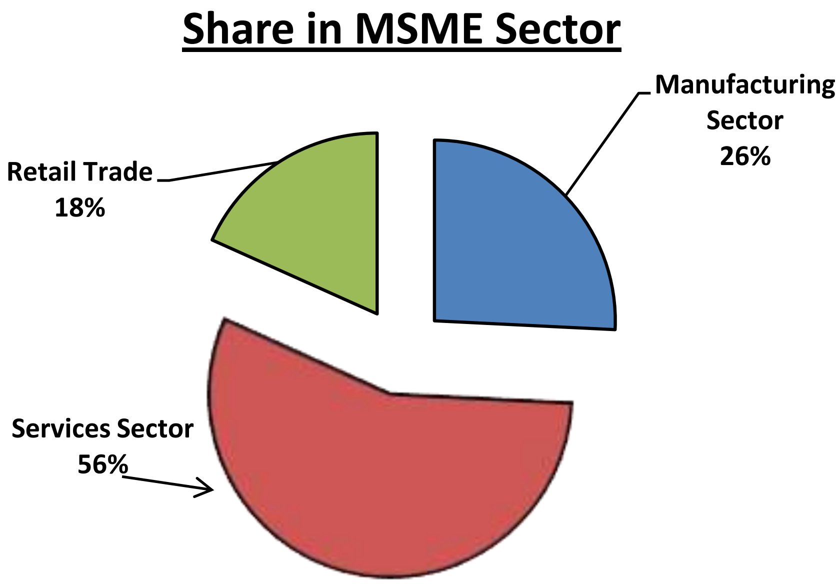
MSME Advances over the years			
March 2016	March 2017	March 2018	March 2019
39463	39408	47201	54446



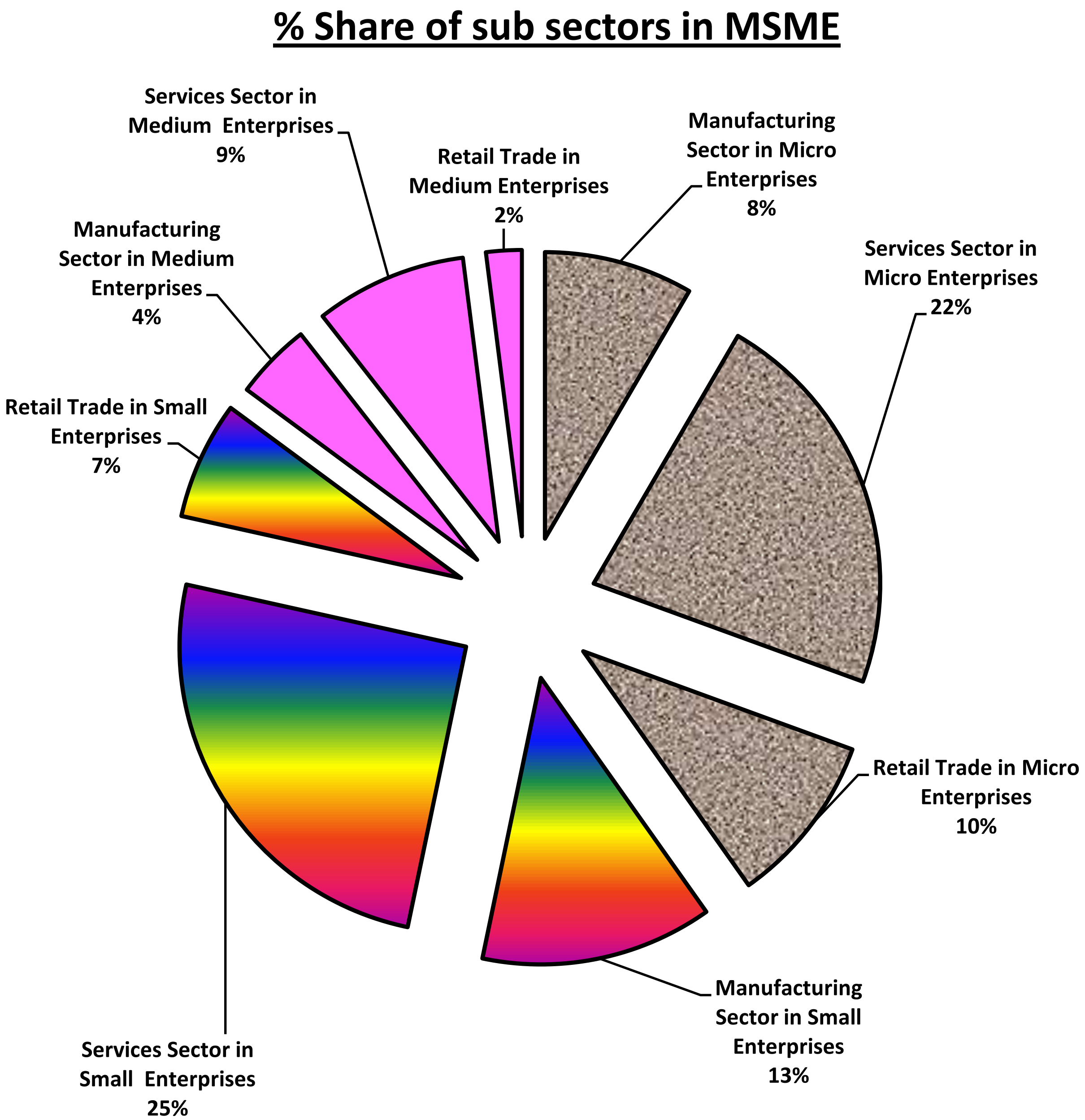
B. Banking Group wise Growth in MSME (Priority) – Micro, Small & Medium Enterprises



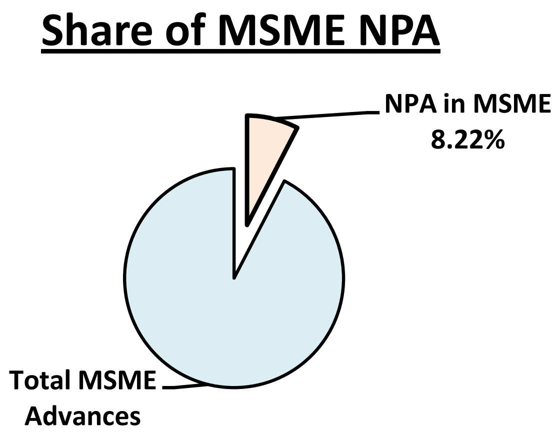
C. Sector wise classification of MSME



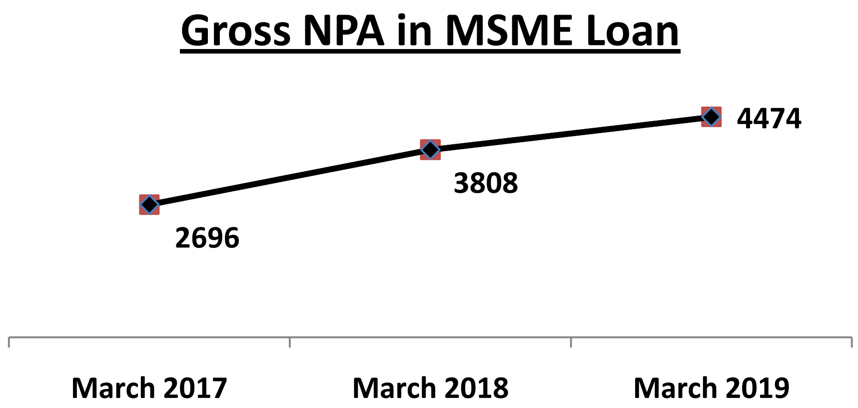
D. Sector wise performance under MSME



E. % Share of NPA in MSME Advances



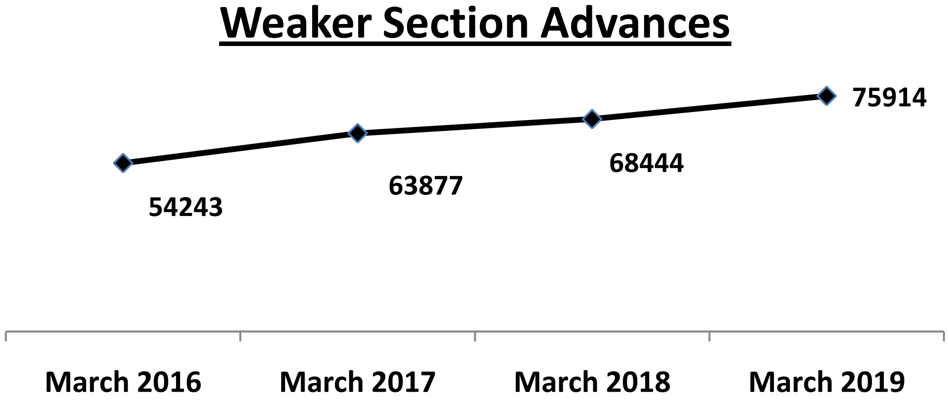
(Rs. in Crores)



3.3. Advances to Weaker Section (Refer Annexure 7.9)

(Rs. in Crores)

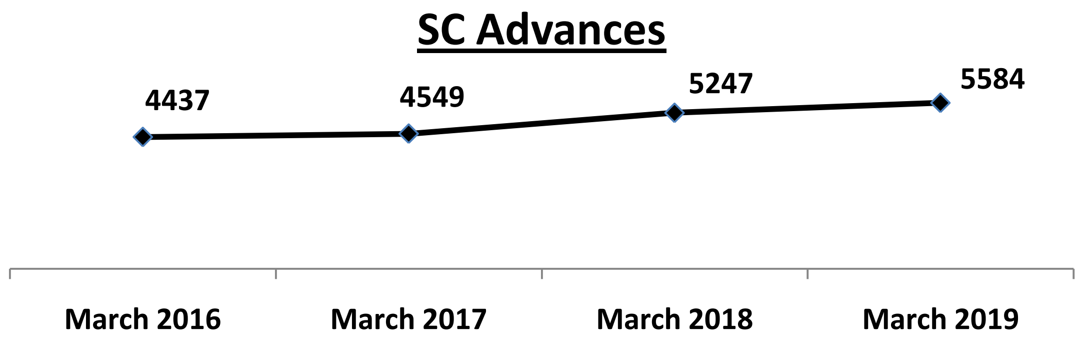
Weaker Section Advances over the years			
March 2016	March 2017	March 2018	March 2019
54243	63877	68444	75914

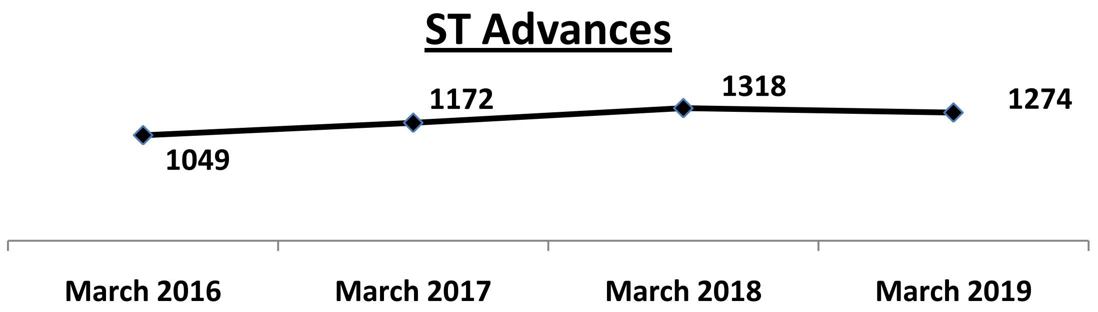


3.4. Advances to SC/STs (Refer Annexure 7.9)

(Rs. in Crores)

Parameter	Outstanding			
	March 2016	March 2017	March 2018	March 2019
SC Advances	4437	4549	5247	5584
ST Advances	1049	1172	1318	1274
Total SC/ST Advances	5486	5721	6565	6858

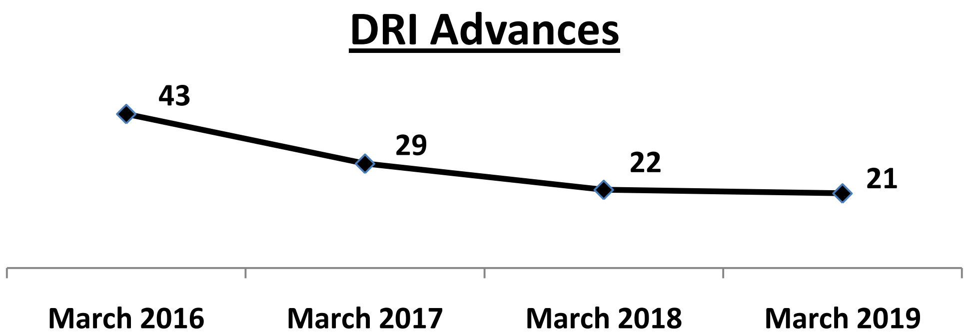




3.5. DRI Advances (Refer Annexure 7.10)

(Rs. in Crores)

Parameter	Outstanding over the years			
	March 2016	March 2017	March 2018	March 2019
DRI Advances	43	29	22	21



3.6. Credit Flow to Minority Communities (Refer Annexure 7.15)
As per RBI directions, credit flow to minorities in specified districts should be reviewed in all SLBC meetings. At present all the districts in the State of Kerala are notified for reporting under this head. The comparative position with regard to the previous year is given below.

Data on Minority Sector Advances in the State of Kerala

(Rs. in Crores)

As on	Total Priority Sector Advances (including Co-op. Banks)	Minority Sector Advances	Percentage
30.06.2016	159004	100457	63
30.09.2016	167275	98811	59
31.12.2016	165056	83646	51
31.03.2017	168469	115287	68
30.06.2017	177607	87229	49
30.09.2017	183374	94941	52
31.12.2017	188954	88302	47
31.03.2018	196517	102578	52
30.06.2018	197987	93016	47
30.09.2018	191518	96961	51
31.12.2018	197488	99560	50
31.03.2019	206718	104380	50

3.7. Total Outstanding Under MUDRA Loans (PMMY) as at March 2019
(Refer Annexure 7.30)(Rs. in Crores)

Banking Group	Of Total outstanding under MUDRA loans							
	SHISHU		KISHORE		TARUN		Total MUDRA Loans	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Total- Public Sector Commercial Banks	132535	399	301656	2849	31892	2086	466083	5334
R R B - KERALA GRAMIN BANK	115681	286	104868	1390	5472	561	226021	2237
Total- Pvt Sector Commercial Banks	665682	1163	61355	573	9736	464	736773	2201
Total- Small Finance Banks	247140	540	23434	116	0	0	270574	656
Total - Comm.Banks + RRB + SFB	1161038	2389	491313	4929	47100	3111	1699451	10429

3.8. Loan Outstanding under Stand up India Programme as at March 2019 (Refer Annexure 7.34)

(Rs. in Crores)

Banking Group	Women		SC/ST	
	No.	Amount	No.	Amount
Total- Public Sector Commercial Banks	1545	222	235	30
R R B - KERALA GRAMIN BANK	99	16	3	0
Total- Pvt Sector Commercial Banks	143	31	7	1
Total- Small Finance Banks	0	0	0	0
Total - Comm.Banks + RRB + SFB	1787	269	245	32

3.9. Loan Outstanding under Pradhan Mantri Awas Yojana as at March 2019 (Refer Annexure 7.33)

(Rs. in Crores)

Banking Group	PMAY Scheme- URBAN		PMAY Scheme- GRAMIN		PMAY Scheme	
	A/cs	Amount	A/cs	Amount	A/cs	Amount
Total- Public Sector Commercial Banks	13055	629	48	3	13103	632
R R B - KERALA GRAMIN BANK	2699	140	0	0	2699	140
Total- Pvt Sector Commercial Banks	2346	237	0	0	2346	237
Total- Small Finance Banks	0	0	0	0	0	0
Total - Comm.Banks + RRB + SFB	18100	1006	48	3	18148	1009

3.10. Cumulative enrollment under Pradhan Mantri Jan Suraksha Yojana as at March 2019 (Refer Annexure 7.31)

Banking Group	PMJJBY	PMSBY	APY	Total No.
Total- Public Sector Commercial Banks	482700	2491480	209311	3183491
R R B - KERALA GRAMIN BANK	107945	483578	74018	665541
Total- Pvt Sector Commercial Banks	117133	359859	34043	511035
Total- Small Finance Banks	0	0	8844	8844
Co-operative Banks	1418	6211	198	7827
State Total	709196	3341128	326414	4376738

Pending issues in Secondary Sector

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

1. In terms of RBI circular no. FIDD.MSME & NFS.BC.No.21/06.02.31/2015-16 dated March 17, 2016 on Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs), every bank shall form Committees for Stressed Micro, Small and Medium Enterprises, to enable faster resolution of stress in an MSME account, as per the following arrangements:
2. All banks having exposure towards MSME sector shall constitute a Committee at each District where they are present or at Division level or Regional Office level, depending upon the number of MSME units financed in the region. These Committees will be Standing Committees and will resolve the reported stress of MSME accounts of the branches falling under their jurisdiction.
3. For MSME borrowers having credit facilities under a consortium of banks or multiple banking arrangement (MBA), the consortium leader, or the bank having the largest exposure to the borrower under MBA, as the case may be, shall refer the case to its Committee, if the account is reported as stressed either by the borrower or any of the lenders under this Framework. This Committee will also coordinate between the different lenders.
4. All eligible stressed MSMEs shall have access to the Committee for resolving the stress in these accounts in accordance with regulations prescribed in this Framework.

The 127th SLBC requested the banks which have not constituted the committees yet to do so and update to SLBC

SLBC has requested for updating with the latest position vide SLBC letter SLBC/127/1/221/MA/2019 dated 07/02/2019

The Steering committee recommended that those banks which have not formed yet may do it immediately and report to SLBC.

3.12. Fresh Issues in Secondary Sector

3.12.1 Agenda suggested by MGNREGA

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

The core objective of Mahatma Gandhi NREGS, is to provide not less than one hundred days of unskilled manual work as a guaranteed employment in a financial year, to every household in rural areas as per demand and to create productive assets of prescribed quality and durability thereby strengthening the livelihood resource base of the poor. Accordingly, in 2019-20, in MGNREGS, emphasis is given for creating individual assets like cattle shelter, poultry shelter, goat shelter, piggery shelter, fodder troughs for cattle, compost pits, soak pits, etc in lands or homesteads owned by households belonging to (a) Scheduled Castes (b) Scheduled Tribes (c) nomadic tribes (d) denotified tribes (e) other families below the poverty line (f) women-headed households (g) physically handicapped headed households (h) beneficiaries of land reforms (i) the beneficiaries under the Indira Awaas Yojana (j) beneficiaries under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007) and small or marginal farmers.

For smooth completion of aforementioned works, Government of India have introduced a provision for procurement of construction materials directly by the beneficiaries themselves, at approved estimate rates. The actual amount incurred by the beneficiary for purchase of materials will be later remitted to his/her bank account upon production of valid GST bills. Hence, in these works, beneficiaries are required to procure materials in advance using their own funds. Since families falling under vulnerable categories are the key beneficiaries, it may be difficult for them to pool sufficient amount of money in advance. Hence, banks are requested to assist those families with DRI loans for advancing money for taking up asset creating works.

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

3.12.2 Agenda suggested by LDM Idukki

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

It is observed that in Idukki especially in Cheruthoni and Vandiperiyar area where some of the places are construction free zones and fragile area. Earlier there were un-authorised constructions in these area and later those constructions were regularised by concerned Panchayats by giving Building number and collecting taxes. Post flood as these areas are again declared fragile or construction free area, Panchayat is not renewing license or collecting taxes from these building.

Many business entities including traders are still functioning in the above buildings. They are eligible for loans under "Ujjeevana Scheme" as per the list submitted by DIC. Since Panchayat is not collecting taxes from these buildings Banks cannot lend to the traders / business organisations functioning in these buildings. Further whenever a trading or manufacturing concern is financed the stocks/machinery/equipments are to be insured. Properties in such un- authorised building cannot be insured.

To be taken up with LSGD/Revenue department

The steering committee recommended that the matter may be taken up with LSGD Department.

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

(1) Review of implementation of Coir Udyami Yojana (CUY) during 2018-19

During the year 2018-19, Coir Board had released subsidy amounting to Rs.57,28,256/- to different Banks in Kerala for assisting 61coir units under Coir Udyami Yojana. Bank-wise details of subsidy released under the Scheme during 2018-19 is as follows:

Sl. No.	Financing Bank	No. of units	Subsidy released
1	Corporation Bank, Muthukulam	1	40000.00
2	Union Bank of India, Harippad	4	160800.00
3	Union Bank of India, Karthikapally	25	999456.00
4	Union Bank of India, Cherthala	1	400000.00
5	Bank of Baroda, Kayamkulam	1	400000.00
6	Canara Bank, Cherthala	1	400000.00
7	Canara Bank, Harippad	1	40000.00
8	Punjab National Bank, Harippad	17	680000.00
9	Punjab National Bank, Pallippuram	4	1140000.00
10	Syndicate Bank, Alappuzha	1	400000.00
11	Kerala Gramin Bank, Poochakkal	1	400000.00
12	Catholic Syrian Bank Ltd., Cherthala	1	188000.00
13	State Bank of India, Danapady	2	80000.00
14	Federal Bank Ltd., Thankey	1	400000.00
	Total	**61**	**5728256.00**

(2) Implementation of Prime Minister's Employment Generation (PMEGP) in Coir Sector

As per the modified operational guidelines of Prime Minister's Employment Generation Programme (PMEGP), the Coir Board has been included as an implementing agency for facilitating setting up of Coir Units under the Scheme. Accordingly, the Board has been implementing PMEGP in Coir Sector w.e.f. 1st April, 2018. The Board has been allocated a target of 1000 coir units for the year 2018-19, of which 200 coir units have been allocated for the State of Kerala. During the year 2018-19, 163 coir projects recommended by the DLTFC have been forwarded to the Banks in Kerala for considering loan sanction under the Scheme. However, the Banks have sanctioned loan to 9 units only. Out of the 9 claims submitted to the KVIC, Margin Money (subsidy) amounting to Rs.10.71 lakhs could only be able to release to 4 coir units.

For the year 2019-20 also, the Board has been allocated a target of 1000 coir units under PMEGP. Out of which, 200 coir units have been allocated for the State of Kerala. As on 06.05.2019, the Board has received 211 applications for setting up of coir units in Kerala under the Scheme. Out of which 163 applications approved by the DLTFCs were forwarded to the Banks for considering loan sanction under the Scheme. The Banks have sanctioned loan to only 10 applicants. Out of the remaining 153 applications, the Banks have rejected 72 applications and 81 applications are pending with various Banks in Kerala for considering loan sanction under the Scheme. Bank-wise details of applications pending with the Banks are as follows:

Financing Bank	Branch	No. of applications pending with Bank
HDFC BANK	KUDAMALOOR	1
CANARA BANK	CHERTHALA	2
	KATTAKADA	1
	HARIPAD	1
	SASTHAMCOTTA	1
	ELAPPULLY	2
INDIAN BANK	PALAKKAD	1
FEDERAL BANK	THANKEY	1
	THENGANA	5
	THUMPOLLY	1
BANK OF INDIA	POLPULLY	6
	ATTINGAL	2
SYNDICATE BANK	KARUNAGAPALLY	2
	KATTAKADA	1
CORPORATION BANK	VAYALAR	1
	MUTHUKULAM	4
SOUTH INDIAN BANK	NEDUMANGAD	1
	ELAPPULLY	2
	NALEPILLY	1
KERALA GRAMIN BANK	VATTAPPARA	1
STATE BANK OF INDIA	NORTH PARUR	7
	KARTHIKAPALLY	12
	ELAPPULLY	3
	NATTUKAL	1
	ATTINGAL	1
	VAZHAKKAD	1
	PUNNAPRA	1
	BHARANICAVU	1
	KUTHUPARAMBA	1
	ARTHINKAL	1
UNION BANK OF INDIA	KARTHIKAPALLY	12
	HARIPPAD	1
INDIAN OVERSEAS BANK	VENJARAMOODU	1
	PERUMKULAM	1
Total		**81**

The Committee may give necessary directions to the Banks concerned for considering the applications pending with them for sanctioning loan and release of first installment of loan and to extend their support and cooperation to consider and process the PMEGP applications for achieving the target fixed for setting up of coir projects in the State of Kerala for the current year.

(3) Tentative Credit Plan 2019-20 for Coir Sector in Kerala

Coir Board has been implementing various Schemes, including credit linked subsidy Schemes, of the Government of India for the development of coir industry in the country. As part of the Coir Udyami Yojana 4239 coir units have been set up in Kerala. Besides, many household / SSI / medium scale as well as large scale export units have been existing in Coir Sector. These units require exclusive credit plan under Non-form Sector towards its expansion, modernization, term loan, working capital, packing credit etc. Further, as part of implementation of Prime Minister's Employment Generation Programme (PMEGP) and Coir Industry Technology Upgradation Scheme (CITUS) 210 new coir units will be established during 2019-20. In order to facilitate the credit requirements of these units in the Coir Sector a tentative Credit Plan for the year 2019-20 has been prepared, which is as follows:

Sl. No.	Particulars	Credit Requirement (Rs. in Crores)
1	Loan for setting up of 210 coir units under PMEGP/CITUS	50.00
2	For setting up of 100 new units under State Government Schemes / own funds	50.00
3	Working capital requirement of the existing household / SSI/ medium scale industries	100.00
4	Packing credit for the Export units	1600.00
5	Working capital requirements for the State owned Coir Corporation / Federation	50.00
6	Expansion/modernization of the existing 1000 coir units	250.00
	Total	**2100.00**

It is requested with the SLBC to allocate Credit Plan of Rs.2,100.00 crores exclusively for Coir Sector and direct the DCCs to disburse it with special allocations as stated above.

The Committee may consider the tentative Credit Plan 2019-20 for the Coir Sector and allocate budget so as to facilitate the credit requirements of the coir industries in Kerala.

3.12.4 Agenda suggested by Directorate of Coir Development, Kerala

കയർ വികസന ഡയറക്ടറുടെ കാര്യാലയം

കയർ ഭവൻ, നന്ദാവനം, പാളയം, തിരുവനന്തപുരം – 695 033

ഫോൺ : 0471 2322046, 2322287 ഇ-മെയിൽ : coirdirector@yahoo.com

ഫാക്സ് : 0471 2330370 വെബ്സൈറ്റ് : www.coir.kerala.gov.in

നം. സി പി 4/2110/14 തീയതി: 15/05/19

കൺവീനർ
സ്റ്റേറ്റ് ലവൽ ബാങ്കേഴ്സ് കമ്മറ്റി (SLBC)
കാനറാ ബാങ്ക് ബിൽഡിംഗ്
എം.ജി. റോഡ്, തിരുവനന്തപുരം

സർ,

വിഷയം : കയർ വികസനം – SLBC യുടെ State Level Review Meeting ന്റെ അജണ്ടയിൽ ഉൾപ്പെടുത്തേണ്ട വിവരങ്ങൾ –സംബന്ധിച്ച്.

സൂചന : 1. 29/04/2019 ലെ SLBC 35 5 SLRM 2019 Agenda

2. ജി.ഒ.(എംഎസ്) നമ്പർ 50/2018/ഐഡി, തീയതി 05/07/2018

മേൽ സൂചനകളിലേക്ക് ശ്രദ്ധ ക്ഷണിക്കുന്നു. കയർ വ്യവസായ മേഖലയിൽ യന്ത്രവത്ക്കരണത്തിന്റെ ഭാഗമായി ഡീഫൈബറിംഗ് മില്ലുകൾ സ്ഥാപിക്കുന്നതിനുവേണ്ടി 50% സബ്സിഡി സൂചന (2) ഉത്തരവിൻ പ്രകാരം സർക്കാർ അനുവദിക്കുന്നുണ്ട്. ആയതിൻപ്രകാരമുള്ള സഹായ പദ്ധതിയുടെ 50% ഗുണഭോക്തൃ വിഹിതം ഗുണഭോക്താക്കൾ കണ്ടെത്തുന്നത് ധനകാര്യ സ്ഥാപനങ്ങളിൽ നിന്നുള്ള വായ്പാമാർഗ്ഗേനയാണ്. ഇത്തരത്തിലുള്ള വായ്പകൾ അനുഭാവപൂർവ്വം പരിഗണിക്കാമെന്ന് 04/12/2018 ന് നടന്ന SLBC Steering Committee Meeting ന് ഉറപ്പുനൽകുകയും 126,127 SLBC യുടെ അജണ്ടയിൽ ഉൾപ്പെടുത്തിയതുമാകുന്നു. എന്നാൽ കോഴിക്കോട് പ്രോജക്ട് ഓഫീസിന്റെ പരിധിയിൽ വരുന്ന ബാങ്കുകൾ വായ്പാ അപേക്ഷകൾ പരിഗണിക്കുന്നുണ്ടെങ്കിലും അകാരണമായ കാലതാമസം വരുത്തുകയാണ്. ബാങ്ക് വായ്പ ലഭിക്കുന്നതിന് ശുപാർശ ചെയ്ത് അയച്ച സംരംഭകരുടെ പേര് വിവരങ്ങൾ.

ക്രമ നമ്പർ	സംരംഭകന്റെ പേര്	ശുപാർശ ചെയ്തുനൽകിയ ധനകാര്യ സ്ഥാപനം
1.	ശ്രീ. ജോസ് കെ.എ. M/s Josoons Golden Rayons of Wayanad, കവലക്കാട് ഹൗസ്, പാടിച്ചിറ, ശശിമല പി.ഒ., വയനാട്	കേരള ഗ്രാമീൺ ബാങ്ക്, മുള്ളൻകൊല്ലി ബ്രാഞ്ച്, വയനാട്
2.	ശ്രീമതി. ബിന്ദു സുരേന്ദ്രൻ, ഫാൽക്കൻ ഫൈബർ യൂണിറ്റ്, കീഴത്ത്, മേമുണ്ട, വടകര, കോഴിക്കോട്	കാനറാ ബാങ്ക്, നാദാപുരം ബ്രാഞ്ച്, നാദാപുരം
3.	ശ്രീമതി. സജിജോജൻ, സെന്റ് ജോസഫ് കയർ മിൽ, കീഴത്ത്, മണിയങ്കോട്, ഇടയത്ത് പുത്തൻ പുരയിൽ, വേനപ്പാറ പി.ഒ., ഓമശ്ശേരി, കോഴിക്കോട്	കെ.ഡി.സി. ബാങ്ക്, മുക്കം ബ്രാഞ്ച്, കോഴിക്കോട്
4.	ശ്രീ. മുഹമ്മദ് അനീസ് അൽ റിയാസ് M/s Calicut Coco Products, ചുണ്ടക്കുന്ന്, കുടത്തായ് ബസാർ പി.ഒ. താമരശ്ശേരി, കോഴിക്കോട്	കാനറാ ബാങ്ക് താമരശ്ശേരി കോഴിക്കോട്

മേൽ സൂചിപ്പിച്ച സംരംഭകർ ഉൾപ്പെടെ ഡീഫൈബറിംഗ് മിൽ സ്ഥാപിക്കുന്നതിനുവേണ്ടിയുള്ള അപേക്ഷകൾ അനുഭാവപൂർവ്വം പരിഗണിക്കുന്നതിന് ലീഡ് ഡിസ്ട്രിക്ട് മാനേജർ, DLBC കോഴിക്കോടിന് നിർദ്ദേശം നൽകണമെന്ന് അഭ്യർത്ഥിക്കുന്നു. സൂചന (2) സർക്കാർ ഉത്തരവ് ഇതോടൊപ്പം ഉള്ളടക്കം ചെയ്യുന്നു.

വിശ്വസ്തതയോടെ,

ബി.രമേഷ്
അഡീഷണൽ ഡയറക്ടർ
കയർ വികസന ഡയറക്ടർക്കുവേണ്ടി

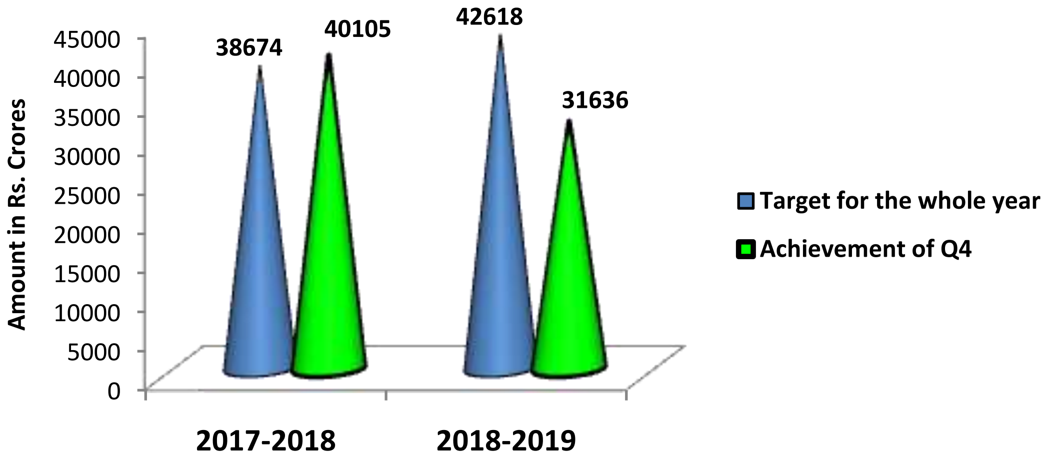
The steering committee requested that individual banks may consider these proposals favourably

4. ISSUES IN TERTIARY SECTOR (Group III)

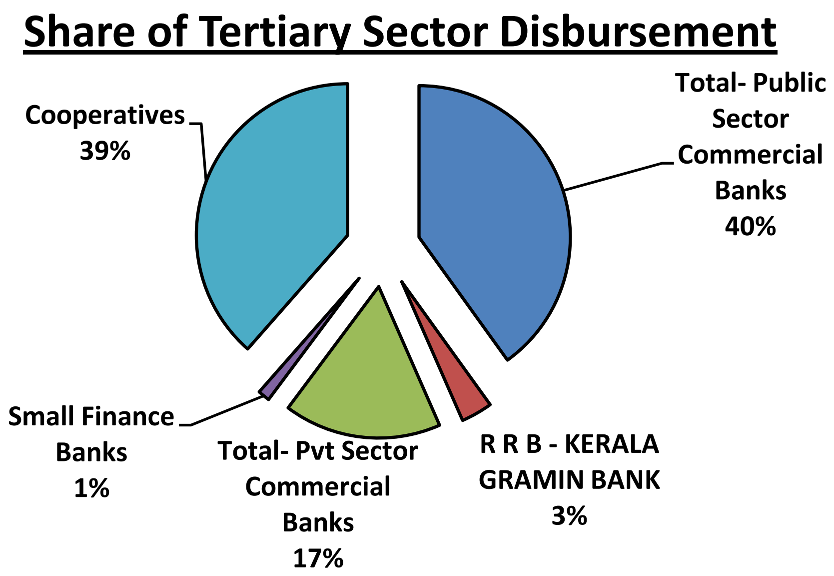
4.1. Performance under Tertiary Sector

(Rs. in Crores)

Parameter	2017-2018	2018-2019
Target for the whole year	38674	42618
Achievement of Q4	40105	31636
% achievement for Q4	104%	74%



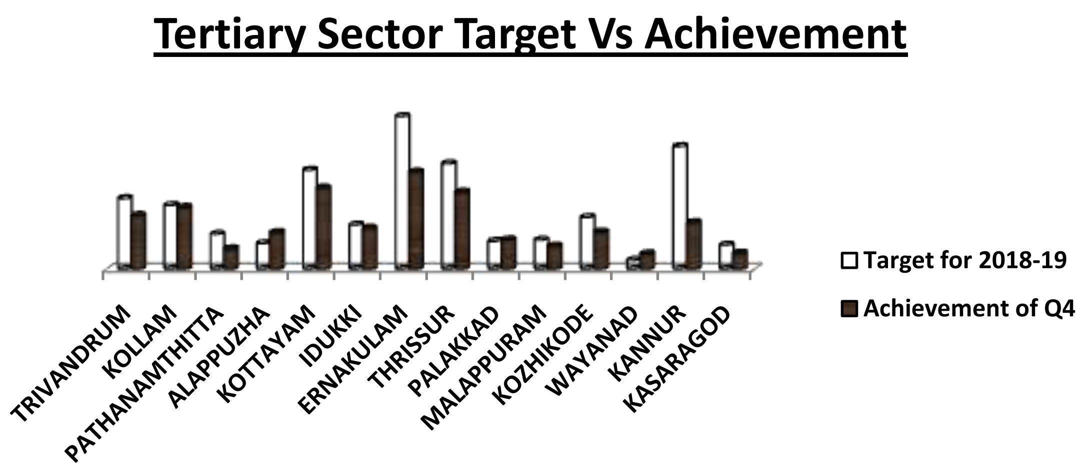
Banking GroupWise Performance under Tertiary Sector



4.1.1. District wise Performance under Tertiary Sector

(Rs. in Crores)

Sl.No.	District	Target for 2018-19	Achievement of Q4	% Achievement
1	TRIVANDRUM	3498	2676	77%
2	KOLLAM	3155	3069	97%
3	PATHANAMTHITTA	1736	1021	59%
4	ALAPPUZHA	1275	1822	143%
5	KOTTAYAM	4900	4027	82%
6	IDUKKI	2187	2040	93%
7	ERNAKULAM	7548	4817	64%
8	THRISSUR	5215	3821	73%
9	PALAKKAD	1384	1466	106%
10	MALAPPURAM	1442	1145	79%
11	KOZHIKODE	2558	1851	72%
12	WAYANAD	451	769	171%
13	KANNUR	6072	2309	38%
14	KASARAGOD	1196	802	67%
TOTAL		42618	31636	74%

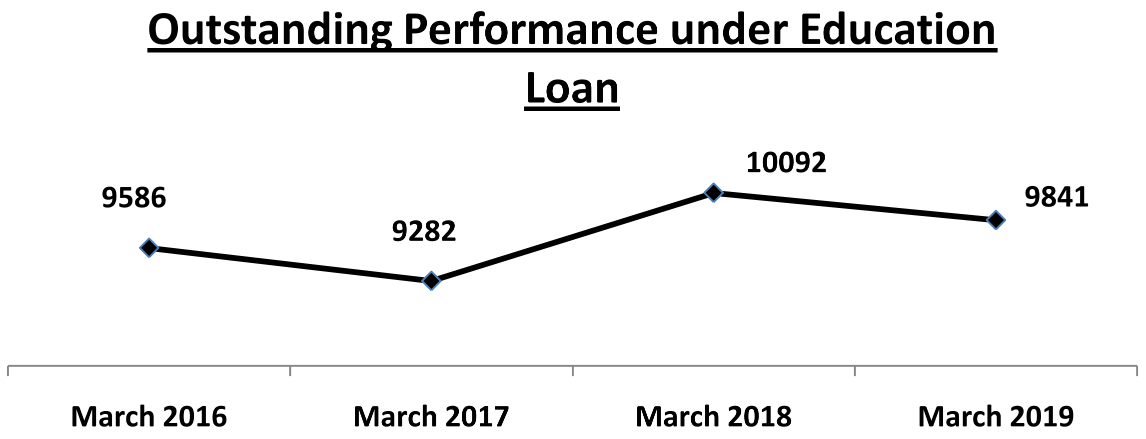


4.2. Outstanding Performance under Education Loan (Refer Annexure 7.25)

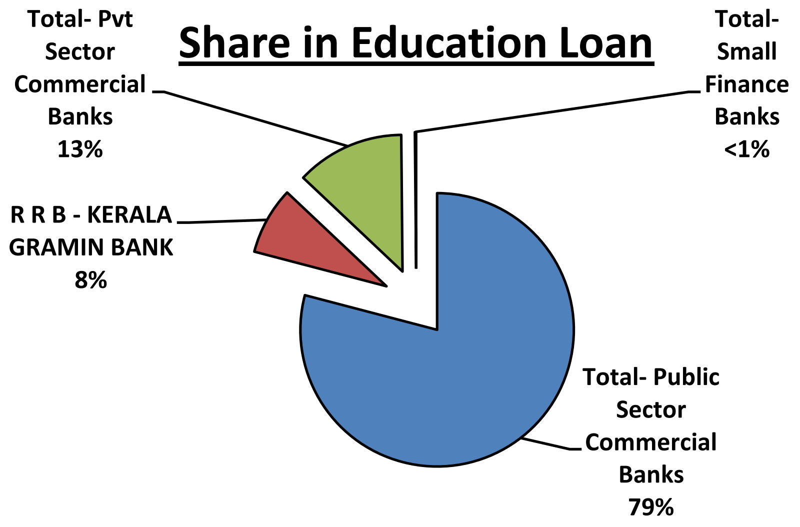
A. Growth in Education Loan

(Rs. in crores)

Parameter	Outstanding			
	March 2016	March 2017	March 2018	March 2019
Education loan	9586	9282	10092	9841



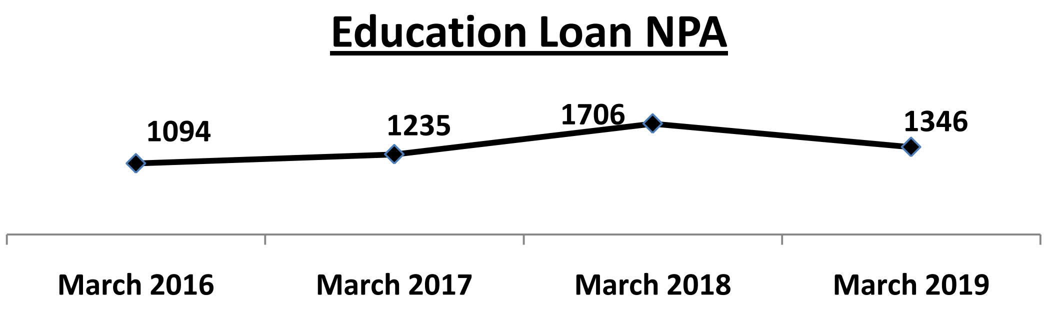
B. Banking Group wise Growth in Education Loan



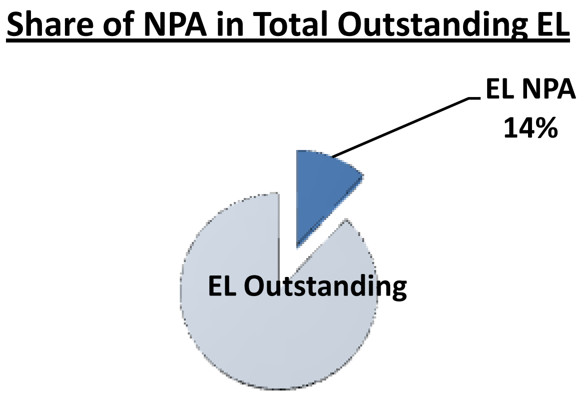
C. Education Loan NPA over the years

(Rs. in crores)

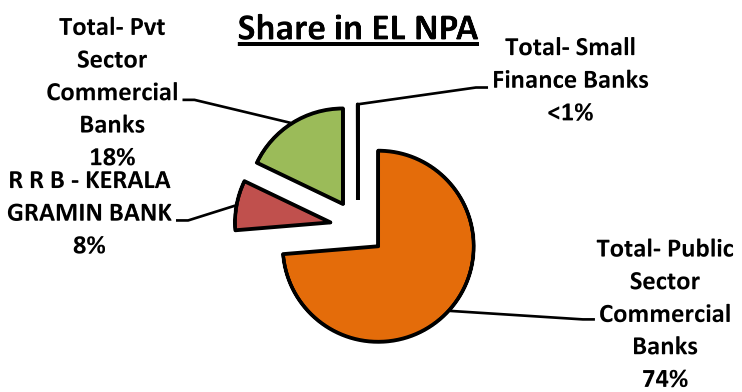
Parameter	Outstanding EL NPA			
	March 2016	March 2017	March 2018	March 2019
Education Loan NPA	1094	1235	1706	1346



D. % Share of EL NPA in Total EL Outstanding



E. Banking Group Wise Share Education Loan NPA

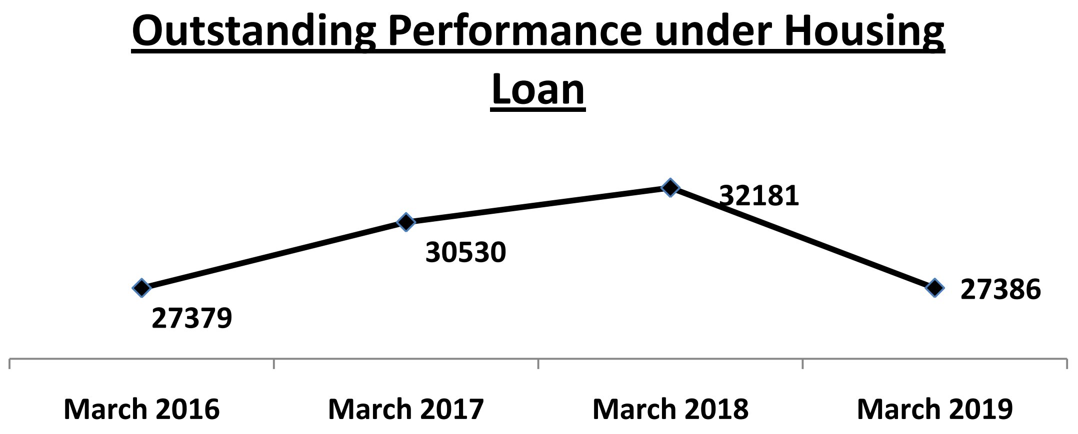


4.3. Outstanding Performance under Housing Loan (Refer Annexure 7.7)

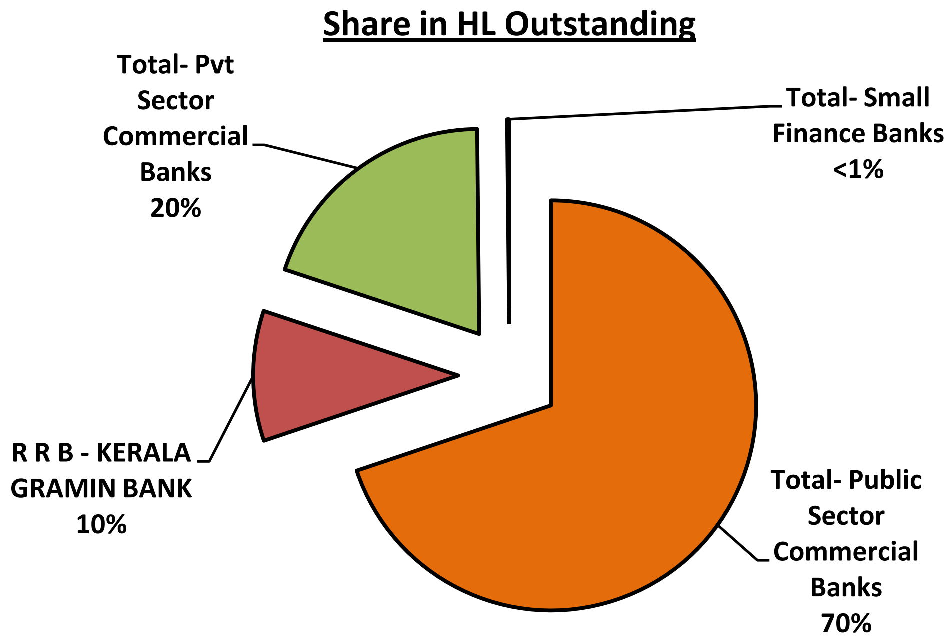
A. Growth in Housing Loan

(Rs. in crores)

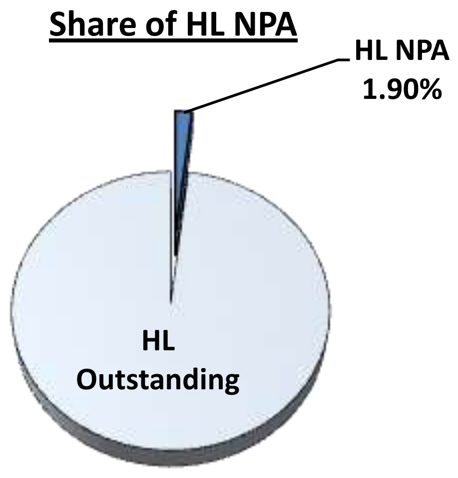
Parameter	Outstanding			
	March 2016	March 2017	March 2018	March 2019
Housing loan	27379	30530	32181	27386



B. Banking Group wise Growth in Housing Loan



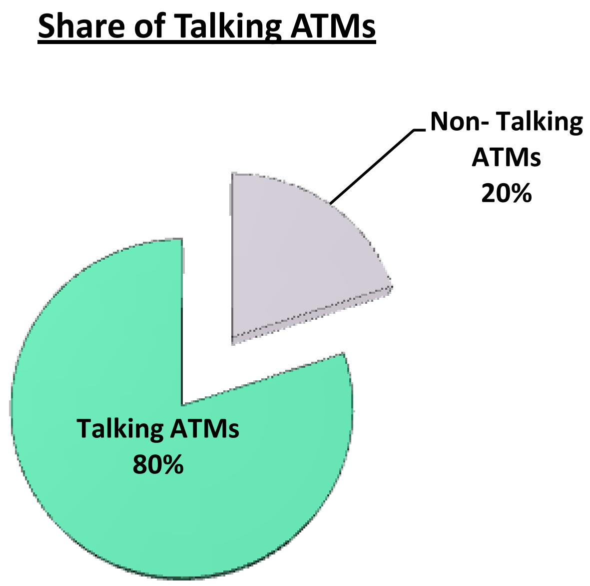
C. % Share of NPA in Housing Loan

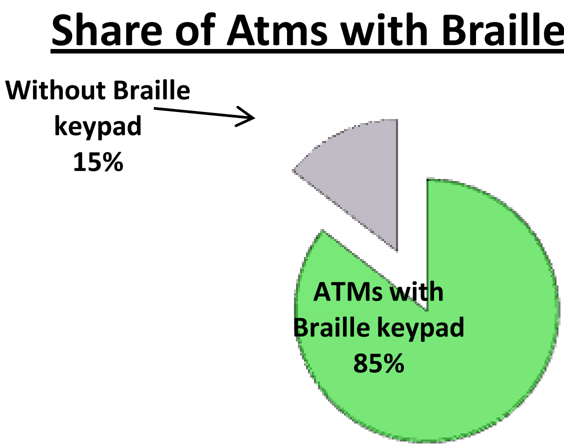


4.4. Status of Creating Banking environment for the visually challenged

(Refer Annexure 7.23)

Banking Group	No.of ATM Outstanding	No. of talking ATMs	No. of ATMs with Braille keypad
Total- Public Sector Commercial Banks	5277	4293	4341
R R B - KERALA GRAMIN BANK	320	320	320
Total- Pvt Sector Commercial Banks	3299	2511	2938
Total- Small Finance Banks	115	104	104
Total - Comm.Banks + RRB + SFB	9011	7228	7703





4.5 Pending Issues in Teritiary Sector

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

(i) At present there is no practice of noting/recording the Equitable Mortgage (EM) transactions (i.e. Mortgage by deposit of title deeds) in the revenue records of the State Government. Also there are no provisions for the same in the revenue regulations of the State of Kerala.

In a recent judgment of the Hon'ble Supreme Court of India in State of Haryana v. Narvir Singh & another, reported in (2014) 1 Supreme Court Cases 105, wherein it has been held that banks and financial institutions who accept a mortgage by deposit of title deeds can request the Revenue Authorities to enter the factum of such mortgage in the revenue records. In the facts of the aforesaid case, the Revenue Authorities had taken the stand that only a registered mortgage can be noticed in the revenue records. The view taken by the Revenue Authorities has been held to be unsustainable.

Now that the law has been settled by the Hon'ble Supreme Court, it is requested that when the bank accepts mortgage by deposit of title deeds (Equitable Mortgage), provision shall be enabled for the bank to request the Revenue Authorities to note the same in the revenue records.

The 116th Meeting of SLBC, Kerala held on 22.09.2015 at Trivandrum proposes that the Government may introduce a reasonable fee for this facility and suggested the following fee tariff:

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

As of now, there is no legal obligation on the part of the Village authorities to do so. If noting in Thandaper Register is made legally mandatory, it will help to prevent fraudulent transactions.

In the 121st Meeting of SLBC, Kerala held on 24.03.2017 at Trivandrum, the representative from Revenue Department informed that the matter is under the active consideration of Revenue Department and at present the matter is placed before the Law Department for their advice and expected to sort out the issue shortly.

Govt of Kerala had called SLBC convener a discussion in the matter. The questions raised by the Govt and the recommendation given by SLBC convener is given below

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

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

Our recommendations *in this regard is that,*

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

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

Our recommendations *in this regard is that*

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

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

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

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

iii) The registration fees should be made reasonable.

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

Recommendation of SLBC

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

In 126th SLBC forum decided to write a letter to the Govt Department to update the progress on the matter. On discussion with Sri Manoj Joshi IAS (ACS, Finance Dept) informed that subject matter to be taken up with Taxes Department, Govt of Kerala. Hence SLBC has written to Taxes department also.

STATE LEVEL BANKERS' COMMITTEE, KERALA

(Under Lead Bank Scheme of RBI)

Convenor: Canara Bank

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

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

Dear Sir,

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

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

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

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

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

Inspector General of Registration
Kerala

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

Sir,

Sub -:Registration Department – State Level Review Meeting of SLBC – Agenda Item – forwarding of.

Ref -:Govt. letter No. J3/17/2019/TD dated 10.05.2019

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

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

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

Yours faithfully

Signature valid
Digitally signed by P K SAJANKUMAR
Date: 2019.05.15 16:44:56 IST
Reason: Approved

Joint Inspector General of Registration
for Inspector General of Registration

The Steering committee informed that the charges suggested for other loans are reasonable and requested for waiving the charges on Agricultural loans.
The steering committee also requested to permit Adhesive stamps in lieu of Non Judicial stamp paper due to its lack of availability at different places.

4.5.2 Education Loan Repayment Support Scheme

The update in the scheme as on 30th May 2019 is given below

Sl No	Bank Name	Amount processed by branch	Amount by Nodal Officer	Amount forwarded by SLBC	Amount Approved by Finance
Total		3232515715	2273761613	2166493580	1567328496
1	ALAPPUZHA DISTRICT CO OPERATIVE BANK LTD	5648419.7	5648419.7	5648419.7	4636187.1
2	ALLAHABAD BANK	1555544	725904.2	315060	315060
3	ANDHRA BANK	5341941.15	2063910.75	2003655.75	1491081.75
4	BANK OF BARODA	22169446.3	13989867.2	13102516.8	7564247.2
5	BANK OF INDIA	53153843.45	33084227.75	32455895.95	17140257.4
6	CANARA BANK	408915638.9	260381081	238076145.8	159398770
7	CATHOLIC SYRIAN BANK LTD	48074715.9	38555114.5	38555114.5	33144031.7
8	CENTRAL BANK OF INDIA	119206761.5	65619825.8	65134895.6	56134752.55
9	CITY UNION BANK LTD	0	0	0	0
10	CORPORATION BANK	72716591.9	50182151.9	50134901.9	39378054.1
11	DENA BANK	2847709.6	2645911.6	1920571	869180
12	DHANLAXMI BANK LTD	11474049.3	8231662.2	6330388.4	4177969.8
13	FEDERAL BANK LTD	279035574.2	207049906.5	207043666.5	146647882.8
14	HDFC BANK LTD	1168091.8	325171.2	0	0
15	ICICI BANK LTD	340701.6	340701.6	340701.6	0
16	IDBI BANK LTD	764356.8	603877.8	195566	0
17	IDUKKI DISTRICT CO OPERATIVE BANK	11790193.6	5874733.85	5407380.85	5220818.85
18	INDIAN BANK	60113516.95	41424104.75	40677116.15	33002291.4
19	INDIAN OVERSEAS BANK	108391925.7	67398479.15	62060402	32974594.4
20	KANNUR DISTRICT CO OPERATIVE BANK	239655.8	239655.8	160480.8	160480.8
21	KARNATAKA BANK	334562	334562	232500	0
22	KARUR VYSYA BANK	203583.6	0	0	0
23	KASARGOD DISTRICT CO OPERATIVE BANK LTD	410800	409800	409800	188400
24	KERALA GRAMIN BANK	527780166.4	364300055.6	364120055.6	272223534.2
25	Kerala State Co operative Agricultural and Rural Development Bank Ltd	956088.6	902088.6	488088.6	0
26	Kerala State Co operative Bank	84567309.25	82300133.45	82300133.45	77243958
27	KOLLAM DISTRICT CO OPERATIVE BANK	11200788.1	10745988.1	10274088.1	10023041.7
28	KOTTAYAM DISTRICT CO OPERATIVE BANK	0	0	0	0
29	MALAPPURAM DISTRICT CO OPERATIVE BANK	0	0	0	0
30	ORIENTAL BANK OF	8472107.9	5329060.1	4485397.7	4100388.5

	COMMERCE				
31	PATHANAMTHITTA DISTRICT CO OPERATIVE BANK LTD	1322945.4	1142389.2	1058389.2	1009814.2
32	PUNJAB NATIONAL BANK	67119603.75	38603249.35	37606696.75	26099488.8
33	PUNJAB SIND BANK	198000	198000	198000	198000
34	SOUTH INDIAN BANK	52761225.7	30783643.35	30783643.35	23124775
35	STATE BANK OF INDIA	827753685.1	639192559.2	601907303.1	429504864.2
36	SYNDICATE BANK	182893831.5	103216516.9	98104340.65	54099925.15
37	TAMILNADU MERCANTILE BANK	486820.8	366179.4	366179.4	250151.4
38	THE THIRUVANANTHAPURAM DISTRICT CO OPERATIVE BANK	123000	123000	0	0
39	THRISSUR DISTRICT CO OPERATIVE BANK	280897	280897	280897	280897
40	UCO BANK	17038934.5	11054828.1	11043629.1	7340459.5
41	UNION BANK OF INDIA	200321354.1	159528333.2	134309193.2	108021666.2
42	UNITED BANK OF INDIA	752106.6	752106.6	646988.4	646988.4
43	VIJAYA BANK	34323510.95	19660065.65	18315377.65	10716484
44	WAYANAD DISTRICT CO OPERATIVE BANK	265716	153450	0	0

The Steering Committee noted the updations.
The 126th SLBC forum also recommended a cost sharing formula for the expenses incurred at SLBC for verification and scrutiny of all the applications based on the share of applications accepted by the finance department and funds released.
This may be worked out and soon circulated among the member Banks for their share.

4.5.3 Revamp of Lead Bank Scheme (Agenda by RBI)

SLBC Convener banks/ Lead Banks should ensure strict compliance of all the action points mentioned in the Revamp of Lead Bank Scheme as per our letter No.FIDD.CO.LBS.BC.No. 19/02.01.001/2017-18 dated April 06, 2018.

These include:-

1. Constitution of a steering sub-committee having representatives as mentioned in the aforesaid circular in order to finalize a compact agenda in the SLBC meetings
2. Convergence of Annual Credit Plan under Lead Bank Scheme with business strategy of banks
3. Standardization of SLBC website to download the relevant data directly from CBS, keeping manual intervention to a minimal level to maintain data accuracy
4. Active and necessary participation of all branch managers in the BLBC meetings and the controlling heads of banks may selectively attend such meetings
5. Active Participation of RSETIs in the DCC to design training programmes for each district/block for necessary skill training and skill upgradation of rural youth
6. Apart from the above, it should also be confirmed that whether all the Lead District Managers (LDMs) will be provided with the necessary infrastructure as per our letter No.FIDD.CO.LBS.BC.No.20/02.01.001/2017- 18 dated April 06, 2018.

These agenda items may be treated as a regular agenda, until all the action points are complied.

The 126 SLBC forum dedided to place the agenda in SLBC meeting until all the action points are complied . It was also noted that SLBC Kerala forum is already having a steering committee.

Regarding point No 4 (participation in BLBC) some members informed that nowadays, there are three or four branches of the same bank in many rural blocks and many are are manned by single officers.,. It is very difficult to arrange deputation to all these branches at the same time

The 126 SLBC forum advised that in such cases instead of the branch personnel, a responsible senior officer from the controlling office, has to attend the BLBC meeting and take prompt follow up action on the decisions taken in the meeting.

In 127th SLBC forum, Convenor informed that SLBC have enabled hassle free portal for data uploading and have imparted trainings for all the concerned officials.

100% of the data have been updated through the portal by the Banks LDMs for this quarter.

The Steering committee requested for timely updations of data in the upcoming quarters and decided to pursue the matter

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

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

For providing training to BPL candidates, State Rural Livelihood Mission (SRLM) is providing reimbursement of training expenses through Kudumbashree Mission of Kerala State Government, which acts as State Rural Livelihood Mission Office.The claim submitted for the financial year 2015-16 and 2016-17, is yet to be received. The details of pending claims are given below.

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

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

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

RSETI	No. of Applications	Pending Since
Alappuzha	6.33	2015-16
	9.56	2016-17
Calicut	341	2015-16
	545	2016-17
Kannur	336	01.04.2015 to 31.03.2017
Wayanad	7.02	2015-16
	8.42	2016-17
Pathanamthitta	6.23	2015-16
	7.74	2016-17
Trivandrum	962	2015-16
Kasaragod	177	2015 - 2016
	267	2016 - 2017
Idukki	4,26,600/- (NRLM claim)	2015-16
	72075/- (PMEGP – EDP)	2016-17
	37763/- (PMEGP – EDP)	2017-18
Kollam	630	14.10.2016 to 29.07.2017
Palakkad	847	2015 to 2017
Thrissur	1458	2014 to 2017
Ernakulam	4	2015- 2017
Kottayam	7.28	2015-16
	7.47	2016-17
Malappuram	875	2011 to 2017

In 125th rednu si rettam eht dna gnidnep si rC3 taht demrofni eerhsabmuduK fo DE CBLS etcepxe si tnemelttes ylrae na dna DRoM htiw noissucsidd.
In 126th SLBC Kudumbashree informed the forum that the matter was taken up with MoRD and is expecting to sort out the matter before this financial year.
Based on the discussions the forum SLBC has again written to ED Kudumbashree in reply to the matter.

Ref: Kerala SLBC/127/55/MA/2019 **Date: 16 Feb 2019**

To

THE EXECUTIVE DIRECTOR
KUDUMBASHREE STATE MISSION
THIRUVANANTHAPURAM

Dear Sir,

Sub: Pending Reimbursement of Training Expenses of BPL candidates to RSETIs

Ref: Our letter no Kerala SLBC/35/145/GN/2017 dt Nov 24th 2017
Our letter No. Kerala SLBC/35/55/GN/2018 dt 4th Jun 2018

Kindly refer to the cited letters from our office regarding the pending reimbursement of training expenses of BPL candidates payable to the RSETIs of the state

These reimbursements are channelled by the MoRD, through your office. Since it is pending for long, it was placed by the concerned banks as an agenda in the SLBC meetings

In the 125th SLBC meeting, ED Kudumbashree informed that 3 Cr is pending and the matter is under discussion with MoRD and an early settlement is expected.

This being the case, we request that we may be given an update on the current status of the pending payable claims in order to place in the ensuing SLBC meeting and also to take up with MoRD if necessary.

Thanking you,
Yours faithfully,

Convenor, SLBC Kerala
& General Manager, Canara Bank

It is informed by Kudumbhasree that the first stage of release RS 1.5 Cr has been received and will be credited shortly.
The Steering Committee decided to pursue the matter

4.5.5 Progress made in Digitization of Land Records

Government of India has launched the National Crop Insurance Portal (www.agri-insurance.gov.in) to enable integration among stakeholders for smooth flow of information and services, with the ultimate aim of direct benefit transfer of claims settlement in the Aadhaar seeded accounts of the affected farmers.
In this regard, banks have been advised to enter the coverage details of farmers on a daily basis through online/ offline utility for proper coverage, for release of premium subsidy, better implementation and proper monitoring as laid down by the Government in the Scheme. Since the requisite data involves inter-alia compilation of land details, review on the progress made in digitization of land records in the State *(as per the format prescribed in letter FIDD.FSD.No.1386/05.10.007/2017-18 dated October 30, 2017 in Annex B)* may be undertaken by SLBC, in coordination with other stakeholders.

The 123rd SLBC meeting observed that:

- *Some States have completed digitization of land records & integrated with Agri Insurance portal. In these states , When bank enter survey number in the Agri insurance portal , land details populate automatically*
- *In Kerala it is underway. Our basic record of land ownership is Thandapper Register of Village Office . (Equivalent to Jamabandi register in other states). Some northern districts have adengal register in place of TP register. The TP register is partially computerized and online pokkuvaravu (mutation) is enabled.*
- *The forum noted that SLBC has requested the Revenue Secretary to provide the latest position on digitization of revenue records*

It was informed in the 126 SLBC that Digitisation is progressing in the State. SLBC has requested revenue department to update the progress vide SLBCKERALA/127/239/MA/2019.
The steering committee recommended to pursue the matter.
In 127 SLBC Sri Tom Jose IAS Chief Secretary, Govt of Kerala informed that digitisation is an ongoing process and an officer is appointed solely for this purpose.
The steering committee decided to pursue the matter.

4.5.6 Delay in Appointment of Financial Literacy Counsellors

Financial Literacy Centres are the building blocks that initiate the financial literacy activities at the ground level and Financial Literacy Counsellor heading the Financial Literacy Centre is the key stakeholder in driving the financial literacy initiatives at the ground level.
There are some blocks in Kerala which do not have FLCs for a long period.The banks who have been assigned these blocks haven't shown any progress in appointment of FLCs.

Based on the discussions in 126 SLBC forum SLBC has conducted an LDM meet on 15/02/2019ad various issues relating the matter was discussed and has requested to update the matter vide SLBCKERALA/127/5/MA/2019.
In 127th SLBC RD, RBI instructed the banks which have not appointed may do so immediately.
The latest datas are being collected by LDMs and consolidated at SLBC
The steering committee recommended to pursue the matter.

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

The Road map drawn by SLBC on the basis of 2011 Census was achieved in November 2017. As a second phase to the same, we propose to go ahead with a fresh survey as proposed in 122nd SLBC to identify any left out villages in light of the reorganization of Revenue Villages done by the Govt of Kerala. The LDMs may complete the task and report to SLBC by 2018 January. Based on this the SLBC shall draw a second phase road map.

Based on the discussions in 126 SLBC forum and reported locations SLBC has conducted an LDM meet on 15/02/2019 and various issues relating the matter was discussed and has requested to update the matter with fresh suggestions or identifications if any vide SLBCKERALA/127/5/MA/2019.

In 127 SLBC ,Convenor SLBC informed that the matter is being examined with newly updated Jan dharshak portal.
SLBC has not recieved any suggestions so far.
The steering committee recommended to pursue the matter

4.5.8 Infrastructure facilities to the Financial Literacy Counsellors

(Agenda suggested by Reserve Bank of India)

In terms of FIDD.FLC.BC.No.18/12.01.018/2015-16 dated January 14, 2016, Scheduled Commercial banks (including RRBs) are required to provide physical infrastructure and basic amenities to the FLCs sponsored by them, to strengthen the FLC Eco-system. Also, as per RBI circular issued vide FIDD.FLC.BC.No.11/12.01.018/2017-18 dated July 13, 2017, FLCs and rural branches are eligible for funding support from the Financial Inclusion Fund for the financial literacy camps to the extent of 60% of the expenditure of the camp subject to a maximum of 5,000/- per camp.

To improve the effectiveness of the financial literacy camps, it was decided to encourage FLCs and rural branches of banks to use hand held projectors to show Audio-visuals and posters on financial awareness messages. Funding for handheld projectors and speakers are provided from FIF to the extent of 50% of the cost incurred on purchase of hand held projector and portable speaker (both put together) subject to a maximum of Rs. 5000 per rural branch / FLC on a reimbursement basis.

But it has come to our notice that some FLCs are not being provided funding support for the camps conducted by them and the hand held projectors, which has considerably reduced the effectiveness of the financial literacy camps.

The 124th SLBC meeting requested the banks to inform the update on the following

Sl.No.	Provisions	Banks which have not complied with the required Infrastructure
1	Separate room/ space with minimum seating capacity of 10 members	KGB, SIB, CSB
2	FLCs to be provided with the following:	
a	Computers/ Laptops	Indian bank, CSB
b	Printer	SIB, Indian Bank, CSB, UBI
c	Vehicular Support	PNB, Indian bank, IOB, CSB, UBI
e	Dedicated Helpline	Indian bank, PNB
3	Identity Cards/ Letter of Identification/ Authorisation	PNB, CBI, IOB, CSB
4	Provision of Handheld projectors and portable speakers to FLCs	All Banks

In 127th SLBC RD, RBI informed The controllers of individual banks have to ensure that proper infrastructure facilities are provided to the appointed FLCs.
He requested the LDMs to write the concerned banks whose FLCs are not provided with adequate infrastructure facilities.

The steering committee recommended to pursue the matter

4.5.9 <u>Functioning of Business Correspondents</u> (Suggested by Reserve Bank of India)

RBI CO circular DBOD. No. BAPD.BC. 7/22.01.001/2014-15 dated July 01, 2014, mentions the scope to activities to be undertaken by Business Correspondents, which includes:
(i) Identification of borrowers;
(ii) Collection and preliminary processing of loan applications including verification of primary information/data;
(iii) Creating awareness about savings and other products and education and advice on managing money and debt counselling;
(iv) Processing and submission of applications to banks;
(v) Promoting, nurturing and monitoring of Self Help Groups/ Joint Liability Groups/ Credit Groups/others;
(vi) Post sanction monitoring;
(vii) Follow-up for recovery;
(viii) Disbursal of small value credit;
(ix) Recovery of principal/collection of interest;
(x) Collection of small value deposits, etc.

During RBI Lead District Officers (LDOs) visit to BC outlet, it is observed that the Business Correspondents are restricted in their banking operations. For instance, many BCs are permitted to open only Small Accounts, and not a basic BSBD account.

The 127th SLBC forum requested the LDMs and Banks to give the list of inactive BCs(if any) to SLBC.

The steering committee recommended to pursue the matter

<u>4.5.10 Issues in network connectivity in remote areas</u> (Suggested by Reserve Bank of India)

SLBC in coordination with LDMs and banks may identify the remote areas that lack network connectivity hindering the banking operations. The same may be brought to the notice of the Telecom Regulatory Authority of India (TRAI)/ Telecom authorities, to figure out a solution.
In the SLRM 2018 , it was decided that any instances of lack of connectivity may be conveyed to the SLBC for onward reference to the TERM cell of DoT. No references were recieved in the quarter

The steering committee was informed by SLBC that so far no cases were reported after 125 SLBC and the Committee decided to pursue the agenda.

Based on the discussions in 126 SLBC forum SLBC has conducted an LDM meet on 15/02/2019 and various issues relating the matter was discussed and has requested to update the matter vide SLBCKERALA/127/5/MA/2019.
In 127th SLBC, representative from Telecom Department informed that All the villages in Kerala have been covered with at least one telecom operator.
The forum requested the banks and LDMs to provide the list of areas which lack network connectivity to SLBC so that SLBC can take up with telecom department

The steering committee recommended to pursue the matter

4.5.11 Agenda by LDM Malappuram
In DLRC held on 28/11/2018,KSSIA and DIC pointed out that Pollution Control Board is insisting 5 years rent agreement for issuing NOC to the entrepreneurs who are running their business in rented buildings.But in practical,11 months agreements are executed with a condition to renew further. Stop memo is also issuing in some cases who fails to produce 5 years agreement.This is causing difficulties to the entrepreneurs.Matter may be discussed in SLBC to find out a solution.

In 127th SLBC *Representative from Industries Department informed the forum that the department in coordination with DIC will try to sort out this issue before the next SLBC meeting*

The steering committee recommended to pursue the agenda

4.5.12. Agenda by LDM Calicut
1. Some Banks are insisting for Personal Aadhar No of the RR officials when they approach for remittances of Collection amount to Govt A/c. For obvious reasons, the RR officials are reluctant to divulge their Aadhar details for official transactions
2. When the collection amount is more than Rs 50000/- the bankers insist that the transactions are to be routed through account which also creates problems as they do not have account at village level.

The issue is related to IT guidelines on the matter. Though this point was discussed earlier also there was no fruitful outcome so far.
127 SLBC forum requested revenue department to sort out the issue
The steering committee recommended to pursue the matter

4.6 Fresh Issues in Teritiary Sector

4.6.1 Minutes of the meeting of Bankers held to discuss
A, The recent unfortunate incident at Neyyatinkara and its impacts
B, ELRS Scheme
(Information Note by SLBC Convenor)

Minutes of the meeting of Bankers held on 22.05.2019 at Board Room, 6th Floor, Canara Bank, Circle Office, Trivandrum

A meeting of Bankers was arranged to discuss two concerns:

1) The recent unfortunate incident at Neyyattinkara and its impact of Banks
2) ELRS Scheme

The meeting started at 3.00 p.m. with the welcome address by Sri. N.K. Krishnankutty, Deputy General Manager, SLBC Kerala. Smt. G.K. Maya, Convenor, SLBC Kerala & General Manager, Canara Bank explained the background in which the meeting was called at a short notice.

All the commotion began after the unfortunate suicides of a mother and daughter in Neyyattinkara on 14.05.2019. All of a sudden, as if like an organized attempt, the public, visual and print media, Govt: Officials and even the Ministers of Kerala started accusing Canara Bank as the reason for the suicides as the Bank was in the process of taking SARFAESI action against a Housing loan borrower. As the news of suicides spread, the mob became violent. Even the lives of staff and property of bank were in threat. The issue assumed serious proportions and the next day, all the branches and offices of Canara Bank were targeted. It was a free-for-all situation. However, the things started settling down when a suicide note was found out which cited family discontent as the reason for the suicides. Even after that, media was not prepared to accept the innocence of bank officials.

The concern here is, even though the bank has discharged its duties legitimately, nobody was ready to accept the facts. The said housing loan account became NPA in the year 2010. After that, the bank has given a long 8-9 years period for the borrowers to settle the dues. The bank has resorted to legitimate recovery steps after exhausting all other efforts to recover the dues. Even at the time of taking possession by Advocate Commissioner, when the parties requested four days time to clear the dues, the same was permitted. The suicide note cited the reason for the unfortunate incident to some family issues. Bank's name or loan issues were not mentioned in the suicide note.

Still, there were wild cries against recovery efforts of banks and SARFAESI. It was informed that even anti-SARFAESI squad is working in Kerala. It is a fact that without recovering the loans advanced, the banking system cannot go forward. Banks have no other way but to go ahead with recovery efforts. Hence, this is a time when the bankers have to seriously think how to go ahead with recovery steps like SARFAESI, RR etc.

All the bankers present shared the above concern and there were active deliberations on the issue. Bankers are in a fix to go for possession or not. There should be protection to the life of the bankers who are discharging their duty. Property of banks should be protected. After detailed deliberations, the following points emerged:

- The need of the hour is to create awareness among the public regarding the role of Banks in the society and the importance of prompt repayment of loans for their own good. This can be done by way of Press Releases, paid advertisements in Print Media, participating in discussion programmes in TV channels, holding customer meets in Branches/Administrative Offices etc. A massive counter propaganda should be resorted to early. Tarnishing the image of Banks for no fault of theirs from any quarters should be countered effectively, as part of a distress management mechanism.

- Address suitable letter to the Government explaining the concerns of the Banks

- Write to various media houses pointing out the wrong message they have been sending to the public

- To bring the issue in the ensuing SLBC meeting where the bankers should share their views/ concerns with the senior Government Officials.

- SLBC to give a detailed advertisement in major newspapers as a part of creating awareness

- Banks have no other way but to go ahead with their legitimate recovery efforts

Then, the forum took up the issues in implementation of ELRS Scheme, for discussion. For fair processing of applications and also to avoid various complaints/possible future litigations, Banks and SLBC require clarity on various guidelines of the Government. A large number of applications are in the pipeline at various levels for want of specific instructions from the Government. The borrowers have also become restless. Even after frequent follow up, the Government has not come up with concrete clear cut directions for certain issues brought before them. Banks have given undertaking to the Government (through ELRS portal) that legal actions, if any, are kept in abeyance. This cannot be reversed until a concrete decision is taken in respective ELRS applications. Hence, banks are unable to proceed for recovery in such cases since January, 2018.

Moreover, release of Government contribution has not happened during the last six months, except a small release of Rs.8 crores during January, 2019.

The forum decided that the matter be taken up with the Finance Department of Govt: of Kerala.

The meeting concluded at 4.30 p.m.

CONVENOR
SLBC - KERALA

4.6.2 Agenda suggested by Reserve Bank of India

A] Reallocation of blocks for appointment of FLCs

Continuous requests were received from banks like SBI, SIB etc. regarding exemption of appointing FLCs at certain blocks as the banks have engaged FLCs in other blocks in the district. Therefore, SLBC may explore the feasibility of reallocating the blocks to other banks, depending upon the request received from banks.

RBI has pointed out the vacant FLC list. The steerng committee requested to appoint vacant FLCs immediately. The committee recommended to pursue the matter.

B] Standardisation of SLBC Website

In terms of para 2.3.5 of MC on LBS dated July 02, 2018, SLBC convenor banks are required to maintain SLBC website with information on banking outlets, BCs, FLCs, SHG-bank linkage etc. which are to be updated at quarterly intervals (In prescribed format given in MC). It is also requested to upload and updatethe contact details of nodal officers (Name, Mobile Number, E-mail id, etc.)of banks on the website as a single point contact.

The steering committee recommended to update DLRC dates, RSETI address and comprehensive Govt policies in the SLBC website

4.6.3 Agenda by NABARD

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

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

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

The steering committee recommended to take legal sanctity in publishing the blacklisted jewel appraisers and to pursue the matter.

4.6.4 Agenda by Akshaya

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

Akshaya Centres are using their bank accounts for performing online transactions for the citizens. For making payments of several departments, the amount to be transferred daily through their accounts will be thousands. They are collecting money from the citizens and depositing into their account for this. Hence they have to make deposits into their accounts several times in a month, at least once in a day. At present cash handling charge is exempted only for the first three transactions in a month and deduction of cash handling charge is made for fourth transaction onwards and a considerable amount is deducted from their account.

Govt have fixed standardized nominal rates for each service delivered through Akshaya centres, depending on the volume of work involved. They are not getting any financial support from Govt. The cash handling charge is an overburden for them while providing online services to citizens and promoting digital transactions. The digital transactions in Kerala is very high through Akshaya Common Service Centres. Hence to waive the cash handling charges for AkshayaCentres.
Exempt Akshaya Centres from paying cash handling charges for all transactions.

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

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

For maintaining a current account initial deposit is required. Hence some Akshaya Centres are using their S B Account for the transactions while providing services to public. Thus they are bound to pay income tax for the amount transacted through their account which is not their income. All Akshaya Centres were directed from I T Mission to maintain account in SBT as the transactions of e-district was only through SBT initially. This issue was brought to the notice of SBT and Akshaya Centres were given permission from SBT to open zero balance current account in SBT based on our request. Now this facility is not available for Akshaya from SBI. Hence requesting to provide permission for Akshaya Centres to open zero balance current account in their nearest SBI branch. Provide permission for Akshaya Centres to open zero balance current account in their nearest SBI branch.

The steering committee requested SBI to take up the matter with their HO FI wing for the concession

<u>4.6.5 . Agenda suggested by LDM Palakkad</u>

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

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

The steering committee recommended to pursue the matter

<u>4.6.6 Agenda suggested by LDM Idukki</u>

Issues relating to financing under agriculture based on tax receipts

Basic land tax receipts are now issued digitally. Therefore multiple copies can be generated. This will lead to multiple financing and interest subvention claim is also mis-utilised especially under Agricultural Gold Loans.

To rectify this, it is suggested that, a separate portal (or even a new menu in RR portal) is opened so that banks can update the details of tax receipt number and details thereof which the borrower has given to the bank so that he cannot produce the same in another bank. Otherwise any provision for generating only one tax receipt and the word "Duplicate" to be mentioned on the copies further generated will also suffice the purpose.

The steering committee informed that the matter may be taken up with Revenue Department

4.6.7 Agenda suggested by Commissionerate of Rural Development

സൂചന :- ആലപ്പുഴ പ്രൊജക്ട് ഡയറക്ടറുടെ 10.05.2019 ലെ ബി.1007/19 നം. കത്ത്

സൂചനയിലേയ്ക്ക് താങ്കളുടെ ശ്രദ്ധ ക്ഷണിക്കുന്നു. ഹരിപ്പാട് ബ്ലോക്ക് പഞ്ചായത്ത് എം.ജി.എൻ.ആർ.ഇ.ജി.എസ്. പദ്ധതിയിലുൾപ്പെടുത്തി കുടുംബശ്രീ സ്വയംതൊഴിൽ യൂണിറ്റുകൾക്ക് വർക്ക് ഷെഡ് നിർമ്മിച്ചു നൽകുന്നതിനുള്ള പദ്ധതി തയ്യാറാക്കിയിട്ടുണ്ടെന്നും ഇതിനാവശ്യമായ മെറ്റീരിയൽ ഫണ്ട് ലഭ്യമാകുമ്പോൾ ഈ തുക അവരവരുടെ അക്കൗണ്ടിലേക്ക് മാറ്റി നൽകുന്നതിനുള്ള പദ്ധതി തയ്യാറാക്കിയിട്ടുണ്ടെന്നും പ്രോജക്ട് ഡയറക്ടർ അറിയിച്ചിട്ടുണ്ട്. എന്നാൽ ഈ യൂണിറ്റുകൾക്ക് മെറ്റീരിയൽ ഫണ്ടിന് തുക ആദ്യം ചെലവഴിക്കുന്നതിന് പലപ്പോഴും സാമ്പത്തിക പ്രയാസം മൂലം കഴിയാറില്ലെന്നും ആയതിനാൽ മെറ്റീരിയൽ ഫണ്ട് ഈ യൂണിറ്റുകൾക്ക് ലഭിക്കുന്നതുവരെ അവരുടെ അക്കൗണ്ടുള്ള ബാങ്കിൽ നിന്നും പരമാവധി 6 മാസത്തേക്ക് സോഫ്റ്റ് ലോൺ അനുവദിച്ചു നൽകണമെന്നും അപേക്ഷിച്ചിട്ടുണ്ട്. മേൽ ചേർത്ത വിഷയം റിവ്യൂമീറ്റിംഗിന്റെ അജണ്ട വിഷയത്തിൽ ഉൾപ്പെടുത്തണമെന്ന് അഭ്യർത്ഥിക്കുന്നു.

The steering committee recommended Individual banks may consider the proposals favourably within their existing schemes.

4.6.8 Agenda suggested by Directorate of Social Justice Department , Kerala

കേരള സംസ്ഥാന ബാങ്കേഴ്സ് കമ്മിറ്റി അവലോകന യോഗത്തിൽ ഉൾപ്പെടുത്തേണ്ട അജണ്ട

സംസ്ഥാനത്തെ ട്രാൻസ്ജെൻഡർ വ്യക്തികൾക്ക് ബാങ്കുകൾ മുഖേന വായ്പ (സ്വയം തൊഴിൽ വായ്പ, വാഹന വായ്പ) നൽകുന്നതിനുള്ള സംവിധാനം ഉണ്ടാകേണ്ടതുണ്ട്, നിലവിൽ നൽകാൻ ആധികാരികമായ രേഖകളൊന്നും ഇല്ലാത്ത സാഹചര്യത്തിൽ ഇവർക്ക് വായ്പ നൽകുന്നതിന് പ്രസ്തുത നടപടി ക്രമങ്ങൾ ലഘൂകരിച്ച് ഇത്തരം വിഭാഗത്തിൽപ്പെട്ടവർക്ക് വായ്പ നൽകുന്നതിന് വേണ്ട നടപടികൾ സ്വീകരിക്കുക.

The steering committee recommended Banks may consider these proposals favourably within their scheme guidelines

4.6.9 Agenda suggested by Planning and Economic Affairs Department

പാലിക്കപ്പെടേണ്ടതുണ്ട്.

ഖണ്ഡിക 14

കാർഷിക വായ്പകളുടെ ഫലവത്തായ മോണിട്ടറിംഗിനായി ഡി.എൽ.ആർ.സി കളിൽ തദ്ദേശഭരണ സ്ഥാപനങ്ങൾ, ബാങ്കുകൾ എന്നിവയുടെ പ്രതിനിധികൾ, കർഷകരുടെ പ്രതിനിധി ജനപ്രതിനിധികൾ, നബാർഡ് ഡിസ്ട്രിക്ട് ഡവലപ് മെന്റ് മാനേജർ എന്നിവർ അംഗങ്ങളായ ഒരു മോണിറ്ററിംഗ് ടീം സജ്ജമാക്കണമെന്ന് സമിതി ശുപാർശ ചെയ്യുന്നു.

കേരള നിയമസഭയുടെ ഉറപ്പുകൾ സംബന്ധിച്ച സമിതി (2011–2014) യുടെ 3-ാം മത് റിപ്പോർട്ടിലെ 3,12,14 ഖണ്ഡികകളിലെ ശുപാർശകൾ സംബന്ധിച്ച ഈ വിഷയം സംസ്ഥാനതല ബാങ്കിംഗ് സമിതിയോഗത്തിന്റെ പരിഗണനയിൽ കൊണ്ടുവരുവാൻ സർക്കാർ താൽപര്യപ്പെടുന്നു.

ബിജുകുട്ടൻ.എം.എസ്
ജോയിന്റ് സെക്രട്ടറി

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

4.6.10 Agenda suggested by Directorate of Industries and Commerce

Kind attention is invited to the reference cited. The following suggestions and action points regarding the Implementation Ujjeevana Scheme may be included in the Agenda for the SLRM meeting scheduled to be conducted on 28.05.2019.

1.The Ujjeevana Scheme implemented for the flood affected MSMEs and shops are going in a slow pace as a large number of applications are reported to be pending at various bank branches across the state.Hence the banks may be advised to expedite the processing of loan applications under Ujjevana scheme so that all the pending applications can be disposed within time.
The **DO letter of Principal Secretary , Industries** is enclosed for discussion and for favour of necessary decisions.

2.The State level Bankers Committee may advice all the Lead District Managers of Districts to consolidate the following details regarding the implementation of Ujjeevana scheme so that it would facilitate better monitoring of scheme at District level by the concerned General managers of District Industries centres.

a.Number of applications received (Bank Wise)

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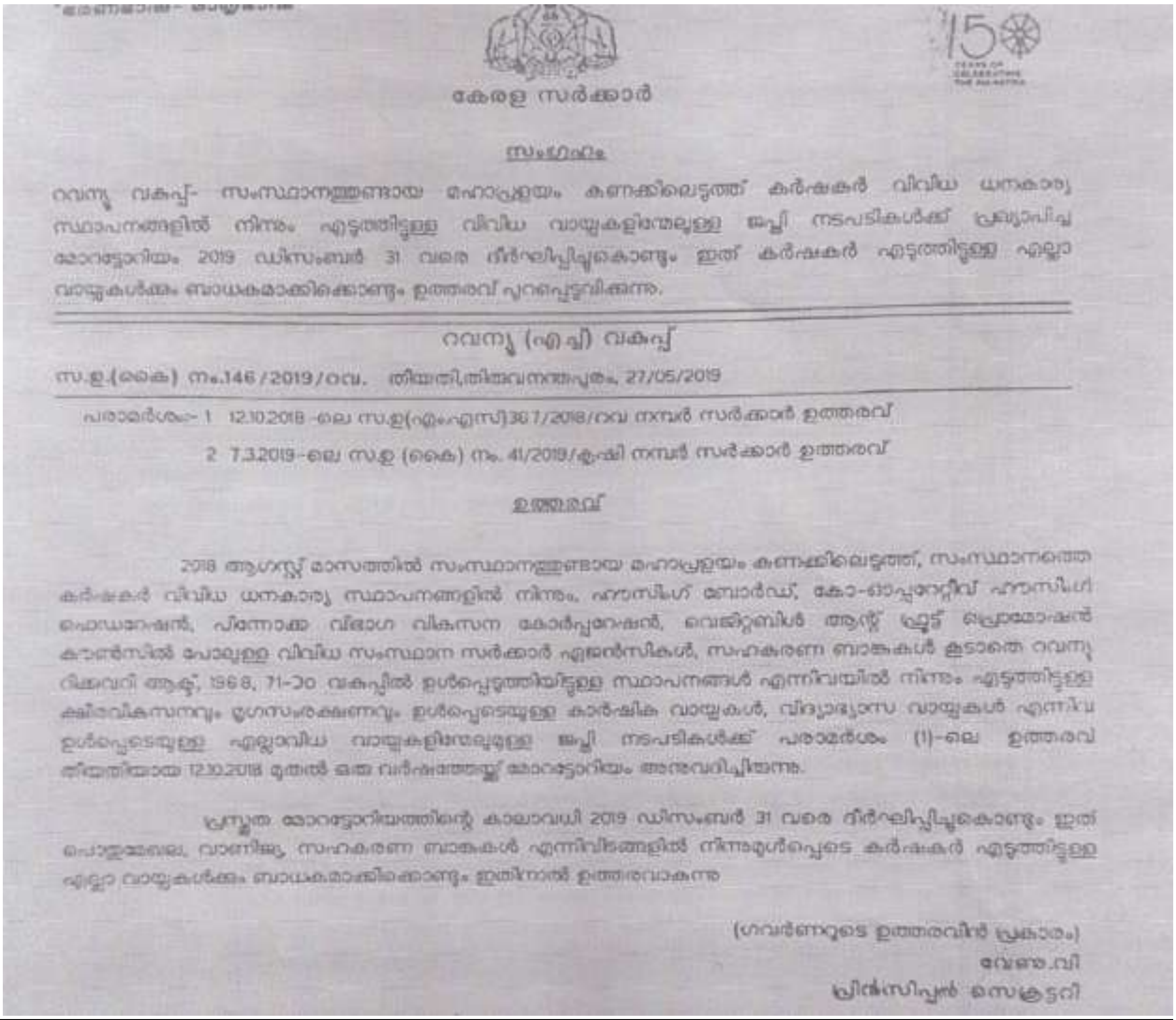
b.No of applications Sanctioned , Amount
c.No of cases rejected

There fore, it is requested that the above points may be included and discussed in the SLRM so that the august forum will come up with favourable decisions , which would accelerate the process of rebuilding of the flood affected MSMEs and Shops in our state.

The steering committee informed that SLBC has already communicated the same with LDMs. Data collection is an ongoing process

4.6.11 Agenda by SLBC Convenor

Impact of Government Morotorium on Scheduled Commercial Banks



ഭരണഭാഷ - മാതൃഭാഷ

കേരള സർക്കാർ

സംഗ്രഹം

റവന്യൂ വകുപ്പ്- സംസ്ഥാനത്തുണ്ടായ മഹാപ്രളയം കണക്കിലെടുത്ത് കർഷകർ വിവിധ ധനകാര്യ സ്ഥാപനങ്ങളിൽ നിന്നും എടുത്തിട്ടുള്ള വിവിധ വായ്പകളിന്മേലുള്ള ജപ്തി നടപടികൾക്ക് പ്രഖ്യാപിച്ച മൊറട്ടോറിയം 2019 ഡിസംബർ 31 വരെ ദീർഘിപ്പിച്ചുകൊണ്ടും ഇത് കർഷകർ എടുത്തിട്ടുള്ള എല്ലാ വായ്പകൾക്കും ബാധകമാക്കിക്കൊണ്ടും ഉത്തരവ് പുറപ്പെടുവിക്കുന്നു.

റവന്യൂ (ഡി.എം) വകുപ്പ്

സ.ഉ.(കൈ) നം.146/2019/റവ. തീയതി,തിരുവനന്തപുരം, 27/05/2019

പരാമർശം:- 1 12.10.2018 -ലെ സ.ഉ(എം.എസ്)367/2018/റവ നമ്പർ സർക്കാർ ഉത്തരവ്

2 7.3.2019-ലെ സ.ഉ (കൈ) നം. 41/2019/കൃഷി നമ്പർ സർക്കാർ ഉത്തരവ്

ഉത്തരവ്

2018 ആഗസ്റ്റ് മാസത്തിൽ സംസ്ഥാനത്തുണ്ടായ മഹാപ്രളയം കണക്കിലെടുത്ത്, സംസ്ഥാനത്തെ കർഷകർ വിവിധ ധനകാര്യ സ്ഥാപനങ്ങളിൽ നിന്നും, ഹൗസിംഗ് ബോർഡ്, കോ-ഓപ്പറേറ്റീവ് ഹൗസിംഗ് ഫെഡറേഷൻ, പിന്നോക്ക വിഭാഗ വികസന കോർപ്പറേഷൻ, വെജിറ്റബിൾ ആന്റ് ഫ്രൂട്ട് പ്രൊമോഷൻ കൗൺസിൽ പോലുള്ള വിവിധ സംസ്ഥാന സർക്കാർ ഏജൻസികൾ, സഹകരണ ബാങ്കുകൾ കൂടാതെ റവന്യൂ റിക്കവറി ആക്ട്, 1968, 71-ാം വകുപ്പിൽ ഉൾപ്പെടുത്തിയിട്ടുള്ള സ്ഥാപനങ്ങൾ എന്നിവയിൽ നിന്നും എടുത്തിട്ടുള്ള കൃഷിവികസനവും ഭൂസംരക്ഷണവും ഉൾപ്പെടെയുള്ള കാർഷിക വായ്പകൾ, വിദ്യാഭ്യാസ വായ്പകൾ എന്നിവ ഉൾപ്പെടെയുള്ള എല്ലാവിധ വായ്പകളിന്മേലുമുള്ള ജപ്തി നടപടികൾക്ക് പരാമർശം (1)-ലെ ഉത്തരവ് തീയതിയായ 12.10.2018 മുതൽ ഒരു വർഷത്തേയ്ക്ക് മൊറട്ടോറിയം അനുവദിച്ചിരുന്നു.

പ്രസ്തുത മൊറട്ടോറിയത്തിന്റെ കാലാവധി 2019 ഡിസംബർ 31 വരെ ദീർഘിപ്പിച്ചുകൊണ്ടും ഇത് പൊതുമേഖല, വാണിജ്യ, സഹകരണ ബാങ്കുകൾ എന്നിവിടങ്ങളിൽ നിന്നുമുൾപ്പെടെ കർഷകർ എടുത്തിട്ടുള്ള എല്ലാ വായ്പകൾക്കും ബാധകമാക്കിക്കൊണ്ടും ഇതിനാൽ ഉത്തരവാകുന്നു

(ഗവർണറുടെ ഉത്തരവിൻ പ്രകാരം)
വേണു.വി
പ്രിൻസിപ്പൽ സെക്രട്ടറി

As per the decisions taken by SLBC sub committee on Natural Calamity dated 06.03.2019 SLBC had taken up the matter with RBI to permit morotorium till 31.12.2019 on Agricultural loans and loans to those borrowers whose income is mainly from Agriculture and allied activities among others.
RBI replied as follows vide their letter dated 26 March 2019

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

वि.स.वि.वि (ति) सं.
FIDD (T) LBS No. 468 /03.02.015/ 2018-19

March 26, 2019

General Manager
SLBC Cell
Canara Bank Circle Office
Canara Bank Building,
MG Road,
Thiruvananthapuram -1

Madam,

SLBC subcommittee meeting on Natural Calamity held on 06.03.2019

Please refer to your letter Kerala SLBC /Ext Relief/25/2019/SK dated March 6, 2019 and e-mail dated March 11, 2019 on the captioned subject.

2. As requested therein, the matter was taken up with our Central Office. In this connection, the following advices received from Central Office, RBI are given below for your guidance and necessary action.

Sl. No.	Request from SLBC	Advice from RBI, CO
1	Permit Banks to receive and process the applications for restructuring of existing loans of flood affected farmers and extending moratorium till 31.12.2019 on Agricultural loans and other loans of farmers where source of repayment is mainly from agricultural activities.	We regret our inability to grant further extension for restructuring / rescheduling of accounts of the calamity affected borrowers. However, the decision to extend the moratorium period on restructured loans may be taken at your level.
2	Permission for retaining the asset classification (Not to be downgraded) as applicable for restructured loans on account of natural calamity.	As the restructuring exercise is complete, permission for retaining asset classification does not arise.
3	Extend the interest subvention on crop loans for the extended moratorium period also	Please refer to para (v) of our circular FIDD. CO. FSD. BC. No. 15 /05.02.001/2018-19 dated March 7, 2019 on Interest Subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20, you are advised to seek clarification from the State Government as to whether the High-Level Committee (HLC) has taken a decision to extend Interest Subvention to banks beyond the first year on the restructured loan amount.

Yours faithfully,

(V.R. Praveen Kumar)
General Manager

In the matter of extending Interest Subvention in crop loans for the extended morotorium period , RBI vide their above letter dated 26.03.2019 advised SLBC to take up the matter with State Government whether the High Level Committee (HLC) had taken such a decision. In respose the Govt of Kerala replied vide their letter dated 03.05.2019 as given below.

Trivandrum - 695 001

GOVERNMENT OF KERALA

No.3306334/IFA1/2019/AD

Agriculture (IFA) Department,
Thiruvananthapuram
Date: 03-05-2019

From
Principal Secretary to Government

To
The Convenor,
SLBC,
Canara Bank,
Spencer Junction,
Thiruvananthapuram

Sir,

Sub:- Interest subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20 – Regarding.

Ref:- Your letter No. Kerala SLBC/Int. Sub/32/2019/SK dated 1-4-2019.

Inviting attention to the reference cited, I am directed to inform you that information from Government of India regarding the decision of High Level Committee on extending interest subvention beyond the first year on the re-structural loan amount is still pending. Decision in this regard will be communicated to you as and when the same is received from Government of India.

Yours faithfully,
Valsala.K,
Under Secretary,
for Principal Secretary to Govt.

4.6.12 Information note by Reserve Bank of India

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

FIDD.CO.LBS. No. 2431 /02.01.001/2018-19 May 28, 2019

The Chairmen / Managing Directors & CEOs
SLBC/UTLBC Convenor Banks and Lead Banks

Madam / Dear Sir,

Payments Banks - Participation under Lead Bank Scheme

As you may be aware, the Reserve Bank of India had released the Guidelines for Licensing of Payments Banks vide its press release dated November 27, 2014 followed by Operating Guidelines for Payments Banks vide Circular DBR.NBD.No.25/16.13.218/2016-17 dated October 6, 2016. The objective for setting up of payments banks has been to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users.

2. In view of the differentiated and limited mandate of Payments Banks (viz. lending is not permitted by virtue of the licensing conditions), these entities initially have been kept away from the purview of the Lead Bank Scheme in view of their non-participation in the Annual Credit Planning (ACP) exercise. However, as the renewed focus of financial inclusion under the changing present scenario has been to reach the last mile in delivery of financial services, we have been receiving suggestions/feedback from concerned stakeholders for inclusion of these entities under the Lead Bank Scheme to give a further impetus to financial inclusion as also financial literacy related initiatives.

3. In view of the above, it has been decided to include Payments Banks under the Lead Bank Scheme, however, they will not be part of the Annual Credit Planning (ACP) exercise under the scheme. Therefore, SLBC/UTLBC Convenor Banks and Lead Banks are advised henceforth, to invite Payments Banks as regular members for participation in various fora of the Lead Bank Scheme in their respective locations.

Yours faithfully,

(Gautam Prasad Borah)
Chief General Manager-in-Charge

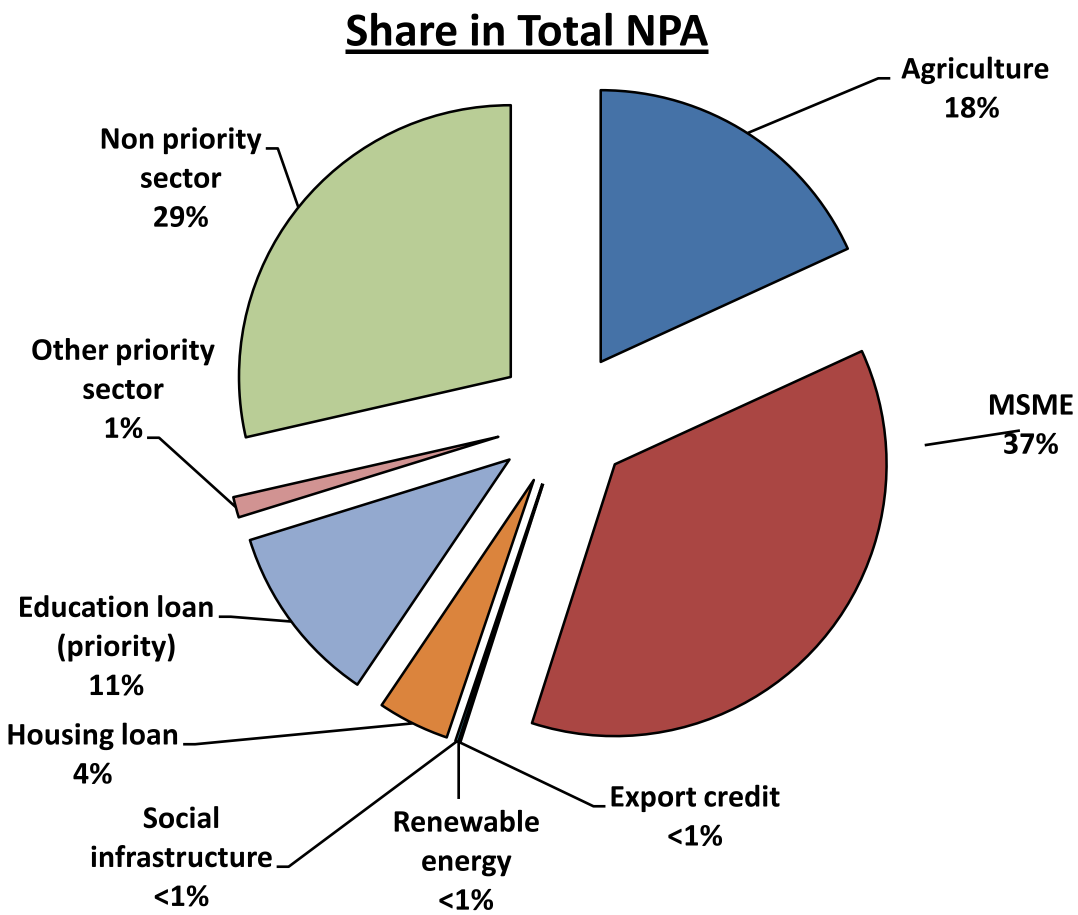
5. Review of Performance under Various Segments

5.1. NPA Position of Commercial Banks (Refer Annexure 7.32)

Sector wise NPA outstanding

(Rs. in crores)

Gross NPA Outstanding as on March 2019		
Parameter	**No of Accounts**	**Amount Outstanding**
Priority Sector	**295792**	**8692**
(1)Agriculture	114534	2210
(2)MSME	101463	4474
(3)Export credit	103	10
(4)Renewable energy	7	0.01
(5)Social infrastructure	971	22
(6)Housing loan	9943	519
(7)Education loan (priority)	51031	1308
(8)Other priority sector	17740	149
Non priority sector	**108248**	**3479**
Total NPA	**404040**	**12172**



5.2 Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at March 2019

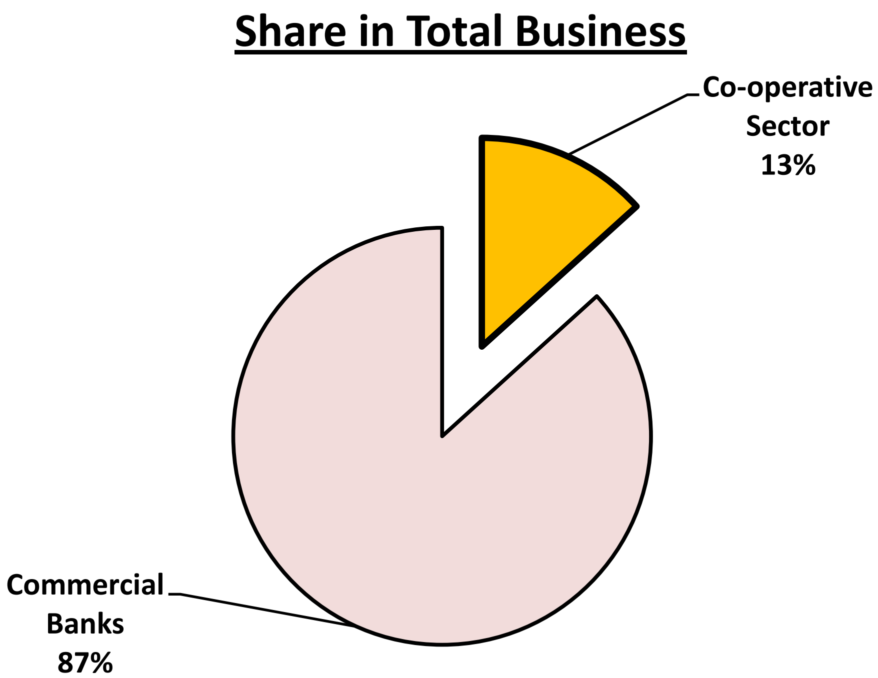
The performance of the banking sector inclusive of Co-operatives is summarized as follows:

A. Performance of Co-operative Sector under Vital Banking Statistics

(Rs in. Crores)

Parameter	March- 19			Share of Co-operatives to Total
	Co-operative Sector	Comm. Banks + RRB + SFB	Total	
Branches	995	6426	7421	13%
Total Deposits	70140	493562	563702	12%
Total Advances	50719	329900	380619	13%
Total Business	120859	823462	944321	13%
Priority Sector Advances	33778	172940	206718	16%
% Priority Sector Advances	67%	52%	54%	XX
Agriculture Advances	8580	80803	89383	10%
% Agriculture Advances	17%	24%	23%	XX
MSME Advances	1474	54446	55921	3%
% MSME Advances	3%	17%	15%	XX
CD Ratio	72.31%	66.84%	67.52%	XX

B. Performance of Co-operative Sector in Total Business of the state



6. Review of performance of the Banking Sector

6.1. Banking Statistics as at March 2019 (Refer Annexures 7.1 to 7.3)

The detailed banking statistics for Commercial banks in the State as at March 2019 is furnished in the Annexure. A comparative analysis of the data over the previous fiscals is presented below.

(Rs. in Crores)

Parameter	Outstanding			Variation	
	Mar 2017	Mar 2018	Mar 2019	Mar '18-Mar '17	Mar '19-Mar '18
No. of Branches	6332	6348	6426	0.25%	1%
Total Deposits	410492	447235	493562	9%	10%
Domestic Deposits	258143	277291	303507	7%	9%
NR Deposits	152349	169944	190055	12%	12%
Total Advances	256075	286783	329900	12%	15%
Advances + Investment	269315	308865	345651	15%	12%
Credit Deposit Ratio	62%	64%	67%	3%	4%
C+ I : D Ratio	66	69	70	5%	1%

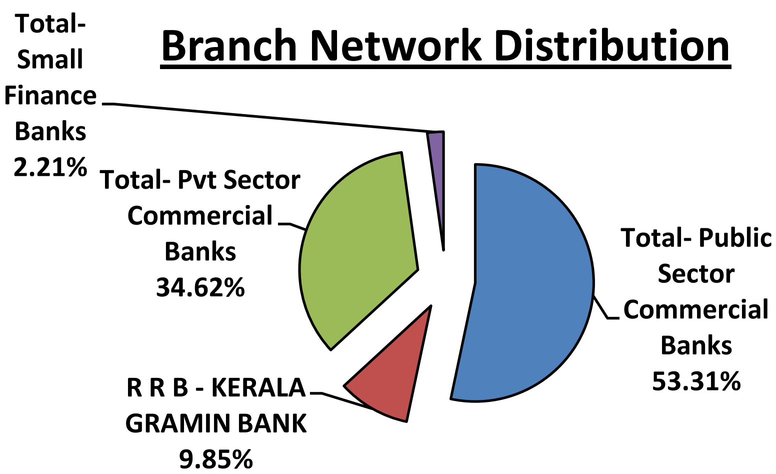
6.2. Branch Network

As at the end of March 2019, the total number of branches of Commercial Banks in the State was 6426.

A. Branch network – Population group wise breakup

Banking Group	Number of Branches				Percentage distribution		
	Rural	S.Urban	Urban	Total	Rural	S.Urban	Urban
Total- Public Sector Commercial Banks	140	2401	885	3426	4.09%	70.08%	25.83%
R R B - KERALA GRAMIN BANK	52	542	39	633	8.21%	85.62%	6.16%
Total- Pvt Sector Commercial Banks	139	1564	522	2225	6.25%	70.29%	23.46%
Total- Small Finance Banks	34	82	26	142	23.94%	57.75%	18.31%
Total - Comm.Banks + RRB + SFB	365	4589	1472	6426	5.68%	71.41%	22.91%

B. Banking Group wise Growth in Branch Network

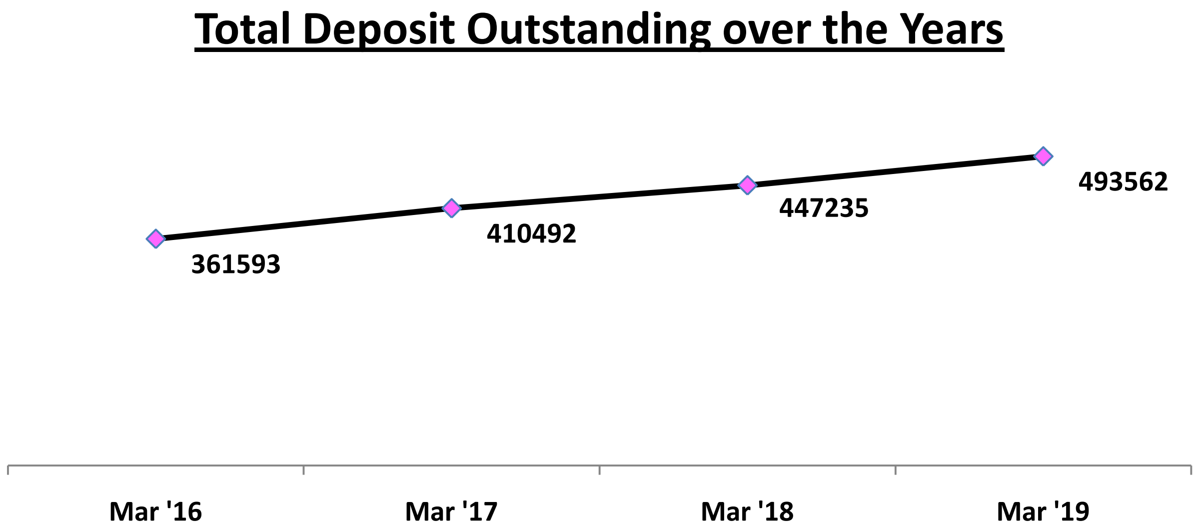


6.3. Deposit growth

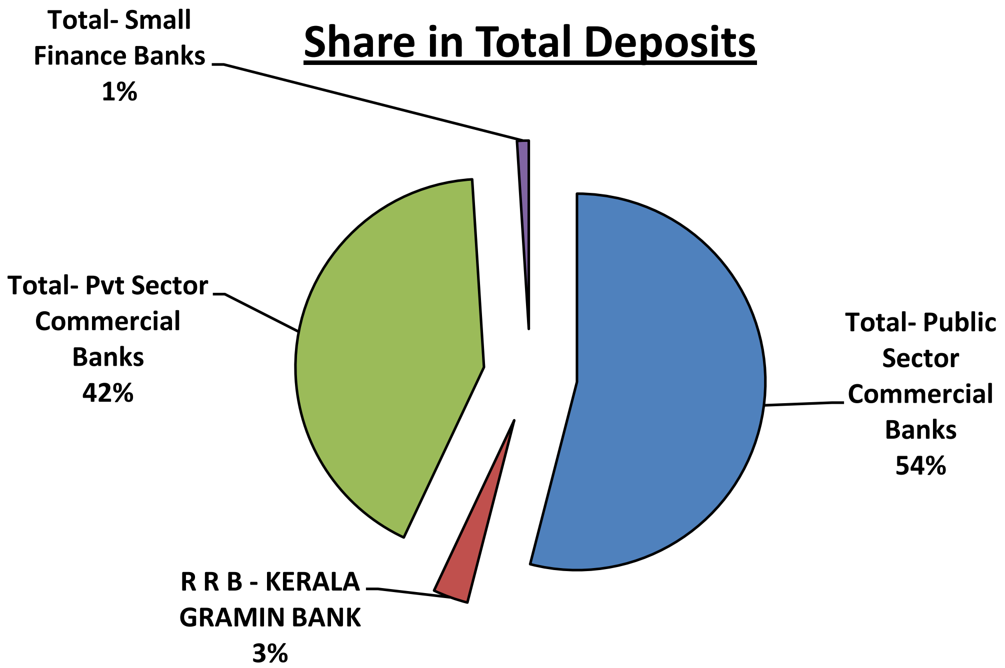
A. Growth in total Deposits of commercial banks

(Rs. in crores)

Total Deposit Outstanding over the Years			
Mar'16	Mar'17	Mar'18	Mar'19
361593	410492	447235	493562



B. Banking Group wise Growth in Total Deposits



C. Total Deposits - Population Group wise breakup

(Rs. in Crores)

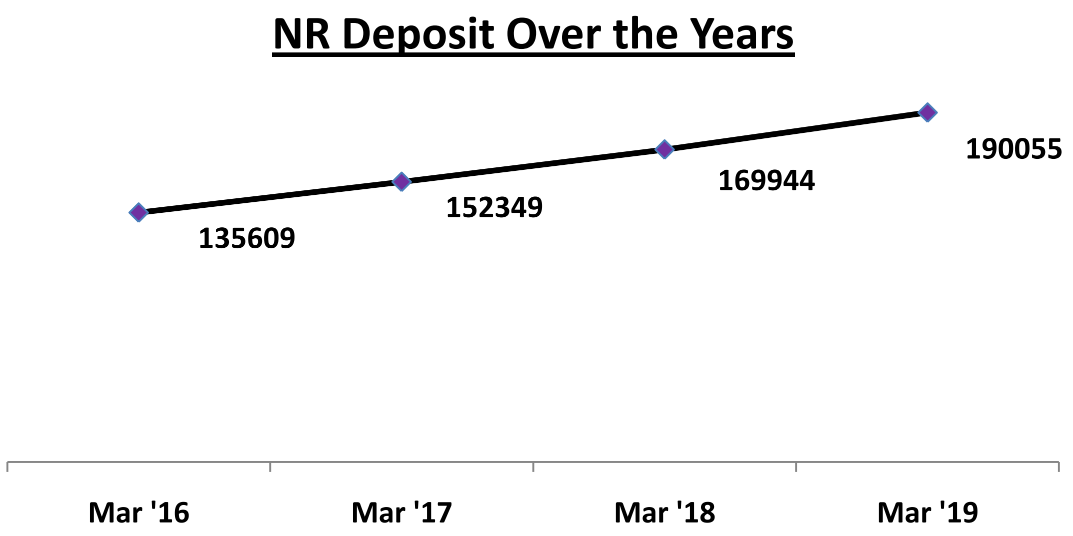
Banking Group	Total Deposits				Percentage Distribution		
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban
Total- Public Sector Commercial Banks	5777	161551	99636	266963	2%	61%	37%
R R B - KERALA GRAMIN BANK	777	12473	3631	16881	4.6%	73.9%	21.5%
Total- Pvt Sector Commercial Banks	5423	125655	74467	205546	3%	61%	36%
Total- Small Finance Banks	229	1775	2168	4172	5%	43%	52%
Total - Comm.Banks + RRB + SFB	12206	301454	179902	493562	2.5%	61.1%	36.4%

6.4. NR Deposits (Refer Annexure 7.2)

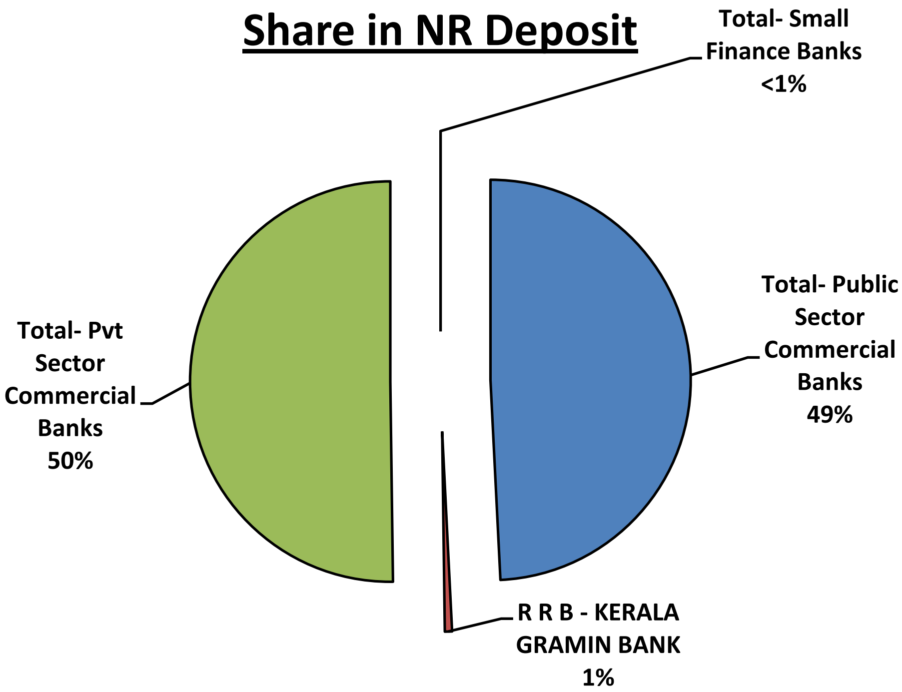
A. Growth in NR Deposits

(Rs. in Crores)

NR Deposit over the Years			
Mar'16	Mar'17	Mar'18	Mar'19
135609	152349	169944	190055



B. Banking Group wise Growth in NR Deposits



C. NR Deposits – Population group wise breakup

(Rs. in Crores)

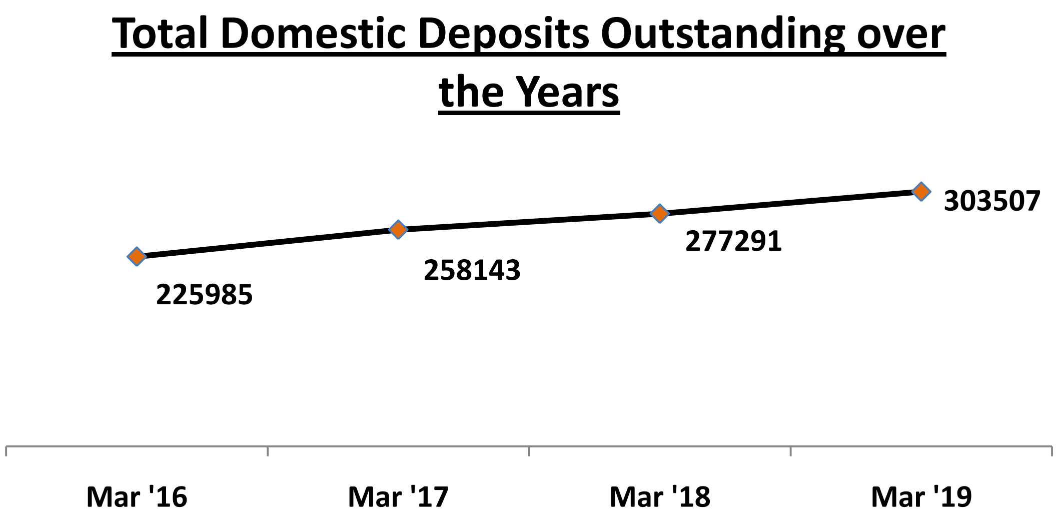
Banking Group	NR Deposits				Percentage Distribution		
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban
Total- Public Sector Commercial Banks	1918	65283	26120	93321	2%	70%	28%
R R B - KERALA GRAMIN BANK	69	1055	101	1225	6%	86%	8%
Total- Pvt Sector Commercial Banks	2601	65790	26656	95047	3%	69%	28%
Total- Small Finance Banks	29	173	259	462	6%	38%	56%
Total - Comm.Banks + RRB + SFB	4618	132301	53136	190055	2%	70%	28%

6.5. Domestic Deposits of commercial banks

A. Growth in Domestic Deposits

(Rs. in Crores)

Domestic Deposit over the Years			
Mar '16	Mar '17	Mar '18	Mar '19
225985	258143	277291	303507

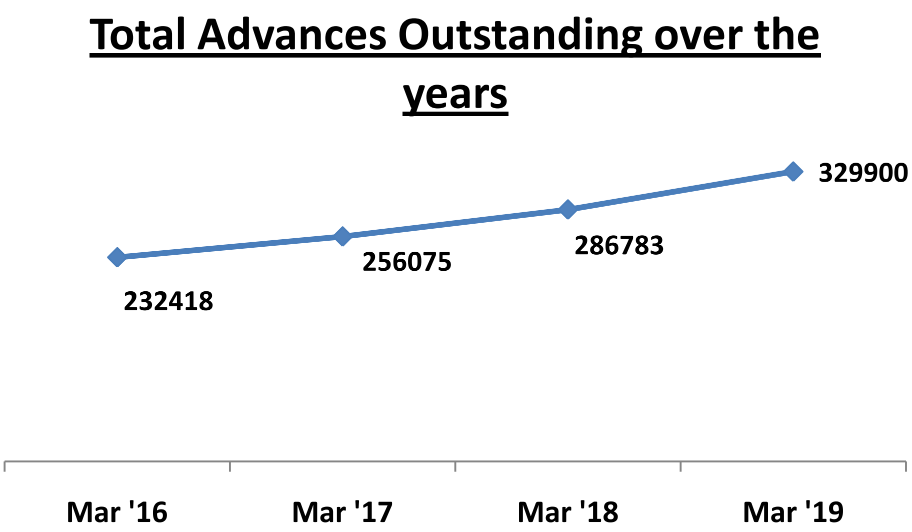


6.6. Credit Expansion of commercial banks (Refer Annexure 7.2)

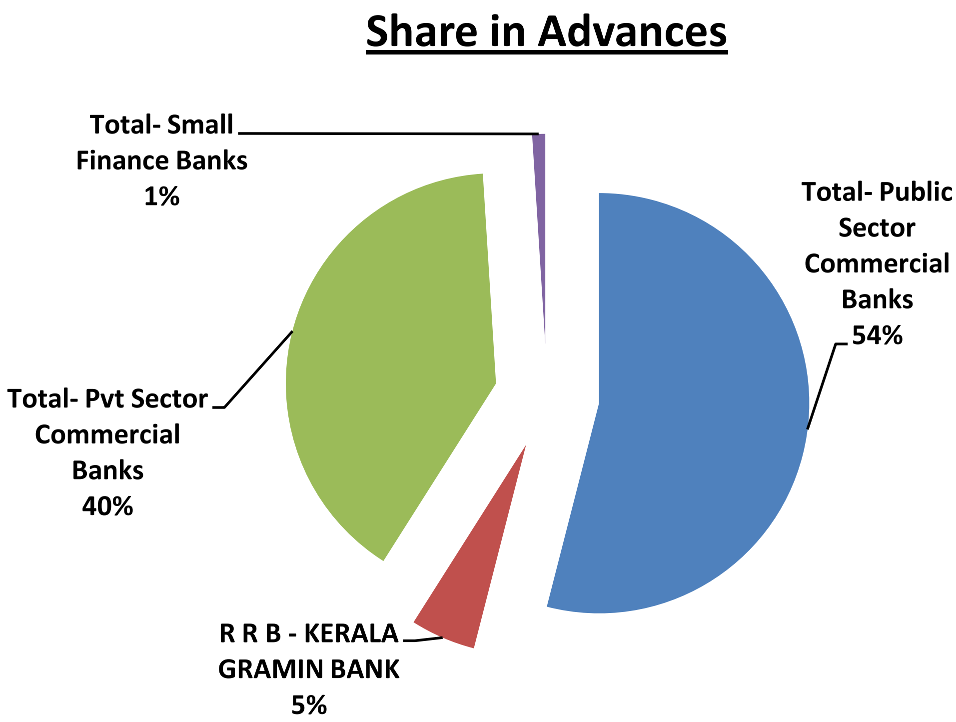
A. Growth in Advances

(Rs. in crores)

Total Advances Outstanding over the Years			
Mar '16	Mar '17	Mar '18	Mar '19
232418	256075	286783	329900



B. Banking Group wise Growth in Total Advances

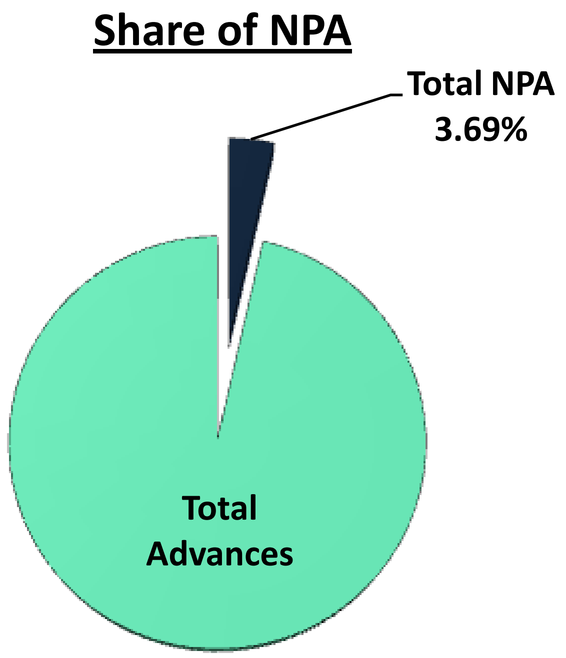


C. Total Advances – Population group wise breakup

(Rs. in Crores)

Banking Group	Total Advances				Percentage Distribution		
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban
Total- Public Sector Commercial Banks	4148	91894	81989	178031	2%	52%	46%
R R B - KERALA GRAMIN BANK	1050	15379	1468	17897	6%	86%	8%
Total- Pvt Sector Commercial Banks	2458	63403	65325	131186	2%	48%	50%
Total- Small Finance Banks	181	1582	1023	2786	6%	57%	37%
Total - Comm.Banks + RRB + SFB	7837	172257	149806	329900	2.4%	52.2%	45.4%

D. % Share of NPA in Total Advances



6.7. Credit-Deposit Ratio of commercial banks [C D Ratio](Refer Annexure 7.3)

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio
Dec-15	349043	225405	64.58
Mar-16	361593	232418	64.28
Jun-16	370412	237551	64.13
Sep-16	379675	248802	65.53
Dec-16	402393	251207	62.43
Mar-17	410492	256075	62.38
Jun-17	415033	261134	62.91
Sep-17	421964	271048	64.23
Dec-17	428573	276922	64.61
Mar-18	447235	286783	64.12
Jun-18	462741	291520	62.99
Sep-18	471150	305247	64.79
Dec-18	478855	314413	65.66
Mar-19	**493562**	**329900**	**66.84**

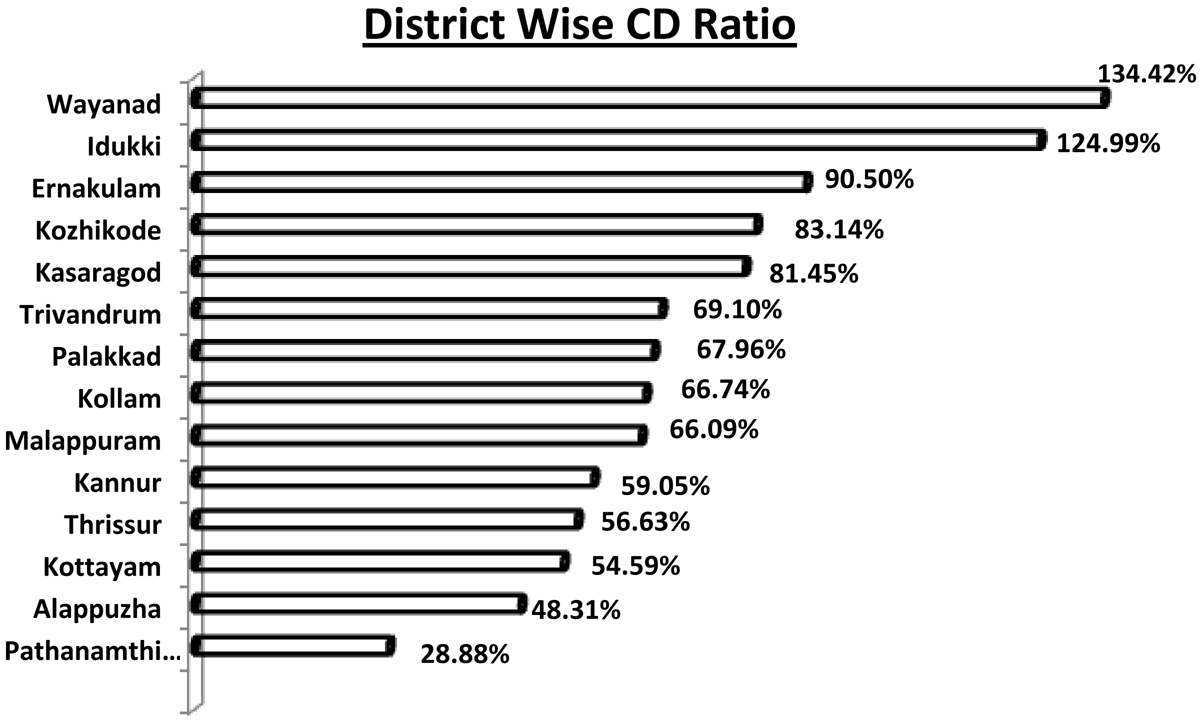
6.8. District-wise Credit Deposit Ratio in the State

As per the recommendations of the Expert Group, headed by Sri. Y.S.P. Thorat, which studied the nature and magnitude of the problem of low CD Ratio across States/Regions and suggested steps to overcome the problem, the Government of India examined and accepted their recommendations with certain modifications. Accordingly it has been decided that districts having CD Ratio less than **40 %** should be monitored by a special sub-committee of District Level Co-ordination Committee (DLCC).

<u>District-wise C D Ratio in the State as on 31.03.2019</u>

(Rs. in crores)

Sl. No.	DISTRICT	Deposits	Advances	CD Ratio (%)
1	Trivandrum	86540	59799	69.10
2	Kollam	37333	24915	66.74
3	Pathanamthitta	42620	12310	28.88
4	Alappuzha	35007	16910	48.31
5	Kottayam	43452	23718	54.59
6	Ernakulam	103695	93840	90.50
7	Idukki	8185	10230	124.99
8	Thrissur	67114	38005	56.63
9	Palakkad	28436	19324	67.96
10	Malappuram	28782	19021	66.09
11	Kozhikode	32660	27152	83.14
12	Kannur	34023	20089	59.05
13	Kasaragod	11346	9242	81.45
14	Wayanad	4510	6063	134.42
Total for State (including Co-operative Banks)		563702	380619	67.52



8. Any Other matter with the Permission of Chair