

State Level Bankers' Committee (SLBC), Kerala
STATE LEVEL REVIEW MEETING (SLRM) 2010
Minutes of the Meeting held on 16th & 17th September 2010
at Hotel Residency Tower, Trivandrum

DELIBERATIONS ON 16th SEPTEMBER, 2010
OPENING SESSION OF SLRM 2010

The meeting commenced at 10.30 a.m. with Sri.N.R.Venkataramani, General Manager Canara Bank and Convenor SLBC in the Chair.

Sri. N. R. Venkataramani, welcomed the participants for the Opening Session of the two-day Review Meeting

In his introductory remarks, he informed that the State Level Review Meeting (SLRM) of SLBC, Kerala is expected to conduct a threadbare review of the progress made by the Banks of the State in the previous financial year in extending credit to various vital sectors of Priority Credit with special reference to Government sponsored programmes, and also for monitoring the CD ratio in various districts. In his welcome address the following were highlighted:

- The Banking industry in India had made considerable progress especially during the last 4 decades, to emerge as one of the accredited agencies of rural development. The orientation towards rural economy gained momentum after nationalization of major commercial Banks and the same is going to be strengthened further with the implementation of the report of High Level committee on revamping Lead Bank scheme.
- Nationalisation of banks could not bridge the entire credit gap in the rural areas. A vast majority of the small and marginal farmers and rural artisans remained untouched still, by the banking system.
- The State Level Bankers' Committee (SLBC) is expected to discuss issues, consider alternative solutions to the various problems in the Financial System for balanced development and evolve a consensus for coordinated action by the member institutions. All the member institutions are therefore expected to coordinate the Committee's task in good spirit and intimate involvement else the Committee is likely to lose its utility.
- The two days meeting would deliberate on all the pending issues confronting the development of the State connected with the banking. The matters like progress in covering villages under Financial Inclusion programme, popularization of KCCs in the State, low share of investment credit under agriculture in the State, low credit flow to SME sector, issues pertaining to Education Loans etc need focussed attention and calls for thread bare discussion.

- He requested the members of the group to understand the importance of their role play and participate actively in the deliberations and come up with proactive recommendations for solving the pending issues. SLBC would deliberate on these issues the next day and examine whether the recommendations could be adopted and carried forward further.

He remarked that the next day's plenary session was more important as Hon'ble Chief Minister would be addressing the forum and would be indicating the deficient areas where bankers need to concentrate on. He added that the Chief Minister would give bankers clear cut directions on the expectations of the State Government on the banking sector of the State. He solicited continued co-operation, support and involvement of all members for the smooth conduct of the meeting and for meaningful & vibrant deliberations.

In his remarks, Sri. **G. J. Raju**, Deputy General Manager, Reserve Bank of India observed that as on 31.03.2010, banks in the State have achieved all the target norms prescribed by RBI except DRI. He then urged all banks to focus their attention towards granting DRI advances. Further he requested members to make use of the opportunity to deliberate earnestly in Group discussions with a view to achieve the objectives and formulate strategies for achievement of the objectives set. He then wished member institutions fruitful deliberations in the SLRM.

Speaking on the occasion, Sri. **N. Narasareddy**, General Manager, Canara Bank stated that SLRM is a very important part of Lead Bank Scheme/SLBC. The issues flagged are very critical both to the Government as well as banks which need to be discussed threadbare and necessary action initiated on them. He impressed upon the members for formulation of a basic plan of action for the current year for implementation of various programmes.

He expressed his happiness over the presentation of the issues in the agenda note of SLRM 2010 provided to the members. Pending issues as well as fresh issues were classified nicely for which he complimented SLBC Convenor and his team. He observed that, as compared to other SLBCs, SLBC Kerala has been conducted systematically and followed up the issues very effectively. Sri. Narasareddy also observed that the most refreshing feature in SLBC Kerala was the active participation of Government Departments and agencies in the SLBC meetings offering wholehearted support to the banking sector enabling implementation of all Government schemes as well as banking programmes without any difficulty.

Regarding Financial Inclusion he pointed out the following:

- Palakkad District in the State of Kerala was the first district in the entire Country to be declared 100% financially included in the first phase of financial inclusion.
- SLBC should monitor the implementation of the second phase of financial inclusion through channels like BC/BF etc in a very systematic way.

- He stated that almost half of the population in the country was not having bank accounts and hence alternate models need to be worked out for reaching the people deprived of banking facilities in remote area of the country.

He then appealed to the forum to cover the following points in the Group discussion session.

- Strategies to implement the financial inclusion programme successfully in the State.
- Reclassification of priority sector advances in the light of revised Priority Sector guidelines issued by RBI.
- The issues flagged in the meeting of Union Finance Minister with the SLBC Convenors' along with the Chief Ministers of the States and ways found out as how to implement those suggestions.
- The issues regarding Education Loans in the State of Kerala. He informed that Canara Bank has been designated as the nodal bank for administering Central Subsidy Scheme for Education Loan. In this regard, a meeting with IBA, Public Sector banks, Private Sector banks, Foreign Banks etc. have already been conducted by Canara Bank during the month. Canara Bank had already started a web portal and the password has been provided to the Head Offices of banks for uploading the data, which in turn would be given to Government of India. Brochures as well as advertisements have already been arranged for giving adequate publicity for the scheme. He requested all banks to issue necessary instructions in this regard to their branches and create proper awareness about the scheme.
- That more focus shall be given for increasing lending to Secondary and Tertiary sectors so as to maintain a uniform growth in all the sectors.

Sri. S. Thyagarajan, Deputy General Manager, College of Agriculture Banking (CAB), Reserve Bank of India informed the forum that the top management committee meeting of RBI chaired by Governor, RBI held on June 8, 2010 had directed CAB to conduct a study in all the SLBCs in the country. The mandate was to compile the best practices followed by various SLBCs and try to replicate these best practices in all SLBCs uniformly through out the country. Hence for him the purpose of attending the meeting was to observe the exact happenings in the SLRM.

The High Power Committee, chaired by Deputy Governor, RBI, to review Lead Bank Scheme also specifically mandated CAB to be the central warehouse for data compilation. The report expects CAB to consolidate and collect the procedures and practices followed by various SLBCs and put in their website. He informed that CAB is having own website – www.caborg.in – wherein CABs have portals of Financial Inclusion and Financial Literacy also. The best practices would be placed in the website for dissemination. He added that the Best practices includes timely conduct of meetings, level of attendance, level of discussion, preparation of agenda items, quality of decision making, powers of the committee, preparation of the minutes and how it was disseminated to the members, how

many members come back with solutions, preparation of action taken report etc. He informed that the previous day he had met a team of officials from RBI, SLBC and also intended to meet the officials from NABARD, other banks and top officials from Government of Kerala. He solicited co-operation from all in this regard.

Sri. P. K. K. Krishnan, Senior Vice President, Banking Codes and Standards Board of India (BCSBI) expressed gratitude to the SLBC Convenor for providing him an opportunity to make a presentation on the Banking Codes and more particularly on commitment of Banks towards customer satisfaction of Micro and Small Enterprises. He then made a detailed power point presentation on the functioning of BCSBI. The salient features are given below.

- BCSBI set up by RBI
- Governing Council members are appointed by RBI
- Autonomous & independent body to ensure that customers get services as committed by banks
- 100 member banks including 67 commercial banks
- BCSBI formulates Codes, which act as benchmarks
- Code of Bank's Commitment to Customers released in July 2006 and revised in August 2009
- Code of Bank's Commitment to Micro and Small Enterprises (MSEs) released in May 2008

BCSBI Codes: Monitors quality of service rendered by banks - Offsite & Onsite

MSE Code

- Reflects bank's positive commitment to its Micro and Small Enterprise (MSE) customers to provide easy, speedy and transparent access to banking services in their day-to-day operations and in times of financial difficulty
- Charter of Rights which also enshrines the customer's obligations to the bank

Definition of MSE Units

Investment in Plant & Machinery

- Micro Enterprise : Up to Rs.25 lakh
- Small Enterprise : From Rs.25 lakh to Rs.5 crore

Service Units: Investment in equipment

- Micro Enterprise : Up to Rs.10 lakh
- Small Enterprise : From Rs. 10 lakh to Rs.2 crore

Importance of MSEs

- MSEs constitute an Important segment of industrial and services sectors of India due to:
 - Growth potential
 - Employment generation capacity
 - Role as seedbed to new entrepreneurship
 - Contribution to economic development
 - Foreign Exchange earnings

Broad objectives of MSE Code

- To provide a positive thrust to the MSE sector through easy access to efficient banking services
- Encourage fair banking practices
- Enhance transparency
- Improve business understanding through effective communication
- Encourage market forces to achieve higher operating standards
- Promote a fair and cordial relationship
- Foster confidence in the banking system
- Copies of Code to be given to customers
- Use of Simplified Loan Application form with check list

Key features of MSE Code

- Acknowledgement in writing for receipt of loan applications
- Reasons for rejection to be advised in writing
- Time norms for appraisal, sanction, disbursement
 - Loans upto Rs.2 lakhs - within 2 weeks
 - Loans upto Rs.5 lakhs - within 4 weeks
 - Loans above Rs.5 lakhs - within a reasonable timeframe
- Disbursal within 2 working days after terms and conditions are complied
- Granting collateral free loans (up to Rs. 10 lakh)
- Consider collateral free credit upto Rs.25 lakhs
- Provide minimum 20% of turnover as working capital
- No processing fee if loan not sanctioned (upto Rs.5 lakh)
- Pre payment up to Rs. 5 lakh without any penalty
- Sharing of rating parameters
- Copies of documents executed to borrowers
- Changes in interest rate to be conveyed within 7 days
- Change in tariff, terms & conditions with 30 days notice
- Banks not to use or reveal customer data for marketing of other products
- Return of title documents in 15 days after repayment
- Policies to be on website- Grievance Redressal, Security Repossession etc.

- Sympathetic consideration in case of financial difficulties.
- Rehabilitation of sick units - Time frame (60 days)
- Details of Recovery Agents (RA) on website-Bank to investigate complaints of unfair practices
- Customer's privacy/dignity to be respected by RAs

In conclusion he stated that BCSBI's role geared to monitor Banks' adherence to the MSE customer codes of service as committed by them in the following context:

- Development of the state can be enhanced through bank finance to MSEs
- Micro sector needs more focused attention

He then answered certain queries raised by the members of the forum.

The opening session came to a close by 12 noon.

GROUP DISCUSSION SESSION

The forum was divided into 3 groups for group discussions on issues related to Primary Sector, Secondary Sector and Tertiary Sector. The session commenced at 12.10 p.m. and extended up to 6 pm. The reports of the groups were prepared and presented in the plenary session on 17th September, 2010.

DELIBERATIONS ON 17th SEPTEMBER, 2010

PLENARY SESSION

The plenary session of the State Level Review Meeting of SLBC Kerala commenced at 10.30 a.m. with **Sri. V. S. Achuthanandan**, Hon. Chief Minister of Kerala in the chair.

Sri. H. S. Upendra Kamath, Executive Director, Canara Bank, welcomed the Hon'ble Chief Minister of Kerala Sri. V. S. Achuthanandan, other dignitaries on the dais and off the dais to the Plenary Session of the State Level Review Meeting (SLRM) of SLBC. He solicited continued co-operation, support and involvement in the smooth conduct of the meeting and for the meaningful & vibrant deliberations thereafter.

He expressed happiness for having the presence of Hon'ble Chief Minister of the State Sri. V. S. Achuthanandan in the meeting. Before embarking on the task of welcoming all the participants, he sought the permission of the Chief Minister to place before the forum some of the modest achievements of SLBC Kerala:

- *SLBC, Kerala is the pioneers in Financial Inclusion :*
 - Palakkad was the first district in the country to be declared as 100% financially included in the year 2007.
 - Ours is the First State in the Country to be declared as 100% financially included in the first phase of financial inclusion.
- *This was the first SLBC in the country to have established RSETIs in all the districts of the State*
- *Proactively implemented all Government of India & State Government directives particularly on :*
 - Doubling of Agriculture Credit, the task was accomplished in two years as against the Government stipulation of three years.
 - Doubling of Credit to SME segment within five years - the task was accomplished in less than three years of time frame.
- *SLBC Kerala has been closely working with Local Self Government in formulating and implementing State specific plans and programmes given below.*
 - Working closely with the State Poverty Eradication Mission (Kudumbashree) and engaged in welfare oriented services with active support of SLBC through innovative schemes.
 - Striving to eradicate poverty from the state using the Micro-enterprise and SHG route.
 - Kudumbashree's activities are accepted as one among the 10 best practices in the world by UN.
 - Has brought almost all BPL families in the ambit of its activities
 - Engaged in formation of more than 2 lakh Neighbourhood groups (NHGs)
 - Played proactive role in formulating poverty alleviation schemes with Kudumbashree

- *SLBC, Kerala has evolved into a forum for not only reviewing Credit flow to Priority Sector and Government sponsored Schemes but also as a forum for interaction amongst all developmental agencies and for evolving schemes for developmental needs of the State of Kerala.*
- *Implementation of Panchayathi Raj system for which SLBC, Kerala has extended active co-operation with local self governments in formulating and implementing area specific schemes.*

This was not an end in itself but an inspiration to carry forward the good work for writing new annals in the chapters of SLBC Kerala. These apart, the State as a whole has been showing good progress under all banking spheres.

Sri. Kamath then presented the key banking statistics of the State for the financial year 2009-10: (Covering the period from 01.04.2009 to 31.03.2010)

- Total Deposits in the State of Kerala grew from Rs. 130350 crores to Rs. 143404 crores
- Total credit grew from Rs. 82819 crores to Rs. 96987 crores registering a growth of 17 %.
- Priority Sector Credit grew from Rs. 48387 crores to Rs. 58204 crores
- Agriculture credit grew from Rs. 15959 crores to Rs. 21786 crores
- Weaker Section Advances grew from Rs. 12240 crores to Rs. 15674 crores
- SC/ST advance grew from Rs. 2204 crores to Rs. 3659 crores
- Advances granted to Women beneficiary stood at Rs. 10263 crores
- Advances granted to SHGs stood at Rs. 1128 crores.
- The Credit Deposit ratio improved from 63.54 % as at March 2009 to 67.63 % as at March 2010.

Sri. Kamath, then pointed the following areas in which banking activities needed further improvement:

- Second phase of financial inclusion along with ICT based initiatives
- Improve the CD Ratio particularly in the semi-urban sectors where currently the CD ratio was much below the norm.
- Increase the investment credit component in the overall agricultural component to a level of at least 50% to 55 %, which is unfortunately at 17 % at present.
- Flow of credit to the Secondary sector needs to be increased substantially as we failed to achieve the target during the financial year 2009-10.
- Improve the flow of MIS for which he requested SLBC Convenor as well as all banks present in the meeting to look at this particular critical area and ensure that the data flow to the SLBC improves and do succeed in compressing the turn around time as far as the submission of MIS is concerned. In the process he reminded to ensure integrity of the data.

In conclusion, Sri. Upendra Kamath expressed hope that the day's deliberations would bring out meaningful suggestions and solutions that would contribute to the overall economic development of the State.

Sri. V. S. Achuthanandan, Hon. Chief Minister of Kerala, in his keynote address noted that Kerala State stood at the forefront in banking density in the Country. There were over 7000 branches of the public sector, private sector and co-operative sector banks put together. Only a little more than 100 villages in the State were there without a bank functioning in that village. Action has to be hence taken to open branches of Commercial banks in such areas also. He expressed serious concern over presence of "blade financiers" (Private Money Lenders who charge exorbitant interest) in the state though it was at the top in respect of banking density. The Chief Minister exhorted the members to ponder over the reasons for this situation as a part of such review meetings. He suggested that the issue has to be looked into whether it is on account of non availability of assistance from the banks at the right time that farmers, small scale traders and small scale industrialists or others requiring money for other needs like marriage, education, etc. are forced to fall into the trap of "blade" financiers. It should be possible for the banking sector to evolve imaginative and practical policies to drive away the "blades" which force people to suicides, murders and other undesirable happenings in the State. It should also be examined whether actions which are indirectly helpful to the private financiers are being taken from the bankers' side. He pointed out that there were complaints that banks were extending loans to private financiers at the rate of 6 % or 7 % and they in turn extend loans to the people at exorbitant rates of interest, using this money. There was also complaints that the rigidity shown to the farmers, small scale merchants and industrialists who approach the banks for loans were not shown to private financiers. There were banks which extended loans to corporate institutions at rate of interest lesser than those charged for agricultural loans. All these matters, he suggested, have to be examined transparently.

Sri. Achuthanandan then touched upon the problems related to Credit Deposit Ratio. The Credit Deposit Ratio that was about 71.5 % in 2008 had dropped to 67.63% last year. Despite the slight decline in NRI deposits, there has been considerable increase in deposits of the banks in the State. However there was no proportionate increase in credit in proportion to the increase in deposits. He warned that banking would face a crisis if accumulated deposits are not redeployed properly. For solving such crisis only some developed countries divert their financial capital in plenty to third world countries. In respect of the banks functioning in our State, as per the statistics for the current year there is difference of about fifty thousand crores of rupees between credit and deposit. That means, these fifty thousand crores of rupees was remaining unutilized or chanelised to other places by banks. He suggested that with proper planning we can reinvest this amount in our own state and thereby use it for the developmental activities. The only thing is that liberal and scientific plans are to be formulated for this. If this was made possible, then there would be no need for the State to depend on foreign financial sources.

He pointed out that agriculture was the one sector for which banks should give maximum priority. More long term investment credit was required for increasing agricultural production. On a closer analysis it could be seen that at present out of the total agricultural credit more than eighty percent were given as short term loans. Loans for particular crops were to be formulated to promote long term investments for increasing production. He noted that in Kerala, co-operative banks were extending interest free loans for paddy cultivation and the interest is subsidized by the Government. Commercial banks should be prepared to give loans for all sorts of agriculture activities at the lowest possible rate of interest. From the agenda reports he noted that there has been a considerable increase in agricultural credit during the last two years - an increase of about Rs. 6000 crores. His question was that whether all the loans granted for agricultural purpose are fully utilized for the same purpose or not. He exhorted that misuse of agricultural loans has to be considered as a serious matter and has to be dealt with appropriately.

He then expressed his concern over the issues raised by the public against the banks with regard to sanctioning of education loans. He informed that it was reported to him that no guidelines had been issued to the banks regarding loans for nursing and related courses. It was also brought to his notice that there were middlemen who take students in an organized manner to the colleges outside the States. In the process it is not ascertained whether such colleges have recognition. These things create problems in the sanctioning Education loans by banks. Even though the fees for nursing courses have been fixed in Kerala, different rates are prevalent in other states. He noted that large scale exploitation and interference by the middlemen are prevalent in this segment. Banks were under the opinion that though the Central Government has directed banks to give loans without security, the disorderliness prevailing in this matter in other states need to be specifically examined. He observed that Banks were anxious about the disparity between the prospective salary and the installments of proposed repayments and expects that serious problems could arise in future. He suggested that it was the Central Government which paved the way for the unrestricted functioning of self financing colleges. Hence it is the duty of the Central Government to rationalize the fees structure, liberalize bank loans, compensate for the interest loss caused to the Banks and ensure repayment of these loans. The interest for education loans needs to be considerably reduced and the period of repayment has to be considerably increased.

He urged upon the banks that the tendency of behaving rudely to those who seek education loans had to be stopped. He requested that no one should be denied educational opportunity due to failure on the part of banks. There had been incidents that led to suicides due to the desperation caused by refusal of admission as a result of delay in sanctioning loan. He reiterated that it has to be ensured that no such incidents are repeated and a very liberal attitude has to be adopted in this matter. Hence action had to be taken for quick disposal of applications and disbursement of loan. Sri Achuthanandan suggested that a uniform system had to be evolved at the district level for this purpose and arrangements should be made for monitoring the same. Complaints have been received to the effect that some institutions have not been included in the purview of education loans. It was reported

that loans are not being sanctioned even for courses offered by technical institutions of international repute like NTTF. A positive approach has to be evolved in such instances.

He then touched upon the social welfare activities to be adopted by banks. He suggested that banks should strictly comply with the direction that a specified percentage of profit shall be spent for the welfare activities in the concerned locality. Banks could do a lot in the realm of educational assistance, medical treatment etc if this is put in place.

In conclusion, Sri. Achuthanandan expressed hope that that all these matters would be discussed in detailed by the groups and decisions would be taken.

In his address, **Dr. P. Prabhakaran IAS**, Chief Secretary, Government of Kerala complimented all the bankers for the credible achievements in extending credit to various segments in the State. He noted that Sri. H. S. Upendra Kamath, Executive Director of Canara Bank had highlighted various significant achievements in the field of credit coverage for the priority sector and other important areas including various Government of India schemes. He also noted that Sri. V. S. Achuthanandan, Hon'ble Chief Minister of the State had highlighted some of the critical gaps that still need to be addressed very seriously by both bankers and administrators in the State.

As far as financial inclusion is concerned, State Government was committed for the initial pilot projects and hoped that it would take some time to grow into full-fledged schemes and ensure coverage in the selected districts. But, he was sure that in the coming months all the Districts can together ensure 100 % financial inclusion in the State of Kerala. He informed that RBI Governor during his visit to the State had stressed on inclusion of financial literacy, financial inclusion studies in the school curriculum itself and for which State Government had already initiated necessary measures. It would be a very laudable initiative to prepare future generation of the Kerala to be 100% ready to take on the ICT enabled banking facilities.

As far as Government of India and Government of Kerala programmes are concerned, he informed that participation of banks had been fairly satisfactory, but further improvement was needed in some areas. While reviewing the special component plan, tribals plan and various other important programmes targeted to BPL people and needy segments it was found that further improvement was required in SHG lending. He informed that as Additional Chief Secretary (Finance), he had associated with couple of sub-committee meetings of SLBC for reviewing the pending issues between banks and State Government Departments wherein he had got opportunity to interact with senior bankers and representatives of SLBC. He hoped that for implementation of Government of India as well as Government of Kerala schemes in some of the priority areas, State Government and banks should work together with regular monitoring so that performance could be improved.

He informed that Government of Kerala had received active support from RBI, NABARD for the implementation of various RIDF programmes, RKBY schemes and other schemes

that the State Government had put in the priority list. However he pointed out that lending to the co-operative institutions continues to be an area of concern because of some fundamental aspects which need to be addressed rather quickly. As far as other priority areas like fisheries he informed that lot of schemes have been sponsored by National Fisheries Development Board (NFDB) in which further participation from banks would be necessary. He requested the members to consider all of them for detailed deliberations in the meeting. While going through the agenda items on the primary, secondary and tertiary sectors, he felt that all the findings and recommendations of the groups would be adopted in as an ultimate conclusion or solution for the issues there in.

In conclusion, Dr. Prabhakaran IAS, assured that Government would be extending full support and would be fully geared up to meet the requirements of banks so as to achieve whatever has to be achieved as far as the banking sector in the Kerala concerned. He requested all banks to take a serious note regarding the important observations made by Hon'ble Chief Minister of Kerala during his inaugural address. For addressing these issues by banks, State Government should facilitate all helping hands so as to overcome some of the criticisms.

Sri. S. M. Vijayanand IAS, Principal Secretary Local self Government Department, Government of Kerala touched upon the following points relating to his department.

- National Rural Livelihood Mission (NRLM) guidelines – the scheme has been formally approved by the Union Cabinet and action is underway for which active co-operation from banks would be required for making the scheme successful. Since Kerala was a state with low poverty level, would be getting only 1.61 % of the National Equity - ie around Rs.120 crores in the first two years. Kerala was rated as one among the top performing States in the Country by NRLM because of the Kudumbashree network. There is One Billion Dollar special fund with Government of India and Kerala State could tap more than due share so as to produce innovative projects through collective exercise.
- Linkages between RSETI and NRLM have to be formally structured and a meeting shall be called for to work out the details.
- Most of BLBCs are not functioning well. The BLBCs becomes a critical institution with NRLM. He requested all banks to take necessary steps for strengthening the BLBCs for which Government of Kerala would issue necessary instructions
- Legacy issues under SGSY – The sub targets for SCs/STs is 50% under the scheme and Kerala has only 10 % SC/ST population. Many people who were assisted earlier under IRDP and SGSY with rather low quantum of loans had become defaulters also. So a transition plan would be required with the support of State Government and banks. Otherwise real purpose of NRLM would not be realized.
- Planning for NRLM would require some very good studies on potentials in Kerala. Placement is one new component of NRLM which is more suited to Kerala that would require high quality labour market study for which collective action from banks would be required.

- The draft guideline of NRLM was ready and that would be shared with banks so as to incorporate valuable comments before it becomes final. Exclusive training programmes on the guidelines on NRLM would be arranged for banks.
- Though there is tremendous potential in the State, ISHUP could not take off in the State and this should be sorted out.
- As part of the guidelines accepted by CLCCI there was no linkage in DRI under IAY. It was understood that DRI has no mortgage up to Rs. 20,000 which would have to be clarified to make it workable because poor families are the beneficiaries under the scheme.

Regarding the Sub-Committee of SLBC headed by Additional Chief Secretary (Finance) for sorting out pending issues of SLBC, Sri. Vijayanand IAS informed that he has been assigned with additional charge of Finance also. Hence he assured that the meeting would be arranged shortly for sorting out all the long standing issues.

Smt. Suma Varma, Regional Director, Reserve Bank of India expressed happiness over the gracing of the SLRM by Hon'ble Chief Minister of the State. She informed that when the Governor, Reserve Bank of India had visited Kerala in May 2010 for attending Central Board Meeting, he met the Hon'ble Chief Minister of the State and had requested him to attend SLBC meeting at least once in a year. Responding to this call the Chief Minister had attended the SLRM. She expressed that RBI would be grateful and hoped that the direction which was given would be very seriously carried forward by all members.

She stated that one of the best practices that were observed in the State of Kerala was the two days review meeting convened by SLBC. It was deliberating every individual issue in detailed. She thanked the Chief Secretary for giving information regarding the acceptance by the State Government to include the inputs on Financial Literacy in the school curriculum that were handed over to the Chief Minister.

As part of the Platinum Jubilee celebration of RBI that concluded recently, RBI Governor had embarked upon conduct of outreach programmes. She informed that such programmes would be continued in the current year also. As part of the programme, during the previous year, RBI had identified 7 villages in the State of Kerala as well as one village in Lakshadweep as model villages. She expressed her concern that the initiatives on ICT based financial inclusion were yet to take off in all these villages. She requested all banks to show considerable improvement in the forthcoming months for drawing up a better picture under the programme. She added that the Deputy General Manager of RBI, Trivandrum Regional Office, who had recently taken charge, had taken initiatives in making RBI participation in some of the most prominent cultural programmes held in the State. RBI had participated in National livestock exhibition and food festival held at Kanakakkunnu palace, Trivandrum and also associated with the Nehru Trophy boat race in Alappuzha for the first time

Touching upon the Financial Inclusion Programme, she pointed out that the High level committee on reviewing Lead Bank Scheme, chaired by Smt. Usha Thorat, Deputy Governor, RBI had recommended preparing a roadmap to provide services through banking outlets in every villages having population of over 2000 by March 2011. She noted that SLBC Convenor had identified 120 such villages in co-ordination with Government Departments for providing banking facilities.

RBI had a high level group on systems and procedures for currency distribution which had made recommendation for installation of note sorting machines at all bank branches in a phased manner and all the higher denomination notes of Rs. 100 and above would be reissued by banks over the counters through ATMs. RBI had advised all banks that in branches with receipts of over 1 crore and above the same had to be complied by March 2010 thereafter 15 lakhs and above would be covered by March 2011.

Smt. Suma Varma then pointed out a few developments took place since last SLBC meeting.

- Under the interest subvention scheme of Government of India, for short term crop production loans up to Rs.3.00 lakhs, an interest subvention of 1.5% per annum would be given for this financial year. Moreover an additional interest subvention of 2 % per annum would also be given in respect of those who would repay short term production credit within one year of disbursement or drawal of such loans.
- Loans granted by commercial banks for agriculture and allied activities were eligible for classification under priority sector advances irrespective that the borrowing entity is engaged in exports or other wise.
- RBI had advised to enhance the collateral free limit for medium and small entrepreneurs from Rs. 5 lakhs to Rs. 10 lakhs and revised the waiver of margin and security requirements for agriculture loans upward from Rs. 50,000 to Rs. 1 lakh.
- As far as revitalizing of SLBC is concerned, RBI had embarked upon new paths as a result of which Hon'ble Chief Minister had attended the SLRM. The high level participation both from State Government as well as banks would motivate all bankers in doing much better in future. State Govt should provide adequate infrastructure facilities and support to banks which in turn would enable them to provide banking facilities to the people in time.
- Despite concerted efforts done by SLBC and banks for setting up FLCCs, a very big gap was found in 'financial literacy'. Adhering to the guidelines of RBI, banks had to come forward for setting up credit counseling centres in each district. She requested all banks to ensure that FLCCs set up by one particular bank would be catering to the customers of other banks also.
- RBI had recently gone through entire gamut of PLR and found that good numbers of loans were given at sub PLR level. Now the banks have come up with the base rate system introduced by RBI on 1st July 2010. The progress of running the system would be reviewed by RBI in the month of December.

- Regarding opening of No frills accounts for students, she pointed out that when the students from lesser achievement group or minority communities approach banks for availing various scholarships and other benefits offered by Government, they may require to open no frills accounts which banks should facilitate duly ensuring stipulated KYC norms.
- Government of India had launched a scheme for 1% interest subvention for Housing Loans up to Rs. 10 lakhs for the period from 1st October 2009 to 31st March 2011 through all scheduled commercial banks to improve the affordability of housing to eligible borrowers in the middle and lower income groups.
- She said that RBI had given permission to domestic scheduled commercial banks to open branches in tier 3 to tier 6 centers with a population below 50000 subject to the reporting. RBI had also been given permission to operationalize mobile ATMs at identified places without prior permission.

Concluding her remarks she requested all banks to log on to RBI website and give their feedback/views. She informed that the representative of CAB opined that the follow up made by SLBC was very good, but at the implementation stage at the grass root level banks shall be very conscious in addressing the gaps. Regarding Education Loans she suggested forming a permanent sub-committee of SLBC to look in to the practical aspects and formalities an ongoing basis.

Sri. Teeka Ram Meena IAS, Secretary, Planning & Economic Affairs Department, Government of Kerala observed that most of the issues have been raised by Hon'ble Chief Minister of Kerala and Chief Secretary of the State and observed that this was the first time both of them were present in the meeting which gave high credibility and importance to the SLRM. He noted the points made by the Executive Director of Canara Bank that, agricultural credit have been doubled, banks were actively involved in the poverty alleviation programmes particularly the activities of Kudumbashree and credit flow to the priority sector was also very impressive. Moreover, active co-operation was received from Banks at grass root level for implementing the programmes/schemes of local self government institutions. It was also mentioned that total deposits had increased by 17 %, but Credit Deposit Ratio had come down from 71 % in 2008 to 67 % in 2010. This was one of the areas of concern expressed by Hon'ble Chief Minister the State also. He noted that disbursement was not in proportion to the Credit Deposit Ratio which also had to be improved.

Touching upon the issues regarding Education Loans, he informed that Department had received complaints from some of the districts. While quoting the unfortunate incident that took place in Kozhikkode District which led to the suicide attempt of father of a student due to the delay in sanctioning Education Loan, he informed that the District Collector had reported the matter to the Chief Secretary of the State. Though later on, the case has been settled with the appropriate action from higher authority of the bank but the kind of behaviour, approach of the bank manager as well as the delay in sanctioning of Education Loans would create some sort of doubt and apprehension in the minds of parents of

students. He requested all banks to look into the matter more carefully and sympathetically.

He observed that the scheme details of NRLM are not available which would be worked out between the Departments and Banks.

Sri. Meena IAS noted that long pending issues were figuring again and again in the agenda notes of the meeting. He informed that the State Government and SLBC had jointly formed a Sub-Committee for sorting out long pending issues and expressed hope that either the pending issues could be dropped or remedial measures/follow up action should be taken by the concerned Departments without prolonging the issue unduly.

He informed that though the agenda notes have been sent one month advance to the Secretaries of the State Government, some of them have not provided the follow up action notes/details to the Department of Planning in time. He requested all the line departments of the State Government that whenever agenda note is circulated, the notes as well as follow up action should be given to the Department of Planning to enable them to consolidate the same and provide to the higher authorities for proper action / information.

Concluding his remarks, Sri.Teeka Ram Meena, IAS informed that regarding Education Loans, Government of India had given direction that the district level sub-committees and block level committees should be constituted and requested to constitute the same immediately if the same has not been done. The Joint Secretary, Ministry of HRD, Government of India had written a letter to the Chief Secretary of the State requesting to give direction to all banks to constitute these committees at district and block level. He expressed hope that action in this regard would be taken by concerned banks and for which Government also would issue necessary direction to the district authorities once again.

Sri. K. C. Shashidhar, Chief General Manager, NABARD in his address congratulated all banks and various line departments of State Government for extending their support to achieve the Annual Credit Plan targets for the year 2009-2010. He observed that as against the target of around Rs. 41,700 crores, the achievement stood at more than Rs. 51,000 crores as at 31.03.2010 registering 123 % achievement. As against the target fixed, the achievement under Primary Sector registered 135% whereas secondary sector registered only 75% and the tertiary sector stood at 120%. State had achieved the parameters stipulated by RBI regarding Priority sector advances and Agriculture advances reaching a position of 60% and 22.5% respectively against the total advances. SLBC Convenor had taken unstinted efforts in resolving various issues directly connected with banks as well as related with Government where a joint handholding was required with Government and Banks. SLBC could sort out these issues effectively and the same percolated down to the bottom. Making use of it if the bank managers were able to function with their best ability there would be further scope for improvement by including best practices. Nevertheless SLBC forum had not only taken various steps in resolving problems but had also initiated new steps in streamlining whatever steps that have already been taken. At the same time,

SLBC was also accelerating the developments in close co-ordination with Government Department, RBI, NABARD and other developmental agencies.

He then highlighted a few issues to be given more focus by all the banks in the future.

- **Ground level credit relating to agriculture:** The per capita deposits in Kerala was around Rs. 43,000 and was higher than that of national average of Rs. 34,000 and the per capita advances in the State of Kerala stood around Rs. 30,000 which was also higher than the national average of around Rs. 25,000. However the Credit Deposit Ratio of the State stood at 67% which was lower than the national average of 74% for which strategies should be taken to increase the same by various banks so as to take the CD Ratio of Kerala at par with National standards. Agriculture credit has been extended up to Rs. 24,000 crores in the State of Kerala, of which about 83% was granted as crop loans and rest as term loans which would be a matter of concern. RBI, State Government, NABARD and all of us are expected to promote capital investment and capital formation in the State of Kerala in the field of Agriculture. Capital formation in agriculture must take place simultaneously with granting of crop loans. Out of the crop loans extended, 70% have been agriculture jewel loan. Some sort of careful attention would be required in ensuring the productive use of agriculture loan extended by banks. Time has come for banks to focus on capital formation in agriculture and this would ultimately pave way for further agriculture development in the country. Along with technological innovations and extension services, proper monitoring by the banks would be absolutely necessary to ensure the quality as well as the quantum of credit flow extended to the borrowers.
- **Financial Inclusion:** One of the means of financial inclusion was to provide hassle free credit to all those who have been excluded from this. Kerala State had been declared as 100% financially included State, but it was now observed that there was no reality in 100% financial inclusion at field level as claimed earlier. The situation has to be reviewed further and the process should reach out to tribal as well as costal fishermen in the State. Various steps have been taken by the state to widen financial inclusion process by adopting BC/BF models, Farmers Clubs and NABARD programmes on SHGs.
- **Kisan Credit Cards** – Considering the low off take of KCCs in the State, Hon'ble Finance Minister of the State had made an announcement during his Budget speech to ensure 100% issuance of KCCs. Couple of months back, the Joint Secretary, Banking Division, Government of India and NABARD officials had made a field visit in Alappuzha District wherein it was found that awareness was lacking among people about KCC scheme. The main problem was non dependable database on KCCs for which Lead Banks of various districts were requested to provide the data as how many people have got KCCs as well as how many people would be eligible for KCCs. LDMs were not able to give particular information because of non availability of eligible farmers list. As per statistics, 66 lakhs house holds are there in the State against which only 15 lakh active KCCs only were given. As per the direction of Agricultural Production Commissioner, Government of Kerala, a sub-committee of

SLBC has been constituted for preparing a road map for KCCs and a target of 35 to 40 lakhs KCCs has to be fixed during the current year. He pointed out that in the State around 11.6 lakh farmers have been benefited under ADWDR scheme, of which only 4 lakh farmers have been provided with fresh loans which would defeat the purpose of ADWDR scheme. He requested all LDMs and SLBC to look into the matter seriously so as to reach the target of 100% issuance of KCCs.

- Government of India and NABARD were working very closely with the SHGs movement in Kerala for stabilizing SHGs. Now Government of India and NABARD were moving one step further for forming Joint Liability Groups (JLGs). He requested all banks to give more attention to the JLGs. NABARD had set a target of forming 15,000 JLGs in the State with the support of banks and the process would be monitored by NABARD. As part of involvement of Government of India, Executive Director, Kudumbashree had taken lot of steps for the formation of JLGs. Moreover, some of the commercial banks, RRBs and Co-operative banks have taken steps in forming JLGs. He informed that, District Co-operative banks intended to form more than 2000 JLGs in Wayanad District. This was also a wonderful instrument through which financial inclusion could take place.
- Potential Linked Credit Plan (PLPs) for each district of the State of Kerala was prepared by NABARD in close association with LDMs and District line authorities. PLPs for the next year would be rolled out within a few months time. It would pave the road map for the next year's financing to the banking sector as well as the Government of Kerala to make its plan because this document would reach planning commission of Government of India for various allocations for the State also. PLPs made should be put to good use by the LDMs so that the potential which had been identified in a joint and consultative matter could be exploited in the best possible manner. Chief Secretary of the State had flagged out the issues relating to Co-operative Sector and NABARD had taken lot of interest for resolving them. Co-operation from all stakeholders were expected for this. The State Co-operative bank had submitted a road map for coming out of section 11 and this has been forwarded to Central Office of NABARD for onward transmission to RBI and Government of India. He noted that RRBs were doing very well and the progress had been reviewed on a continuous basis by NABARD. He added that Government of India for the first time ever had announced an incentive scheme to the Chairmen of RRBs.

Sri. P. Pradeep Kumar, Managing Director, State Bank of Travancore extended appreciation to all banks for surpassing the Annual Credit Plan targets for 2009-2010. He said that State Bank of Travancore, the peer bank in Kerala State, had greater responsibility and role to ensure the growth of Kerala and would spare no efforts to ensure flow of credit to all sectors in Kerala.

Regarding the expansion of Credit, he informed that for the last two years during the cropping season, a campaign was arranged by SBT called Haritholsavam for pushing Agricultural loans. For the first five months of the current year, SBT had achieved a

growth more than the growth achieved during the last three years. He requested all banks to deliberate on the matter for improving flow of credit to agriculture in the State.

Regarding the mention made by Chief Secretary on inclusion of Financial Literacy in the school curriculum, he said that FLCCs have been established in all the lead districts of the bank and those FLCCs could associate with the State Government as well as the schools in direct financial literacy. He remarked that other than setting up FLCCs, banks have the responsibility to train the teachers too, for which banks need to come forward.

Regarding Financial Inclusion, he stated that SBT had identified smart card technology which would be adopted by partnering with Kudumbashree to implement banks Financial Inclusion programme. He was sure that because of limited number of villages allotted to each bank, the financial inclusion programme could be completed within one year.

Touching upon Education Loans, Sri. Pradeep Kumar informed that SBT had started Rural Credit Centres in Palakkad district for sanctioning all loans so as to standardize the process. SBT is trying the experiment in opening CPC at Ponkunnam in Kottayam District. Since this model can remove the bias of the individual branch manager/officers handling these loans, SLBC may deliberate the same. This also helps in improvement of MIS system. He added that without right information, it would be difficult to take right decision, so all the banks in the SLBC forum should strengthen their MIS system.

Smt. Nivedita P. Haran IAS, Additional Chief Secretary, Revenue Department Government of Kerala touched up on some of the issues covered in the agenda notes and came up with the latest position on these.

Referring to SARFAESI Act, she informed that the act was something similar to the RR Act. Under RR Act, collection charges have been levied whereas in SARFAESI Act there was no mention in this regard. The AG had raised objections regarding the abeyance of actions and inactions in many districts due to levying collection charges by District Collectors under SARFAESI Act. She requested the forum to come up with a decision that similar to the RR Act, collection charges need to be levied under SARFAESI Act also.

She further clarified that draft Land Titling Bill was in progress. The bill envisages that a land titling agency shall function as a Government Department and all the relevant offices, viz. Revenue, Registration and Survey, would be brought under one umbrella so that they all function with a common database. The bill allows indemnification of land owners for any defect in land records. The bill has been placed on the website of Department of Land Resources.

The bill is a Model Bill and the States have the option to examine and adopt it. It needs to be mentioned that such a bill can be adopted only after the land records and survey records are made reliable, up-to-date and tamper proof. She proposed that a Special Group may be set up by SLBC to discuss the above issues and to move forward in the State. She suggested that the issue of land lease and mortgaging can also be discussed by this special group.

She informed that in Kerala, Registration Department is a separate department from Revenue Department. The registration done by the Registration Department was based on a Central Act. Hence the veracity of the document, whether a land holder registers a property with or without ownership is not verified. For changing this, an amendment to the Act would be required. Regarding sharing of the common data between Revenue, Survey and Registration Department, she solicited wholehearted support from banks. She opined that a sub-committee may be formed to sort out these issues and the same committee may also deliberate on the pending issues with the Revenue Department.

Regarding Tsunami Programme, she then pointed out that when the Tsunami happened in 2004, banks have extended small loan amounts ranging from Rs. 5000 to Rs.10,000 to Tsunami affected families in the worst affected areas. The loan receivers as well as the Government thought that it was a grant. In 2007, banks have come up with a demand saying that it was a loan. Rs. 5000 has now become many folds and requested the Government to pay that amount. Government had sought the approval of planning commission to pay that amount from TRP programme but the request was denied because the money was given for the benefit of the families. Therefore the issue has not been settled so far. Since TRP would be completed by the end of the current year, she requested concerned banks to write off the amount or to settle them some how.

She added that under Calamity Relief Fund, Government of India had provided money to the State Government. The fund is in the ratio of 75:25 and assistance would be provided to those persons who have been affected by calamity/disaster. The fund would be provided mainly for agricultural crop loss, damage of houses and exgratia to the families and people who died or injured. Previous year Government had succeeded in releasing these amounts through bank account in most of the districts so as to avoid loss of money under the fund. Government wanted actual amount to be received by the beneficiaries. The programme had been successfully implemented in Wayanad District. For successful implementation of the programme, the beneficiary should have to open a bank account so as to enable the Government to deposit the money to their account. She requested that this issue shall be addressed properly.

Smt. Sarada Muraleedharan IAS, Executive Director, Kudumbashree, in her address informed that draft guidelines on National Rural Livelihood Mission (NRLM) have been circulated to Government of Kerala and after finalization of the guidelines it would be placed before SLBC with details. Kudumbashree had been identified as State Level mission for the NRLM. Government of India has taken a decision to implement the mission activities in Kerala and Andhra Pradesh.

As Chief General Manager, NABARD mentioned, as part of the Financial Inclusion process Government had given greater importance to tribal and coastal communities. Social mobilization and universal coverage would be the first step to be taken as far as NRLM is concerned, whereas now the coverage would be reaching 95% and the balance of

5% would be mainly from tribal as well as coastal areas. Government would come up with concerted joint strategies for addressing the issues and that would be contributed in phase II of financial inclusion. NRLM would be able to play a significant role in making financial inclusion reality for poor segments of the society. She appreciated SLBC for giving adequate support to Government of India and Kudumbashree in the operation of interest subsidy programme of the State Government as well as working out the operational components of Bhavanashree take over by the State Government. She informed that the operational guidelines for the take over of the Bhavanashree loan have been approved by the Government and Government Order was issued on 13.09.2010. She requested SLBC to take initiative to call sub-committee meeting with all participating banks so that the modality of take over could be finalized. Joint Liability Groups (JLGs), a poverty intervention area of the State, set a target of 15,000 for which Kudumbashree has been very active in supporting tenant women farmers to come out and take up agriculture activities. Government was able to route NREGS to ensure land development also. During the last year about 44000 women farmers were engaged in farming activities. For the current year, with the active support of NABARD, Department had taken steps in converting the activity groups into JLGs, so as to enable them to avail agriculture credit. For ensuring agriculture credit, the farm groups which are registered as JLGs would be provided upfront interest subsidy through banks. In this context she made a request to NABARD to revise the figures of 15000, because as on date 17000 JLGs were registered which may be extended to 50,000. SLBC may come up with a system of operational simplicity in enabling the groups to open SB account for availing loans. SHG beneficiaries would probably make Kerala as the pioneer in the area livelihood interventions and food security.

Touching upon the ISHUP programmes, Smt. Sarada Muraleedharan said that the other states have started mobilising applications and are in the process of sanctioning loans under ISHUP, but Kerala State has not yet started the scheme due to non finalization of operational guidelines. A few banks have indicated their participation with HUDCO and National Housing Bank. After finalization of the operational guidelines it would be placed before SLBC so as to review the modalities of the programme. The Government was planning to link ISHUP subsidy programme with EMS housing scheme so as to enable mobilizing and forwarding of applications to the banks through CDS. HUDCO had come out with an advertisement in the news papers on the basis of which lot of interest has been generated in this programme. All the enquiries/information would be made available from the concerned urban CDS. Department had requested all the districts to convene DLRC meetings to discuss/share the modalities of Interest subsidy scheme, JLGs, ISHUP with banks. Moreover SJSRY operational guidelines have been revamped by the State Government with quite significant change in the modus operandi. In this context she requested all banks to ensure participation of field officers in the awareness meetings so that Department would be able take forward the issues. She was happy to inform that Kudumbashree had launched the first phase of financial literacy campaign with the support of banks. In the first level training itself it was found that the NHGs, which have become defunct over a period of time, need to be revived and brought back to the field of formal

credit system. Concluding her remarks, she appreciated the support and interfaces extended by all the banks for successfully implementing Government programmes.

Speaking on the occasion, **Sri. K. R. Jyothilal IAS**, Secretary, Food, Civil supplies & Fisheries Department, Government of Kerala touched upon the following points.

- Regarding NFDB scheme, he informed that the guidelines on lot of schemes were circulated for getting funds from banks to the SHGs for production of ornamental fisheries, setting up of new outlets etc. He requested all banks to co-operate with the scheme.
- He touched upon a success story of Department starting a company on PPP mode for exporting ornamental fish which was first time in the country and running successfully. Department have got almost 1000 units of SHG women for doing the work. Already 7 consignments had gone to USA, Singapore, France etc. Now Department was starting import of more breeds from USA which would help to bring self sufficiency especially in the case of women working in backyard hatcheries of 5-10 cents. For setting up the hatcheries NFDB would be providing 50% funding support and the remaining 50% fund would be expected from banks.
- Under State Government Debt relief scheme for fishermen Rs. 120 crores would be written off. More loans availed from banks were covered as Department had no records regarding the loans taken from money lenders. As of now Department had received 1.5 lakhs applications under the scheme. Financial inclusion of the fishermen community has to be ensured. Department was planning to introduce Fishermen Credit Cards just like KCC. Department is going to link all schemes together and form an income guarantee scheme for each fishermen up to Rs. 5000. The Department had launched a scheme called Interest free loans for the farmers which also requires adequate funding support from banks. He requested all banks to join in this venture wherein the interest portion would be born by the State Government and loan repayment under the scheme would not be an issue.
- Regarding housing, he informed that Government of Kerala had received Rs. 50,000 ceiling amount fixed from Government of India under National Fishermen Welfare Fund for Housing. Since Rs. 50,000 is not enough for building any house in Kerala, it might require another Rs. 50,000 also. He requested all banks to extend funding support for the scheme so as to help the fisher folk in the State.
- Department had formed 2000 JLGs under the TRP and functioning quite well for which he solicited co-operation from all banks.
- Regarding Civil Supplies Corporation, he said that every year all banks have been lending around Rs. 200 to Rs.300 crores and Department had taken short term loan from banks. Last time Department had received loans from ICICI bank with lowest interest rate ever issued by any bank. So Department had taken up the matter with RBI that if new generation banks are coming forward to give loans at 7.5 % or 8 %, Commercial Banks should have a re-think on their interest rates. He added that during the current year, YES bank had come forward to fund the schemes of the Department.

The house then proceeded to consider the agenda items.

1. ADOPTION OF THE MINUTES OF THE PREVIOUS SLBC MEETING

The forum adopted the minutes of the 101st meeting of SLBC, Kerala held on 30th March, 2010, which was forwarded to the members, vide Convener's letter TLB 35 805 2010 RP dated 17.05.2010 without any modification.

Thereafter, the leaders of the groups presented the reports and recommendations of the three groups for consideration and deliberations of the house.

2. Issues For Group Discussion On Primary Sector (Group I)

(Sri. Radhakrishnan Nampoothiri P., LDM, Pathanamthitta, the leader of Group-I presented the report of the group).

2.1. Review Of Performance Under Annual Credit Plan 2009-2010

2.1.1. Bankwise Performance – Primary Sector

The Group felt that over all, all groups of banks could achieve the target set. It was felt that banks which could not achieve 80% of the target may strive to perform better in the coming year. Proper and prompt reporting was suggested to overcome the deficiency.

(Action: All Banks)

2.1.2. District wise Performance under Primary Sector

The groups evaluated the district wise performance under agriculture and expressed satisfaction over the overall performance. The specific issues relating to the low performance under agriculture in the districts were then evaluated.

LDM, Wayanad informed that more than 80% of loans are under Agriculture. Since the repayments were not done on time, renewals are not possible thereby affecting flow of credit. Disbursements under Dairy were negligible though there is scope for lending. Off take of loans under Dairy Sector is to be increased considering scope and demand. Efforts shall be taken to overcome the issue.

LDM of Idukki reported that borrowers are finding it difficult to produce current Tax Paid Receipts as well as Possession Certificates, which affects sanction of fresh loans as well as renewals of existing loans. Government of Kerala may be approached for remedial measures. The matter may be brought to the notice of Government.

*(Action: LDM, Idukki, Kollam, Pathanamthitta & Wayanad)
(SLBC / Revenue Dept to look into other issues)*

2.2. Agriculture Advances

The Group expressed satisfaction over the performance under outstanding level of advance to agriculture. There has been an increase of 36.51% over March 2009 level.

2.3. Performance under Kisan Credit Card Scheme

The Group suggested that :

- All short term production loans may be disbursed as KCC only.
- Publicity with suitable posters etc. to be displayed in Banks, Panchayat Offices, Krishi Bhavan and at the vantage points attracting the attention of the farmers.
- Wide publicity may be given through publications brought out by various Government Departments, Print media, All India Radio (Vayalum Veedum), Farm Information Bureau etc.
- KCC may be sanctioned/dispensed through Joint Liability Groups also.

The forum suggested that there shall be a minimum increase of 20% in the number of cards outstanding.

(Action: All Banks)

2.4. Agri-Clinics and Agri Business Centres

The Group opined that possibility of getting retired professionals in Agriculture and allied activities to set up Agri-Clinics and extension of credit facilities to such entrepreneurs may be explored.

The forum felt that such guidelines already exist and banks may comply with the existing guidelines.

(Action: All Banks)

2.5. Review of implementation of Package of Relief Measures for the Debt Stressed Farmers of Wayanad, Palakkad and Kasargod districts of the State

2.5.1. Progress achieved in claiming interest waiver under Relief Package

The progress made in the achievement in claiming interest waiver under relief packaged has been reviewed by the Group. No specific recommendations were made.

2.5.2. Progress in Rescheduling of loans under Relief Package

The progress made in the achievement in claiming interest waiver under relief packaged has been reviewed by the Group. No specific recommendations were made.

2.5.3. Fresh loans provided against rescheduled accounts under Relief Package

The progress made in the achievement in claiming interest waiver under relief packaged has been reviewed by the Group. No specific recommendations were made.

2.6. FRESH ISSUES

2.6.1. Action Plan for quality up scaling of JLGs in Kerala (Suggested by NABARD)

The meeting concurred with the views of NABARD on the need for quality upscaling of JLGs in the State of Kerala as provided in the agenda notes. Accordingly the target of 15,000 JLGs proposed for the year 2010-11 for the State of Kerala is also noted. District level awareness programmes may be organized by DDMs for branch officials and NGOs in their respective districts. NABARD to provide the format for data collection on JLG finance for being reviewed in regular SLBC/DCC/BLBC meetings.

(Action: NABARD)

The Group suggested that while financing JLGs, even if the loan amount exceeds Rs.3 lakhs for a group, interest subvention benefits shall be considered for such borrowers as in case of individual limit since the per borrower loan does not exceed Rs.3 lakhs.

(Action: RBI/NABARD)

2.6.2. Low share of Investment Credit in Agriculture – Issues of concern for the State of Kerala transpired in FM's Meeting on 20.07.2010 at Hyderabad.

The Group after examining the various issues that transpired in the FM's meeting on 20.07.2010 at Hyderabad suggested the following:

- Interest subvention may be made available for Investment Credit also.
- Commodity Boards like Tobacco, Coffee, Rubber etc. and other State Departments may formulate suitable Investment Schemes and forward to Banks for promotion of the Scheme.
- All crops may be brought under the purview of the centrally aided schemes wherein benefits are passed on for investment credit. (LDM of Wayanad District informed that there are certain Sprinkler Irrigation Schemes of the Government. of India. But Coffee is not included. If Coffee is also included, there may be takers in Wayanad District.)

(Action: All Banks)

2.7. PENDING ISSUES

2.7.1. Increasing the quantum of agricultural loans to Dairy farmers

The forum accepted the request of the Dairy Department to increase the unit cost of milch cow. Hence the same stands adopted for implementation by all banks.

2.7.2. Cattle Insurance

Reviewing the issue the Group felt that all General Insurance Companies should confirm that PTD cover is available to the borrowers of milch animals.

(Action: Insurance Companies/SLBC)

2.7.3. Inclusion of all perennial horticulture crops under the NAIS

The Group suggested that perennial crops like pepper, coconut, rubber, cardamom etc. should also be covered under NAIS as these are the main crops cultivated in Kerala. The forum suggested to pursue the matter further.

(Action: Department of Agriculture/AICIL)

2.7.4. Legislation for Lease Land Farming

The Group noted with concern that no progress has taken place on the subject. Hence they suggested that SLBC may continue to pursue the matter vigorously with the State Government. The forum concurred with the views expressed by the Group.

(Action: Department of Planning/ Agriculture)

2.7.5. Widening and deepening the spread of Kisan Credit Card (KCC)

The Group reviewed the recommendations of the meeting convened by the Agricultural Production Commissioner, Government of Kerala on 02.08.2010 and the Sub-Committee of SLBC that met on 05.08.2010 in Trivandrum. Accordingly it was decided to adopt the recommendations of both the meetings and to proceed further:

- (i) To have a plan of action to achieve coverage of all eligible farmers under KCCS.
- (ii) To simplify the existing procedure for issuing KCCS
- (iii) To maintain the data base at Krishi Bhavans and publish the list of all eligible and willing farmers.

(Action: Banks/Department of Agriculture)

2.8. INFORMATION NOTE

2.8.1. Coverage under Crop Insurance Schemes of the Government of India implemented by Agricultural Insurance Company of India Ltd. (AICIL) (Note by Reserve Bank of India)

The meeting noted the contents for information.

2.8.2. Allocation of State wise and agency wise targets for ground level credit for the year 2010-11 (Suggested by NABARD)

The meeting noted the contents for information.

2.8.3. Farmers' Club Programme – Farmers' Clubs as Business Facilitators (BFs) and Business Correspondents (BCs) (Note by NABARD)

The meeting noted the contents for information.

2.8.4. Agenda items by Directorate of Dairy Development & Agriculture (AHF) Department, Government of Kerala

2.8.4.1. Fodder Development Scheme

2.8.4.2. Milk shed Development Programme

The meeting approved the above schemes for implementation. However it is noted that in every SLBC, various types of schemes were proposed by the Directorate of Dairy Development for approval. Once approved, the performance of the scheme is not reported to the SLBC. Hence the forum requested the Department to ensure placing the progress in the implementation of the scheme to SLBC in future.

(Action: Directorate of Dairy Development)

2.8.5. Agenda items by Directorate of Animal Husbandry & Agriculture (AHF) Department, Government of Kerala

The meeting approved the above schemes for implementation. However it is noted that in every SLBC, various types of schemes were proposed by the Animal Husbandry Department for approval. Once approved, the performance of the scheme is not reported to the SLBC. Hence the forum requested the Department to ensure placing the progress in the implementation of the scheme to SLBC in future.

(Action: Directorate of Animal Husbandry)

2.8.6. Implementation of 'Poultry Production Unit' through KSPDC under special package for distress and suicide prone districts (Vidharba Model Package) – Suggested by MD, Kerala State Poultry Development Corporation (KSPDC) Ltd.

During the Group discussions, the representative of KSPDC informed that some modification in the Scheme is suggested by the Government of India and therefore the implementation is kept pending.

2.8.7. Information Note on Coffee Debt Relief Package 2010 (Suggested by Chairman, Coffee Board)

The meeting approved the scheme for adoption and implementation in the State at the earliest in consultation with Coffee Board and advised the banks to prefer necessary claims. Necessary guidelines shall also be provided by RBI in this regard.

(Action: All banks/RBI)

2.9. Fresh Issues emanated during the discussion

2.9.1. The M.D of Small Farmers Agro Business Consortium (SFAC) informed that they are having various loan linked subsidy Schemes. But Banks are not aware of such schemes. He requested that SLBC may give popularity of the scheme among the Bankers in the State.

The forum accepted the suggestion for necessary action and requested the MD of SFAC to provide details of new schemes for circulation amongst bankers.

(Action : SFAC)

2.9.2. The representative of National Horticulture Board (NHB) highlighted salient features of the loan linked subsidy schemes and requested that SLBC may give wide publicity to the Schemes among the Bankers. He also requested that he may be given an opportunity to make power point presentation in the next meeting.

The forum accepted the suggestion and requested NHB to provide details of schemes to SLBC for circulation. Regarding power point presentation NHB may take up with SLBC while finalizing the next schedule of SLBC meeting.

(Action : NHB)

2.9.3. The representative of National Fisheries Development Board (NFDB) informed that they are having a subsidy cum refinance scheme of NABARD for assisting fish farmers (inland fisheries). The Group suggested that wide publicity may be given among all Bankers.

The forum accepted the suggestion and requested NFDB to provided details of scheme to SLBC for circulation amongst banks.

(Action : NFDB)

2.9.4. The representative of Federal Bank informed that the Interest Subvention Scheme, which is available for only Nationalized Banks, should be extended to Private Sector Banks also. He requested that SLBC may pursue the matter with Government of India/ RBI.

The forum accepted the suggestion put forth and requested SLBC to take up the matter with Government of India/RBI.

(Action : SLBC)

2.9.5. The representative of Animal Husbandry Department has informed that the existing Agricultural Interest Subvention Scheme for short term loans may be extended to allied activities like Dairy, Poultry, Fisheries etc.

The forum accepted the suggestion put forth and requested SLBC to take up the matter with Government of India/RBI.

(Action : SLBC)

2.9.6. The Group suggested that SLBC may invite eminent academicians as special invitees in SLRM meetings and address the participants on topics of recent initiatives in Agriculture and allied activities, which are relevant to the Banking Sector.

The forum accepted the suggestion put forth and requested SLBC to do the needful.

(Action : SLBC)

3. Issues For Group Discussion On Secondary Sector & Govt. Sponsored Schemes (Group II)

(Sri. K. R. Vaidyanathan, LDM, Alappuzha, the leader of Group-II presented the report of the group).

3.1. Performance of Secondary Sector Under Annual Credit Plan (ACP)

The Group reviewed the performance of Secondary Sector under ACP and concurred with the views expressed in the agenda notes. The achievement of 74.64% of annual target was far below as compared to other sectors. There has also been a reduction in the quantum of loans disbursed as compared to the year 2008-09. It was felt that necessary corrective measures shall be taken in all districts where achievement of targets has not been accomplished.

(Action : LDMs)

3.2. Review of Disbursements to Secondary Sector under ACP

The Group concurred with the review provided in the background papers and was of the opinion that the banks listed in the note shall take appropriate corrective measures. Similarly in districts where shortfall in achievement was more than 30% viz. Kollam, Kannur, Alappuzha, Kottayam and Pathanamthitta, LDMs shall ensure that appropriate corrective measures are taken.

(Action : Controlling Offices of Banks/LDMs)

3.3. Performance under Outstanding Advances in SME sector

3.3.1. Performance under SME Advances under priority sector

The Group reviewed the performance under the Secondary Sector and came up with the following observations.

- The performance under the segment is not up to the desired level. However, there has been a hike of Rs.3664 crores during 2009-10 under MSME portfolio. The Group attributed the following as the main reasons.
 - Submission of correct data in time,
 - Incorrect and inadequate reporting
 - Old SAMIS codes being followed by Banks.

The forum observed that the above may be corrected and efforts may be taken for speedy implementation of PSMIS system as recommended by the High Power Committee which will solve the problems related to reporting.

The Group also proposed the following for improving performance under Secondary Sector :

- Recession has had its effect in postponement of investment under the sector in respect of investment and expansion by beneficiaries.
- Awareness in implementation of schemes is wanting for better performance in the sector. (*Action: Industries Department*)
- Banks have to be more considerate in lending to MSME by simplifying the procedures and documentation, besides adhering to the time specifications. (*Action: Banks*)
- Hassle free investment climate to be made available by relevant authorities. (*Action: Industries Department/Govt. of Kerala*)
- Revitalization of sick units for revival to be extensively covered to have better flow of credit for sustenance of the industry. (*Action: Industries Department/Govt. of Kerala*)
- Collateral-free quantum of loan to be increased by all financial institutions. (*Action: Government of India/RBI/CGTMSE*)
- A single window concept for approval is to be brought under sanction for setting up of industry to avoid delay. (*Action: Industries Department/Govt. of Kerala*)
- Awareness programme for classifying MSME advances to be conducted by financial institutions / Lead Banks. (*Action: LDMs*)
- Cluster approach to be followed to increase the number of units in industrial sector. (*Action: Industries Department/Banks*)
- BCSBI codes for MSME have to be popularized. (*Action: LDMs*)
- The State has to find out ways to develop/nurture the skilled and unskilled labour for industrial development. (*Action: Govt. of Kerala*)
- Private Sector Banks are advised to increase the credit flow in the sector. (*Action: RBI*)

The Group concurred with the review provided in the background papers.

3.3.2. Small and Medium Enterprises (SME) Advances

The Group observed that many units are migrating to neighbouring states on account of non availability of labour and unfavourable industrial climate in the State. Timely intervention of the concerned department is requested to sort out this issue.

With regard to shortage of labour mentioned above, **Sri. N. Narasareddy**, General Manager, Canara Bank suggested that RSETIs would be able to impart training to people under SME sector so that the matter could be taken up with the concerned Department of State Government.

3.4. Performance under Government Sponsored Schemes

3.4.1. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) as at March 2010

The group observed that the reasons for high level of rejection of applications and delay in sanction may have to be ascertained from the concerned sponsoring agency to step up the credit in future. The group opined that the coordination and monitoring has to be improved for better credit flow. Task Force committee may also be included with Bank representatives.

(Action: Local Self Government Department/ Kudumbashree)

Rationalization/Regulated rate of interest to be charged to have better flow of credit, including lending by private sector banks. Minimum balance stipulation insisted by certain Banks may be exempted for this category.

(Action: Private Sector Banks / RBI)

NMGB which is also having presence in urban area is not participating in scheme implementation. The group requested participation by NMGB to improve credit flow. With regard to the participation of NMGB under SJSRY scheme, **Sri. N. Narasareddy**, General Manager, Canara Bank informed the forum that a quick reaction was received from the Chairman of NMGB stating that already they have started extending loans under SJSRY schemes. He requested RRBs to give more priority in lending for the Government Sponsored Schemes.

3.4.2. Swarnajayanthi Gram Swarozgar Yojana (SGSY) - Performance as at March 2010

Rationalization/Regulated rate of interest to be charged to have better flow of credit, including lending by private sector banks.

(Action: Private Sector Banks / RBI)

3.4.3. Performance under PMEGP as at March 2010

The observation of the Group with regard to improving PMEGP performance is listed below.

- All Banks have to be brought under the scheme for which KVIC has to relax the existing listing norms. *(Action : KVIC)*
- There is need for conducting regular District Task Force Committee Meeting to process the applications received. *(Action : DIC)*

- Speedy and timely disposal of applications may be ensured by implementing Banks. (**Action : Banks**)
- Negative lists are to be updated and circulated to all Banks / Agencies. (**Action : KVIC**)
- Coordination of implementation agencies at District level and State level will increase the speedy disposal of PMEGP applications. (**Action : LDMs/ SLBC**)
- Awareness programme to be conducted on various schemes implemented under PMEGP scheme to be given to staff members and beneficiaries. (**Action : KVIC**)
- Implementing agencies are requested to pass on MIS to KVIC Trivandrum on regular basis. (**Action : KVIB / Industries Department**)
- A single window concept of approval is to be brought under sanction for setting up of industry to avoid delay (KSEB, Pollution Control Board, Forest Department, Panchayat/Municipality, etc, for approval). (**Action : Industries Department**)
- Age limit to be fixed for identifying the beneficiary, as senior citizen above 60 years are also presently coming under the scheme. (**Action : KVIC**)
- Front end subsidy to be provided to all implementing institutions for success of the scheme. (**Action : KVIC**)
- Sample projects (activity-wise) to be made available, so that mediators can be avoided, thereby bringing down the cost of the project. (**Action : Industries Department/LDMs**)
- Proper support from sponsoring agencies to be ensured for recovery also. (**Action : Industries Department /KVIC/KVIB**)
- One Agency approach can be adopted for successful implementation and monitoring of PMEGP scheme (similar to PMRY).

3.5. Performance under Micro-credit

The observation of the Group is listed below.

- It is noted that women SHGs are functioning well.
- More care in formation of SHGs to be ensured to avoid multiple memberships and multiple financing.
- Repayment monitoring and recovery support from sponsoring agencies is requested.
- JLGs are to be promoted for enlarging the credit flow.
- State/District level monitoring system to be brought into for better recovery and to avoid multiple financing. (**Action : LDMs/SLBC**)
- State government can consider reduction /waiver of stamp duty for SHGs / JLGs – ***It is a pending agenda item***

3.6. Review of Performance under Special Focus Programmes

3.6.1. Swarozgar Credit Card Scheme

3.6.2. Artisans Credit Card Scheme

3.6.3. Laghu Udhyami Credit Cards

3.6.4. Performance under General Credit Card Scheme

With regard to all the special focus programme, the Group observed the following:

- Rationalize all these cards for better follow up and avoiding multiple finance.
- Rationalization will help for effective recovery system in place.
- Bunching of applications to be avoided for speedy disposal.
- Ensure participation of all member banks in implementing the credit card schemes.
- Issue of GCC can be considered for JLGs.

Sri. N. Narasareddy, General Manager, Canara Bank suggested that SLBC to constitute a sub-committee to look into various operational issues so as to ensure that the things can be streamlined for better implementation of these credit cards.

(Action : SLBC / RBI)

3.7. Advances to Weaker Section

The Group concurred with the performance reported in the agenda notes.

3.8. Advances to SC/STs

The Group noted the performance under SC/ST advances given in the background notes and suggested the following.

- Stepping up the performance of Private Sector Banks and their prompt reporting to various levels.
- The various agencies involved in the mobilization of applications may also ensure timely release of eligible subsidy.
- More focus to be given to SC/ST concentrated districts like Wayanad, Idukki and Palakkad to accomplish the State targets.

3.9. DRI Advances

The Group noted the performance under DRI advances and suggested the following.

- The present ceiling in respect of DRI loans may be raised to Rs 50,000/- for all activities to step up credit flow under the scheme.

- Banks can consider lending through NGOs.
- Financing of JLGs under the scheme may be considered.
- IAY lending under the scheme without EM is recommended for consideration upto Rs 50,000/- limit.

The Group also concurred with the recommendations of the Sub-Committee given vide agenda 4.4.16 and recommended for taking it forward.

(Action : SLBC/RBI)

3.10. Credit Flow to Minority Communities

The Group noted the performance provided in the background notes and suggested that Banks without any pre-condition should consider opening of no frills account/Savings Bank account for extending of credit as per the norms.

3.11. FRESH ISSUES

3.11.1. Low Credit flow to Secondary Sector – Industry and SME – Issues of concern for the State of Kerala transpired in FM’s Meeting on 20.07.2010 at Hyderabad

The observation of the Group is listed below.

- More good and viable projects are to be brought under the sector.
- The State has to find out ways to develop/nurture the skilled and unskilled labour to reduce unemployment. It will help for industrial development in the State.
- Area specific clusters to be formed to increase the credit to MSME sector.
- Common Facility Centre to be provided to reduce dependence on beneficiary’s capital investment and related costs.
- District / Cluster based approach akin to Tamil Nadu model may be considered.

(Action: Industries Department /DIC)

3.12. PENDING ISSUES

3.12.1. CGTMSE Coverage for loans granted to SHGs

The Group suggested pursuing the matter.

Responding to the issue, **Sri. N. Narasareddy**, General Manager, Canara Bank requested that SIDBI representative should take up the matter with CGTMSE for examining the recommendations.

(Action: SIDBI /SLBC)

3.12.2. PMRY 2006–07 & 2007–08 - Non receipt of Subsidy

The Group recommended for following up the matter till a logical conclusion.

(Action: RBI / SLBC)

3.12.3. State Level Monitoring Committee on PMEGP - Suggestions

The Group concurred with the earlier decision and recommended for taking up the matter with the concerned for complying with the decision of SLBC.

(Action: KVIC /SLBC)

3.13. INFORMATION NOTE

3.13.1. Debt relief Scheme for Coir Sector (Suggested by Directorate of Coir Development)

The Group noted the contents of the information note including the recommendations of the Steering Committee. They, however, suggested the following.

- Renovation/Modernization of Coir Sector to be considered by financing institutions.
- Financing institutions can consider waiver of penal interest / charges so as to avoid sickness of the Coir units and improve the recovery portfolio.
- List of defaulting units to be furnished on a regular basis for follow up by the Board.

3.13.2. Rural Energy Marts (Suggested by Principal Secretary, SC/ST Development Department & Power Department, Government of Kerala)

The Group opined that the scheme can be considered to be included under MSME and forum adopted the same for implementation.

Sri. N. Narasareddy, General Manager, Canara Bank observed that it is a good concept in the wake of alternate energy sources being a top priority. He requested forum to take interest in popularizing the scheme.

3.13.3. Economic Stimulus Package 2008-2009 on MSME, Housing and Auto Sector – Review placed for information

The Group reviewed the progress in the implementation of the Economic Stimulus Package provided in the background notes and found to be at satisfactory level.

3.13.4. Review of Coverage under CGMSE scheme from Credit Guarantee Fund Trust for Micro And Small Enterprises (CGTMSE)

The Group reviewed the details provided as information note on CGTMSE coverage and proposed the following suggestions.

- Retail Trade to be brought under MSME since it comes under Priority Sector.
- Upfront fee and renewal fee to be scaled down.
- Fees payment / sharing can be considered by Local Self Government up to Rs 10 lakhs limits for development of SME sector.
- Repayment schedule can be issued for CGTMSE covered accounts by the Corporation for annual fees payment on EMI basis.
- Annual renewal fees can be considered on EMI basis for Working Capital finance as on March 31 every year instead of overall limit.
- Lending institutions to be provided with training on CGTMSE scheme for better flow of credit under the scheme.

(Action: MSME Ministry/ SLBC)

3.13.5. Note by Employment Directorate, Trivandrum

The forum noted the contents for information.

3.13.6. Information Note by MSME Development Institute

The forum noted the contents for information.

4. Issues For Group Discussion On Tertiary Sector (Group III)

(Sri. R. Rajagopalan, LDM, Thrissur, the leader of Group-III presented the report of the group).

4.1. Performance under Tertiary Sector of ACP

The Group noted the performance and expressed satisfaction over the level of achievement for 2009-10. It showed an increase of 35.27 % over the last fiscal. The disbursement accounted for about 48 % of the total disbursement under priority sector

4.2. Review of Disbursements to Tertiary Sector under ACP

The Group reviewed that performance under the sector district wise and came up with the following observations :

- that credit offtake in Pathanamthitta district was comparatively low as we could see from the low CD Ratio.
- reporting of Tertiary Sector in Kozhikkode District was excluding the SME portion like P&SE, RT, SRTO. Hence it recorded a lesser performance under Tertiary Sector.
- SAMIS under Lead Bank Scheme required suitable amendments/modifications incorporating SME and rest of other priority sector segments separately. Then only the correct picture of achievement under various sectors will reflect for review.
(Action : RBI)
- That lending for Housing Sector has come down due to increase in the number of perpetration of frauds. Suitable safeguard measures are suggested elsewhere in the report. The cost of construction of houses has been considerably increased due to escalation of wages, material cost and cost of land.
Hence a suggestion from the group came up to enhance the Housing Loan limit to priority sector from Rs. 20 lakhs to Rs. 25 lakhs. *(Action : SLBC / RBI)*

The forum concurred with the above suggestions.

4.3. FRESH ISSUES

4.3.1. High Level Committee to Review Lead Bank Scheme - Providing banking services in every village having population of over 2000 by March 2011 (Suggested by Reserve Bank of India)

- (a) The Group reviewed the progress in implementation of the recommendations of the High Level Committee and felt that since the deadline for bringing banking facilities under the scheme for branch less banking in villages having population of over 2000 by March 2011 is fast approaching the progress requires further toning up. Towards this, the Group suggested holding monthly review meetings by SLBC involving Controlling Offices of all banks. It also suggested that to resolve the issue raised by

Corporation Bank on account of its presence in Kannambra and State Bank of India on account of its presence in Vaniyamkulam & Thrikkaderi, the Sub-Committee in Palakkad District shall sort out the discrepancy pointed out the group meeting. The Group suggested that timely submission of the progress shall be ensured by the Controlling Offices of banks and respective LDMs.

(Action: SLBC/LDM Palakkad/ Controlling Offices of Banks)

- (b) With regard to the progress in implementation of recommendations of High Level Committee reviewed by the Hon'ble Finance Minister, the Group felt that the task would be accomplished in the State by March 2011. The opinion of the Hon'ble Minister for Education in the meeting with Finance Minister on 20.07.2010, that the banks may not insist for the 2% turn over commission from Government for transactions in No frill accounts, the Group expressed disagreement. It suggested the forum to pursue this matter with Government of Kerala further.

(Action: SLBC)

4.3.2. IT enabled Financial Inclusion (Suggested by Reserve Bank of India)

The Group noted that the process of IT based Financial Inclusion was delayed on account of approval of policy by the banks and advantages for the public wherever smart cards are issued could not be appraised at the identified pilot districts. It concurred with the views expressed by the Sub-Committee of SLBC that now the pilot project would not be of much relevance. It also concurred with the views of the Steering Committee that the review of implementation of IT enabled Financial Inclusion in these pilot districts could hence be removed from the main agenda as this item is being dealt with in all districts.

Sri. N. Narasareddy, General Manager, Canara Bank clarified that a communication from IBA was received suggesting simplification of SB Account opening form and draft copy of the agreement to be obtained from Business Correspondents. He assured to provide a copy these to SLBC, Kerala for examining for uniform adoption.

The forum also suggested highlighting success stories in the districts which has implemented the project.

(Action: SLBC)

4.3.3. Credit Linkage to Trained Youth under RSETI (Suggested by Director General, National Institute of Rural Development [NIRD])

The Group concurred with the suggestion of NIRD provided in the background notes.

It suggested that the Director of RSETI may follow up the trained cases for bank linkage and ensure availability of loans. He may seek assistance from respective LDMs for ensuring this.

Sri. N. Narasareddy, General Manager, Canara Bank stated that this is an area that has to be looked in to carefully as availability of fund support as well as closer monitoring of the progress by Government of India is involved. The Controlling Offices of all banks to ensure that the credit should be extended to all eligible RSETI trainees.

(Action: Controlling Offices of Banks/RSETIs/ LDMs)

4.3.4. Education Loans (Suggested by LDM, Ernakulam)

The Group examined the agenda items and also the issues raised by Sri. P. T. Thomas M.P. and came up with the suggestions as given below. The Group has taken care to avoid inconvenience to the students and parents.

- (a) To maintain a separate register for inwarding and disposal of Education Loan proposals.
- (b) Applications to be made available to all applicants on demand.
- (c) The time norms for disposal of loan proposals as per RBI guidelines to be strictly adhere to.
- (d) To reiterate the security norms as per IBA Model Education Loan scheme and seek intervention of Controlling Offices of banks wherever there is violation of the same.
- (e) The existing proximity concept should be continued while deciding the financing bank. Alternatively the bank where operative account maintained by the student/parent should be the financing bank. In case of further dispute the LDMs of concerned district shall take appropriate decision.
- (f) Display of scheme details of Education Loan by banks in their notice boards.
- (g) The banks should communicate the Central Government scheme for interest subsidy to the branches
- (h) Banks should be apprised to demand interest only as per IBA model scheme which does not stipulate collection of interest then and there while disbursement itself is going on.

(Action : Banks)

- (i) For deciding quantum of loans the guidelines given by IBA to be strictly adhere to. To obviate from the different quantum of tuition fees among banks, the Group suggested collection of tuition fee structure in all the 4 southern States by the SLBC and supply to the member banks.
- (j) As a choice of banks to the student is limited the rate of interest charged by the banks should be made uniform.
- (k) The SLBC may take up with the Government to speed up nominating the authority to issue Income Certificate under Interest Subsidy Scheme.

(Action : SLBC)

The Group further came out the following suggestions.

- (a) The operation of the scheme must be uniform in all the banks.
- (b) As regards to eligibility of student for Education Loan merely getting admission to eligible courses should be the criteria for defining meritorious status without any stipulation on merit based selection or percentage of marks.
- (c) Expenses for various items as detailed in IBA Model Education Loan should be considered while arriving the loan component.
- (d) Boarding and Lodging expenses on private accommodation should also be considered to reasonable extent as hostel expenses.
- (e) The loan application should be made available in the Website of respective banks as well as that of SLBC.
- (f) The stipulation of loan rejection by next high authority should be invariably practiced by all banks.
- (g) Considering the sensitivity and demanding nature of the students/parents, informatory Press notes/advertisements with Dos and DONTs must released by RBI/SLBC and displayed in their websites too.
- (h) Considering the risk exposure to banks on Education Loans, priority for recovery of Education Loans must be given by the State Government through its RR machinery.
- (i) A Credit Guarantee Scheme may be evolved by the Central/State Government to cover the bad debts.
- (j) Monitoring study by RBI and the SLBC may be taken up course wise and course sensitive factors if any amongst other findings to be identified and remedies recommended and advised to SLBC for adoption.

Responding to the group presentation, **Sri. N. Narasareddy**, General Manager, Canara Bank observed that the group has made more recommendations on Education Loans. He noted that maximum number of requests/suggestions for modification of the scheme have come from the State of Kerala only. Most of such recommendations were already taken up with IBA and are being pursued with.

He then requested all banks to issue the circular on Central scheme for subsidy under Education Loan immediately for creating adequate awareness. Canara Bank has already come out with brochures/posters about the scheme.

Clarifying the point on Interest subsidy scheme, he informed that Canara Bank has been nominated as nodal bank for administering the interest subsidy for all the banks in the country. For this a separate web portal has been opened for online submission of the claims to Canara Bank which in turn would be submitted to Government of India for getting funding support. Passwords to access the website has been provided to the Head Offices of participating banks.

He requested the State Government to expedite the process of nominating the authority to issue income certificate.

He then requested Controlling Offices of all banks to ensure careful monitoring system for Education Loans. He expressed concern over the alarming increase of NPAs under Education Loans. To tackle this he suggested that the loans are to be closely monitored by the district/block level committees constituted for this purpose.

He informed that Credit guarantee fund for Education Loan was under active consideration of the Government and hoped that the guidelines may come into existence soon.

Sri. Teeka Ram Meena IAS, Secretary, Planning & Economic Affairs Department, Government of Kerala clarified that Government had almost taken a decision regarding designation of authority to issue income certificate. Government is in the process of issuing Government Order in this regard and informed that Village Officer would be the competent authority to issue the income certificate for this purpose. He assured the forum that the G.O. would be issued within a week.

(Action: RBI/Banks/SLBC/Planning Department/Higher Education Department)

4.3.5. Revenue Recovery Online – Arrears to banks on RR cases of Government Dues (Suggested by LDM, Thrissur)

The Group accepted the suggestion and suggested the SLBC to take up the matter with Government.

(Action: SLBC)

4.3.6. Amendment in the Registration Act – Notification of SRO No:336/2010 (Suggested by Punjab National Bank)

The Group concurred with the proposal and the views of the Steering Committee to the effect that appropriate amendment may be made in the Registration Act making registration mandatory and putting maximum ceiling (Cap) on registration fee in order to reduce the burden of cost of registration on the loanees/beneficiaries.

The forum suggested that the matter may be taken up with Government.

(Action: SLBC)

4.3.7. Notice issued by the Inspector, Legal Metrology Department, Neyyattinkara (Suggested by Syndicate Bank)

The Group recommended that SLBC may present the case to the Government for a favourable decision.

Responding to the issue, **Sri. K. R. Jyothilal IAS**, Secretary, Food, Civil supplies & Fisheries Department, Government of Kerala clarified that Department had already issued directions to stop all such proceedings. As per Standard Weights & Measures Act one is

supposed to mention area only in hectares. This issue may hence be treated as closed and the department to be contacted if any problem occurs.

In view of the above clarification, the forum decided to **drop** the item from the agenda.

4.4. PENDING ISSUES

4.4.1. Recording Bank Loans in the Ration Cards

Vide letter No.(CS) A4-12437/10 dated nil, the Director of Civil Supplies, Office of the Commissioner of Civil Supplies informed that:

“Loan details can be endorsed on the 3rd page of the revised ration cards as was done earlier in the last page of the old ration cards. The details of loan availed by the card holders may be informed to the Taluk Supply Officers concerned so as to upload in the data base”

The Group expressed satisfaction and thanked the Government and recommended to **drop** the item from further follow up.

4.4.2. Computerization of Land Records

The Group suggested that the SLBC may pursue the matter for a speedy completion.

In her address, **Smt. Nivedita P. Haran IAS**, Additional Chief Secretary, Revenue Department Government of Kerala informed that the land records computerization process had started in Kerala many years ago. The work is yet to be completed. Meanwhile Government of India had come up with a programme called National Land Records Management Plan (NLRMP) in which Revenue, Registration and Survey Departments would function under a common umbrella and share the data base so as to prevent illegal transactions, tampering with records etc. Revenue Department is part of the said programme. Though the work is progressing it is a difficult and arduous task.

She then explained the background of the land computerization process and informed that the data has been entered more than once in all districts. Followed by this, the data verification could not be done and since the data could not be updated within a reasonable period of time that has become redundant. Due to this, the available data on land records would not be final and needs to be attended on priority basis.

The matter is further confused since the maintenance of registers as well as the system of mutation followed by southern and northern parts of the State Kerala are different. As a result, uniformity in the process would be required. She added that proper resurvey of the records has not been done in many places in the State after 1908, as a result the survey maps were outdated. The process of updation and digitization has been completed in about 48% of the villages in the State over the last 50 years. So a system has to be needed by which either completion of the survey at war footing in the remaining 52% of the villages are to be done

or come up with a proposal for having only smart maps. Now, Government of India had clarified that, as far as land holdings are concerned there was no need to have accurate survey maps. The implementation of whole process hence would take some more time which is being looked into by Revenue Department.

(Action: SLBC/ Revenue Department)

4.4.3. Waiver of Stamp duty on SHG loans

The Group suggested that the SLBC may pursue the matter further.

(Action: SLBC)

4.4.4. Registration of Equitable Mortgage created in favour of the banks with Sub-Registrar

The Group suggested that the SLBC may follow up the matter.

(Action: SLBC)

4.4.5. Creation of a Central Registry titled National Mortgage Repository

The Group noted the developments and suggested following up the matter further.

Smt. Nivedita P. Haran IAS, Additional Chief Secretary, Revenue Department Government of Kerala, in her address informed that Government of India had also come up with Land Titling Bill during the last year aiming to ensure conclusive title to every land holder. She explained that the conclusive title means an unchallenged title and if any one challenges it in a court of law, the case would not stand. Further in case it could be challenged, the Government would have to indemnify the party, the land holder. The basis of the act would be good, proper and reliable land records. Land Titling Bill would only be a model act which means that State Government would have the option either to adopt the act, pass the rules and implement there after or otherwise. If we wish to reach the stage of Land Titling Bill, three things were to be ensured

- (i) Land records and Survey records are reliable, upto date and tamper proof
- (ii) survey records/maps shall be reliable and reflect the same as the revenue records says
- (iii) Online registration is done by the Registration department based on the same records lying in the revenue and survey records – they have to accept and function under the common database.

She suggested forming a separate sub-committee for resolving issues with Revenue department.

(Action: SLBC/Revenue Department)

4.4.6. Kerala General Sales Tax Act 1963 & Kerala Sales Tax VAT 2003 – Sale of Gold or other valuable articles pledged with banks in realization of Debt amount – filing of SLP [Special Leave Petition]

The Group noted the recommendation of the Sub-Committee wherein the Chairman Sri. L. C. Goyal IAS, Additional Chief Secretary (Finance), Government of Kerala had opined that pending decision from the court the matter cannot be proceeded further. In the light of the above, the forum decided to **drop** the issue.

4.4.7. Guarantees issued by the State Government

The Group felt that the process of settlement may be speeded up and suggested that the matter may be pursued through the Sub-Committee. Banks to report the periodical progress to SLBC.

(Action: Finance Department/ Banks/SLBC)

4.4.8. Amendments suggested in the format for issuing Encumbrance Certificate for landed property issued by Sub-Registrar Office (SRO)

The Group noted the present position and suggested that the SLBC may follow up the matter through the Sub-Committee constituted.

(Action: Taxes Department/SLBC)

4.4.9. Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum

The Group noted the present position and suggested that the SLBC may follow up the matter through the Sub-Committee constituted.

(Action: Registration Department/SLBC)

4.4.10. Amendment/modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I

The Group noted the present position and suggested that the SLBC may follow up the matter through the Sub-Committee constituted.

(Action: Registration Department/SLBC)

4.4.11. Notifying More Centres for Equitable Mortgage

The Group noted the present position and suggested that the SLBC may follow up the matter through the Sub-Committee constituted.

(Action: Registration Department/SLBC)

4.4.12. Incentive Scheme for quicker adoption of electronic benefit transfer for government payments

Vide letter No.18496/F2/09/Plg. dated 02.09.2010, the Secretary, Planning & Economic Affairs (F) Department, Government of Kerala informed that “Government is of the opinion that the banks may implement the Incentive Scheme for quicker adoption of electronic benefit for Government payments without charging the transaction fee from Government since banks will benefit otherwise due to balances in accounts remaining parked with them. The above stand of the Government in the matter may be informed to all concerned.”

The Group suggested re-examination of the issue by the Government.

(Action: Planning & Economic Affairs (F) Department)

4.4.13. Introduction of Computerization in Revenue Recovery

The Group noted the progress and suggested that the SLBC may follow up the matter further.

Smt. Nivedita P. Haran IAS, Additional Chief Secretary, Revenue Department Government of Kerala, in her address clarified that after a lot of efforts over the last two years, the process of RR computerization has been completed in 13 districts in the State. She added that in Trivandrum District the process is yet to be started because of not installation of computer cell at the District Collectorate. Out of 63 Taluks, 30 Taluks have completed the on-line process of submission of RR requests. Out of the balance, the process would be completed in 20 taluks by the end of September 2010 and the remaining 13 taluks at the end of October 2010 which includes Trivandrum District also. So with this, the first phase of computerization would be completed.

She thanked the banks for their financial support in many districts for fulfilling the requirements.

In the second phase of RR on-line, RR cases have to be reviewed on a regular basis, in which Government requires assistance from banks. RR cases were pending because of the following reasons (i) Court stay (ii) Stay from Government or from Collector (iii) Delay - RR notice remains in acted upon for many reasons like party is absconding or not available etc.

After establishing the connectivity of RR online, Government would be reviewing the long pending cases and take necessary action. She requested all banks to be part of this exercise.

Regarding the Government stay, she clarified that normally no stay was allowed under RR act and Government or Collector gives permission to pay the dues in instalments depending on the merit of the cases considered.

Government would be monitoring the RR computerization since in accordance with the Government Order, once a party got a stay and if he fails to abide by the stay conditions, he would not get a second chance or further stay. Such cases would be handled by Revenue Department based on the feedback from computerized RR environment.

(Action: Revenue Department/SLBC)

4.4.14.Indira Awas Yojana – Top up loan from Banks under DRI Scheme

The Group noted the contents of the RBI letter clarifying the scheme details and requested SLBC to highlight the salient features provided for the benefit of the banks. The forum felt that the item may be **dropped** from further follow up.

4.4.15.Financial Inclusion - Need for including in School curriculum to enable Financial Education

The Group noted the developments in the agenda suggested.

Dr. P. Prabhakaran IAS, Chief Secretary, Government of Kerala in his address informed that RBI Governor during his visit to Kerala a few months back stressed for including financial inclusion, financial literacy studies in the school curriculum itself. Accordingly the State Government had initiated necessary measures for implementing the same. He considered that it was a very laudable initiative on the part of the Government to prepare future generation of the Kerala to be 100% ready to take on the ICT enabled banking facilities.

Smt. Suma Varma, Regional Director, Reserve Bank of India expressed thanks to Chief Secretary for the revelation on the present position. She expressed happiness over the timely action taken on the part of the Government wherein the inputs handed over to the Chief Minister for being included in the school curriculum have been properly dealt with.

Sri. N. Narasareddy, General Manager, Canara Bank added that Karnataka Government had already introduced financial inclusion chapters in school curriculum from standard 5 to 9. He hoped that such programme could be launched in Kerala too with the co-ordination of RBI and SLBC.

Sri. Teeka Ram Meena IAS, Secretary, Planning & Economic Affairs Department, Government of Kerala added that he had received a letter from the Secretary, Education Department stating that necessary direction on revision of syllabus had already been given to the authorized agency viz. State Council for Education, Research and Training. It is suggested that the curriculum is to be included in the next revision for syllabus of Standard 5, 7 & 9, both for English and Malayalam medium. This he expressed would take effect from the year 2012.

In the light of the above clarification, the forum decided to **drop** the item from further follow up.

4.4.16. Non-Achievement of Target under Differential Rate of Interest (DRI) Scheme

The Group noted the recommendations of the Sub-Committee of SLBC met on 05.08.2010 in Trivandrum and suggested to make appropriate recommendations for modification of the stipulated norms to enhance performance. It was also felt the need for enhancement in income ceiling to Rs. 24,000 in rural areas and Rs. 36,000 in semi-urban and urban areas in addition to the existing recommendations of sub-committee. The other recommendations put forth in secondary sector vide item 3.9 may also be considered.

(Action: RBI/SLBC)

4.4.17. Extending loan facilities for Rehabilitation of Gulf returnees

The SLBC may pursue the matter further.

(Action: SLBC)

4.4.18.

4.4.18.1. Stay being granted by Kerala Government by Revenue Department with regard to RR filed cases for recovery of dues involved in NPA loan accounts

The Group concurred with the suggestion of the Additional Chief Secretary (Finance) in the Sub-Committee constituted and suggested that data collected may be placed to the Sub-Committee to arrive at a decision on the issue. The matter may be pursued.

(Action: SLBC)

4.4.18.2. Stay against Revenue Recovery proceedings against Akshaya centres by Information Technology Department

The Group noted the suggestion given by the Sub-Committee and concurred with the same. The forum felt that banks may examine the proposal suggested by the Sub-Committee that involved banks may examine the possibility of settling the issue under OTS as Government has earmarked an amount of Rs. 3 crores for OTS of Akshaya centres. In light of this the forum decided to **drop** the item.

4.4.19. Activity Group loans issues

The Group suggested that the Scheme details from Kudumbashree may be called for and Sub-Committee may examine before being placed in the next SLBC.

(Action: SLBC)

4.4.20. Review of Interest Subsidy Scheme for Housing the Urban Poor - ISHUP

The Group suggested that steps may be taken for early implementation of the scheme in the State of Kerala.

(Action: Kudumbashree /SLBC)

4.4.21.ADWDRS – Waiver of RR collection charges

The Group noted the contents in the background papers and suggested that while implementing ADWDRS all the banks have written off substantial amount being the balance portion and unapplied interest in all the eligible loans. Any further payment or remittance as RR collection charges would bring further financial burden to the banks. Hence the forum suggested to the Government to review the decision.

(Action: Revenue Department/SLBC)

4.5. INFORMATION NOTE

4.5.1. District-wise Credit Deposit Ratio in the State

The Group noted the contents of the information note and suggested that all banks operating in Pathanamthitta District should take note of the low CD Ratio and act upon to improve the same. The LDM may specifically ensure that the Sub-Committee constituted evolves suitable measures to ensure improvement of CD Ratio in Pathanamthitta.

(Action: LDM/Banks in Pathanamthitta District)

4.5.2. Review of Progress under Reverse Mortgage Loan Scheme of National Housing Bank – for information

The Group noted the contents of the information note. The representative from National Housing Bank informed that an awareness generation programme with the co-ordination of SLBC shall be organized to popularize the amendments in the scheme.

(Action: National Housing Bank)

4.5.3. Fraudulent withdrawal from SB/CD accounts of customers through ATMs - A/c South Indian Bank Ltd. – Note by RBI & South Indian Bank

The Group noted the contents of the information note.

4.5.4. Report of the High Level Committee to Review Lead Bank Scheme - Implementation of the recommendation – Note by RBI

The Group noted the contents of the information note.

4.5.5. Spreading awareness of the Codes among bankers and public (Suggested by Banking Codes and Standards Board of India [BCSBI], Mumbai)

The Group noted the contents of the information note.

The plenary session concluded by 2 p.m with **Sri. N. R. Venkataramani**, General Manager, Canara Bank proposing vote of thanks.

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PARTICIPANTS ON 16.09.2010 – OPENING SESSION

GOVERNMENT OF KERALA/DEVELOPMENTAL AGENCIES

- | | |
|-------------------------------|--|
| 1. Sri. K. S. Srinivas IAS | Special Secretary, Industries Department |
| 2. Sri. K. Ajith Kumar | Additional Secretary, Finance Department |
| 3. Sri. N. Vadivel Murugan | Additional Secretary, Taxes Department |
| 4. Sri. M. Mohammed Basheer | Additional Secretary, Higher Education Department |
| 5. Sri. S. Dinesh | Addl. Development Commissioner, Rural Development |
| 6. Sri. A. K. Ramakrishnan | IG, Registration Department |
| 7. Sri. M. Abdul Majeed | Additional Director, Industries & Commerce |
| 8. Dr. J. Mohan | Additional Director, Animal Husbandry Department |
| 9. Dr. Jossit Kurian | Additional Director, Directorate of Coir Development |
| 10. Sri. K. Mohanraju | State Director, KVIC |
| 11. Smt. Sailaja Devi K | Deputy Secretary, Agriculture (Animal Husbandry) Dept. |
| 12. Sri. L. Prasannakumar | Under Secretary, Co-operation Department |
| 13. Sri. P. C. Antonel Viz | Joint Director, Coir Board |
| 14. Smt. Sheeja P. | Joint Director, Directorate of Agriculture |
| 15. Smt. Sheela R. | Deputy Director, Fisheries Department |
| 16. Dr. L. Ravikumar | Deputy Director, Directorate of Animal Husbandry |
| 17. Sri. Isaac K. Thayil | Assistant Director, Dairy Development Department |
| 18. Smt. Hemakumari M | Assistant Director, Directorate of Agriculture |
| 19. Sri. Baby K. A | Extension Service Officer, Coir Board |
| 20. Smt. K. A. Mumthaz Beegum | Joint Registrar, Agricultural PPM Cell |
| 21. Smt. G. Chandraleela | Deputy Registrar of Co-operative Societies |
| 22. Sri. K. Viswambharan | Assistant Registrar of Co-operative Societies |
| 23. Sri. Ramakrishnan K. K. | Managing Director, SFAC |
| 24. Sri. M. K. Rajendran | Director, KVIB |
| 25. Sri. N. Muralidharan Nair | Deputy Rubber Production Commissioner, Rubber Board |
| 26. Sri. P. Ramasamy | Assistant Director, National Commission for SCs |
| 27. Sri. K. S. Rajeev | Assistant General Manager, KFC |
| 28. Sri. Parameswaran V | Assistant Manager, Oriental Insurance Co. |
| 29. Sri. Saji C | Assistant Manager, New India Assurance Co. |
| 30. Sri. V. R. Vinod | Assistant Director, MSME Development Institute |
| 31. Dr. S. Baiju | State Level Programme Co-ordinator, KSPDC |
| 32. Smt. G. Dhanya | Investigator, National Commission for SCs |
| 33. Smt. Jayasree G | Programme Officer, Kudumbashree |

RESERVE BANK OF INDIA

- | | |
|----------------------------|------------------------------|
| 1. Sri. G. J. Raju | Deputy General Manager |
| 2. Sri. S. Thyagarajan | Deputy General Manager, CAB |
| 3. Sri. K. D. Joseph | Assistant General Manager |
| 4. Sri. L. M. Ganesan | Assistant General Manager |
| 5. Sri. P. Thomas | Assistant General Manager |
| 6. Sri. P. Srinivasan | Manager |
| 7. Sri. A. R. Balachandran | Manager |
| 8. Sri. P. K. K. Krishnan | Senior Vice President, BCSBI |

NABARD/SIDBI/NHB

1. Sri. Hemkumar G Relationship Manager, National Housing Bank

STATE BANK GROUP

1. Sri. Ramesh Chandra Deputy General Manager, SBI
2. Sri. N. Raghavendra Deputy General Manager, SBT
3. Sri. T. Ashok Nair Chief Manager, SBI
4. Sri. P. S. Rajamohan Nair Chief Manager, SBT
5. Sri. K. Sethumadhavan Chief Manager, SBT
6. Sri. C. Krishnamoorthy Chief Manager, SBT
7. Sri. J. B. Subrahmanyam Chief Manager, SBH

PUBLIC SECTOR BANKS

1. Sri. H. S. Sheshadri Deputy General Manager, Vijaya Bank
2. Sri. Mayank Mehta Deputy General Manager, Union Bank of India
3. Dr. Kurian P. Abraham Deputy General Manager, Corporation Bank
4. Sri. R. Somanathan Nair Assistant General Manager, Central Bank of India
5. Sri. P. J. Jacob Assistant General Manager, Indian Bank
6. Sri. Vidyod N. Assistant General Manager, IDBI Bank
7. Sri. R. Viswanath Chief Manager, Bank of India
8. Sri. V. Krishnan Nair Chief Manager, Corporation Bank
9. Sri. K. Velayudhan Nair Senior Manager, Punjab National Bank
10. Sri. K. S. Ravikumar Senior Manager, Bank of Baroda
11. Sri. M. Narayana Naik Senior Manager, Syndicate Bank
12. Sri. M. Babu Venkatesan Senior Manager, Dena Bank
13. Sri. V. R. G. Nair Senior Branch Manager, Bank of Maharashtra
14. Sri. E. V. Sudhakaran Manager, United Bank of India
15. Sri. B. Viswanathan Manager, Vijaya Bank
16. Sri. N. S. Subramanian Deputy Chief Officer, Central Bank of India

CONVENOR BANK (CANARA BANK)

1. Sri. N. R. Venkataramani General Manager (Convener, SLBC, Kerala)
2. Sri. N. Narasa Reddy General Manager, Canara Bank
3. Sri. Anil Kumar P Divisional Manager
4. Sri. K. R. Arun Kumar Manager
5. Sri. R. Padmanabhan Officer

REGIONAL RURAL BANKS

1. Sri. P. Aravindan Senior Manager, SMGB
2. Sri. Mukundan T Senior Manager, NMGB

PRIVATE SECTOR BANKS

- | | |
|--------------------------|--|
| 1. Sri. P. Manikandan | Deputy General Manager, Dhanalaxmi Bank |
| 2. Sri. Nandakumar V | Assistant General Manager, Federal Bank |
| 3. Sri. Abey Abraham | Regional Head, ICICI Bank |
| 4. Sri. Alfie Francis | Deputy Zonal Manager, Catholic Syrian Bank |
| 5. Smt. G. Maria Francis | Chief Manager, South Indian Bank |
| 6. Sri. T. T. Thomas | Chief Manager, HDFC Bank |
| 7. Sri. Thomas Mathew | Senior Manager, Lakshmi Vilas Bank |
| 8. Sri. T. Tamilalagan | Senior Manager, Tamilnad Mercantile Bank |
| 9. Sri. N. Kandhasamy | Senior Manager, City Union Bank |
| 10. Sri. K. Varadharajan | Credit Relationship Manager, ICICI Bank |
| 11. Sri. Sharath P. S | Relationship Manager, ING Vysya Bank |
| 12. Sri. Ramachandran P | Assistant Manager, Karnataka Bank |

CO-OPERATIVE BANKS

- | | |
|--------------------------|---|
| 1. Sri. A. Lekshmanan | Chief General Manager, Kerala State Co-op. Bank |
| 2. Sri. S. Perumal | ADM, KSCARD Bank |
| 3. Smt. Elizabeth George | Agricultural Officer, KSCARD Bank |

LEAD BANK OFFICES

- | | |
|--------------------------------------|---------------------------------------|
| 1. Sri. V. R. Muralidhar | LDM, Indian Overseas Bank, Trivandrum |
| 2. Sri. Gopi Krishnan C. R. | LDM, Indian Bank, Kollam |
| 3. Sri. Radhakrishnan Nampoothiri P. | LDM, SBT, Pathanamthitta |
| 4. Sri. K. R. Vaidyanathan | LDM, SBT, Alappuzha |
| 5. Sri. K. Jayasankar | LDM, SBT, Kottayam |
| 6. Sri. K. Babu Ganesh | LDM, Union Bank of India, Idukki |
| 7. Sri. K. R. Jayaprakash | LDM, Union Bank of India, Ernakulam |
| 8. Sri. R. Rajagopalan | LDM, Canara Bank, Thrissur |
| 9. Sri. O. Raveendran | LDM, Canara Bank, Palakkad |
| 10. Sri. P. Unnikrishnan | LDM, Canara Bank, Malappuram |
| 11. Sri. J. R. Anilkumar | LDM, Canara Bank, Kozhikode |
| 12. Sri. K. Balan | LDM, Canara Bank, Wayanad |
| 13. Sri. V. S. Jayaram | LDM, Syndicate Bank, Kannur |
| 14. Sri. M. Ajitkumar Menon | LDM, Syndicate Bank, Kasaragod |

PARTICIPANTS FOR GROUP DISCUSSION SESSION

GROUP I

- | | |
|--------------------------------------|--|
| 1. Sri. Radhakrishnan Nampoothiri P. | LDM, SBT, Pathanamthitta (Group Leader) |
| 2. Smt. Sailaja Devi K | Deputy Secretary, Agriculture (Animal Husbandry) Dept. |
| 3. Smt. Minimol Abraham | Under Secretary, Agriculture (Animal Husbandry) Dept. |
| 4. Sri. L. Prasannakumar | Under Secretary, Co-operation Department |
| 5. Dr. L. Ravikumar | Deputy Director, Directorate of Animal Husbandry |
| 6. Smt. G. Chandraleela | Deputy Registrar of Co-operative Societies |

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|-------------------------------|---|
| 7. Sri. K. Viswambharan | Assistant Registrar of Co-operative Societies |
| 8. Smt. K. A. Mumthaz Beegum | Joint Registrar, Agricultural PPM Cell |
| 9. Smt. Sheeja P. | Joint Director, Directorate of Agriculture |
| 10. Smt. Sheela R. | Deputy Director, Fisheries Department |
| 11. Sri. N. Muralidharan Nair | Deputy Rubber Production Commissioner, Rubber Board |
| 12. Dr. S. Baiju | State Level Programme Co-ordinator, KSPDC |
| 13. Smt. Hemakumari M | Assistant Director, Directorate of Agriculture |
| 14. Sri. Isaac K. Thayil | Assistant Director, Dairy Development Department |
| 15. Sri. Ramakrishnan K. K. | Managing Director, SFAC |
| 16. Sri. Saji C | Assistant Manager, New India Assurance Co. |
| 17. Smt. Jaisree G | Programme Officer, Kudumbashree |
| 18. Smt. C. Jayalekshmi | Deputy General Manager, Kerala State Co-op. Bank |
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| 25. Sri. R. Viswanath | Chief Manager, Bank of India |
| 26. Smt. G. Maria Francis | Chief Manager, South Indian Bank |
| 27. Sri. K. Babu Ganesh | LDM, Union Bank of India, Idukki |
| 28. Sri. K. Balan | LDM, Canara Bank, Wayanad |
| 29. Sri. M. Ajitkumar Menon | LDM, Syndicate Bank, Kasaragod |
| 30. Sri. Mukundan T | Senior Manager, NMGB |
| 31. Sri. Thomas Mathew | Senior Manager, Lakshmi Vilas Bank |
| 32. Sri. Sunil P. L | Senior Manager, Canara Bank |
| 33. Sri. S. Perumal | ADM, KSCARD Bank |
| 34. Sri. James P. George | Manager, NABARD |
| 35. Smt. Elizabeth George | Agricultural Officer, KSCARD Bank |

GROUP II

- | | |
|-------------------------------|--|
| 1. Sri. K. R. Vaidyanathan | LDM, SBT, Alappuzha (Group Leader) |
| 2. Sri. K. S. Srinivas IAS | Special Secretary, Industries Department |
| 3. Sri. M. Abdul Majeed | Additional Director, Industries & Commerce |
| 4. Dr. Jossit Kurian | Additional Director, Directorate of Coir Development |
| 5. Sri. K. Mohanraju | State Director, KVIC |
| 6. Sri. M. K. Rajendran | Director, KVIB |
| 7. Sri. V. V. Ramachandran | Joint Development Commissioner for Rural Development |
| 8. Sri. P. C. Antonel Viz | Joint Director, Coir Board |
| 9. Sri. K. Murugesan | MF Consultant, Kudumbashree |
| 10. Sri. V. R. Vinod | Assistant Director, MSME Development Institute |
| 11. Sri. M. Krishnadhas | Nodal Officer, KVIC |
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| 16. Sri. P. Balachandran Nair | Programme Officer, Kudumbashree |
| 17. Sri. C. Sriharidas | Assistant General Manager, NABARD |

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|-----------------------------|--|
| 18. Sri. R. Sukumar | Assistant General Manager, SIDBI |
| 19. Sri. P. J. Jacob | Assistant General Manager, Indian Bank |
| 20. Sri. J. B. Subrahmanyam | Chief Manager, SBH |
| 21. Sri. Suresh K. P | Chief Manager, SBI |
| 22. Sri. K. R. Jayaprakash | LDM, Union Bank of India, Ernakulam |
| 23. Sri. P. Unnikrishnan | LDM, Canara Bank, Malappuram |
| 24. Sri. V. S. Jayaram | LDM, Syndicate Bank, Kannur |
| 25. Sri. O. Raveendran | LDM, Canara Bank, Palakkad |
| 26. Sri. Vijayakumar U | Senior Manager, Canara Bank |
| 27. Sri. N. Kandhasamy | Senior Manager, City Union Bank |
| 28. Sri. M. Babu Venkatesan | Senior Manager, Dena Bank |
| 29. Sri. T. Tamilalagan | Senior Manager, Tamilnad Mercantile Bank |
| 30. Sri. P. Aravindan | Senior Manager, SMGB |
| 31. Sri. V. R. G. Nair | Senior Branch Manager, Bank of Maharashtra |
| 32. Sri. K. Varadharajan | Credit Relationship Manager, ICICI Bank |

GROUP III

- | | |
|-------------------------------|---|
| 1. Sri. R. Rajagopalan | LDM, Canara Bank, Thrissur (Group Leader) |
| 2. Sri. M. Mohammed Basheer | Additional Secretary, Higher Education Department |
| 3. Sri. K. Ajith Kumar | Additional Secretary, Finance Department |
| 4. Sri. A. K. Ramakrishnan | IG, Registration Department |
| 5. Sri. Ramesh Chandra | Deputy General Manager, SBI |
| 6. Dr. Kurian P. Abraham | Deputy General Manager, Corporation Bank |
| 7. Sri. Mayank Mehta | Deputy General Manager, Union Bank of India |
| 8. Sri. L. M. Ganesan | Assistant General Manager, RBI |
| 9. Sri. H. Manoj | Assistant General Manager, NABARD |
| 10. Sri. Vidyod N. | Assistant General Manager, IDBI Bank |
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| 16. Sri. K. Jayasankar | LDM, SBT, Kottayam |
| 17. Sri. J. R. Anilkumar | LDM, Canara Bank, Kozhikode |
| 18. Sri. K. S. Ravikumar | Senior Manager, Bank of Baroda |
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| 21. Sri. R. Gopalakrishnan | Senior Manager, Corporation Bank |
| 22. Sri. Hemkumar G | Relationship Manager, National Housing Bank |
| 23. Sri. B. Viswanathan | Manager, Vijaya Bank |
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| 25. Sri. Shijo John | Manager, Federal Bank |
| 26. Sri. E. V. Sudhakaran | Manager, United Bank of India |
| 27. Sri. Ramachandran P | Assistant Manager, Karnataka Bank |
| 28. Sri. N. S. Subramanian | Deputy Chief Officer, Central Bank of India |
| 29. Smt. Juliet S | Officer, Canara Bank |

PARTICIPANTS ON 17.09.2010 – PLENARY SESSION

CHIEF GUEST

Sri. V. S. Achuthanandan

Chief Minister of Kerala

CHAIRMAN OF THE MEETING

Sri. H. S. Upendra Kamath

Executive Director, Canara Bank

GOVERNMENT OF KERALA/DEVELOPMENTAL AGENCIES

- | | |
|----------------------------------|--|
| 1. Dr. P. Prabhakaran, IAS | Chief Secretary, Government of Kerala |
| 2. Smt. Nivedita P. Haran, IAS | Additional Chief Secretary, Revenue Department |
| 3. Sri. S. M. Vijayanand, IAS | Principal Secretary, Local Self Government Department |
| 4. Sri. Teeka Ram Meena IAS | Secretary, Planning & Economic Affairs Department |
| 5. Sri. K. R. Jyothilal IAS | Secretary, Food, Civil supplies & Fisheries Department |
| 6. Smt. Sarada Muraleedharan IAS | Executive Director, Kudumbashree |
| 7. Sri. Sheik Pareeth | Director, Fisheries Department |
| 8. Sri. A. K. Ramakrishnan | IG, Registration Department |
| 9. Sri. S. Dinesh | Addl. Development Commissioner, Rural Development |
| 10. Sri. M. Abdul Majeed | Additional Director, Industries & Commerce |
| 11. Dr. J. Mohan | Additional Director, Animal Husbandry Department |
| 12. Dr. Jossit Kurian | Additional Director, Directorate of Coir Development |
| 13. Sri. K. B. Shaji | Additional Director & ED, ADAK |
| 14. Sri. Isaac K. Thayil | Assistant Director, Dairy Development Department |
| 15. Smt. Sailaja Devi K | Deputy Secretary, Agriculture (Animal Husbandry) Dept. |
| 16. Sri. P. C. Antonel Viz | Joint Director, Coir Board |
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| 26. Dr. Vinayaraj S | Officer, Animal Husbandry Department |
| 27. Smt. Jaisree G | Programme Officer, Kudumbashree |
| 28. Sri. M. Krishnadhas | Nodal Officer, KVIC |
| 29. Sri. Babu W. Joseph | Superintendent Hydrogeologist, Ground Water Dept. |
| 30. Sri. C. P. Narayanan | Political Secretary for Chief Minister |

RESERVE BANK OF INDIA

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|------------------------|-----------------------------|
| 1. Smt. Suma Varma | Regional Director |
| 2. Sri. G. J. Raju | Deputy General Manager |
| 3. Sri. S. Thyagarajan | Deputy General Manager, CAB |
| 4. Sri. K. D. Joseph | Assistant General Manager |
| 5. Sri. L. M. Ganesan | Assistant General Manager |
| 6. Sri. P. Thomas | Assistant General Manager |
| 7. Sri. P. Srinivasan | Manager |

- | | |
|----------------------------|------------------------------|
| 8. Sri. A. R. Balachandran | Manager |
| 9. Smt. Dhanya V | Research Officer |
| 10. Sri. P. K. K. Krishnan | Senior Vice President, BCSBI |

NABARD/SIDBI/NHB

- | | |
|--------------------------|---|
| 1. Sri. K. C. Shashidhar | Chief General Manager, NABARD |
| 2. Smt. G. Janaki | Deputy General Manager, NABARD |
| 3. Sri. R. Sukumar | Assistant General Manager, SIDBI |
| 4. Sri. James P. George | Manager, NABARD |
| 5. Sri. Hemkumar G | Relationship Manager, National Housing Bank |

STATE BANK GROUP

- | | |
|-------------------------------|--------------------------------|
| 1. Sri. P. Pradeep Kumar | Managing Director, SBT |
| 2. Sri. B. S. Bhasin | Chief General Manager, SBI |
| 3. Sri. S. Chaudhuri | General Manager, SBT |
| 4. Sri. Surendra Kumar | Deputy General Manager, SBI |
| 5. Sri. N. Raghavendra | Deputy General Manager, SBT |
| 6. Sri. Shivaswamy | Deputy General Manager, SBT |
| 7. Sri. A. Ramachandra Reddy | Assistant General Manager, SBH |
| 8. Sri. Suresh K. P | Chief Manager, SBI |
| 9. Sri. T. Ashok Nair | Chief Manager, SBI |
| 10. Sri. P. S. Rajamohan Nair | Chief Manager, SBT |
| 11. Sri. C. Krishnamoorthy | Chief Manager, SBT |
| 12. Sri. K. Vancheeswaran | Deputy Manager, SBM |

PUBLIC SECTOR BANKS

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|----------------------------|--|
| 1. Sri. H. S. Sheshadri | Deputy General Manager, Vijaya Bank |
| 2. Sri. Mayank Mehta | Deputy General Manager, Union Bank of India |
| 3. Dr. Kurian P. Abraham | Deputy General Manager, Corporation Bank |
| 4. Smt. Indira Padmini | Deputy General Manager, Indian Overseas Bank |
| 5. Sri. Nirmal Joshi | Deputy General Manager, Dena Bank |
| 6. Sri. K. V. Rajesh | Circle Head, Punjab National Bank |
| 7. Sri. R. Somanathan Nair | Assistant General Manager, Central Bank of India |
| 8. Sri. P. J. Jacob | Assistant General Manager, Indian Bank |
| 9. Sri. Itty Thomas | Assistant General Manager, Syndicate Bank |
| 10. Sri. J. Ganesh Kumar | Assistant General Manager, Bank of Baroda |
| 11. Sri. Vidyod N. | Assistant General Manager, IDBI Bank |
| 12. Sri. R. Viswanath | Chief Manager, Bank of India |
| 13. Sri. Narayana Naik | Senior Manager, Syndicate Bank |
| 14. Sri. V. R. G. Nair | Senior Branch Manager, Bank of Maharashtra |
| 15. Sri. Sebastian Thomas | Senior Branch Manager, Andhra Bank |
| 16. Sri. E. V. Sudhakaran | Manager, United Bank of India |
| 17. Sri. B. Viswanathan | Manager, Vijaya Bank |
| 18. Sri. N. S. Subramanian | Deputy Chief Officer, Central Bank of India |

CONVENOR BANK (CANARA BANK)

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| 1. Sri. N. R. Venkataramani | General Manager (Convener, SLBC, Kerala) |
| 2. Sri. N. Narasa Reddy | General Manager, Canara Bank |

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|--------------------------|------------------------|
| 3. Sri. Gurunath Joshi | Deputy General Manager |
| 4. Sri. B. Sambhi Reddy | Deputy General Manager |
| 5. Sri. Anil Kumar P | Divisional Manager |
| 6. Sri. K. R. Arun Kumar | Manager |
| 7. Sri. R. Padmanabhan | Officer |

REGIONAL RURAL BANKS

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|------------------------|----------------------|
| 1. Sri. G. Pandurangan | Chairman, SMGB |
| 2. Sri. V. K. Saigal | Chairman, NMGB |
| 3. Sri. P. Aravindan | Senior Manager, SMGB |
| 4. Sri. Mukundan T | Senior Manager, NMGB |

PRIVATE SECTOR BANKS

- | | |
|----------------------------|---|
| 1. Sri. V. R. Madhavakumar | Deputy General Manager, Federal Bank |
| 2. Sri. Jose Mohan C. J. | Deputy General Manager, South Indian Bank |
| 3. Sri. P. Manikandan | Deputy General Manager, Dhanalaxmi Bank |
| 4. Sri. Jayakumar Nair | Deputy General Manager, ICICI Bank |
| 5. Sri. K. S. Mohan | Additional General Manager, Federal Bank |
| 6. Sri. Nandakumar V | Assistant General Manager, Federal Bank |
| 7. Sri. A. J. Joseph | Assistant General Manager, Catholic Syrian Bank |
| 8. Sri. Sharath P. S | Regional Manager, ING Vysya Bank |
| 9. Sri. Hari Velloor | Senior Vice President, HDFC Bank |
| 10. Sri. Roy Varghese | DVP, AXIS Bank |
| 11. Sri. T. T. Thomas | Chief Manager, HDFC Bank |
| 12. Sri. Thomas Mathew | Senior Manager, Lakshmi Vilas Bank |
| 13. Sri. T. Tamilalagan | Senior Manager, Tamilnad Mercantile Bank |
| 14. Sri. N. Kandhasamy | Senior Manager, City Union Bank |
| 15. Sri. Praveen | Senior Branch Manager, Karnataka Bank |
| 16. Sri. K. Varadharajan | Credit Relationship Manager, ICICI Bank |

CO-OPERATIVE BANKS

- | | |
|--------------------------|---|
| 1. Sri. A. Lekshmanan | Chief General Manager, Kerala State Co-op. Bank |
| 2. Smt. Elizabeth George | Agricultural Officer, KSCARD Bank |

LEAD BANK OFFICES

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|--------------------------------------|---------------------------------------|
| 1. Sri. V. R. Muralidhar | LDM, Indian Overseas Bank, Trivandrum |
| 2. Sri. Gopi Krishnan C. R. | LDM, Indian Bank, Kollam |
| 3. Sri. Radhakrishnan Nampoothiri P. | LDM, SBT, Pathanamthitta |
| 4. Sri. K. R. Vaidyanathan | LDM, SBT, Alappuzha |
| 5. Sri. K. Jayasankar | LDM, SBT, Kottayam |
| 6. Sri. K. Babu Ganesh | LDM, Union Bank of India, Idukki |
| 7. Sri. K. R. Jayaprakash | LDM, Union Bank of India, Ernakulam |
| 8. Sri. R. Rajagopalan | LDM, Canara Bank, Thrissur |
| 9. Sri. P. Unnikrishnan | LDM, Canara Bank, Malappuram |
| 10. Sri. J. R. Anilkumar | LDM, Canara Bank, Kozhikode |
| 11. Sri. K. Balan | LDM, Canara Bank, Wayanad |
| 12. Sri. V. S. Jayaram | LDM, Syndicate Bank, Kannur |
| 13. Sri. M. Ajitkumar Menon | LDM, Syndicate Bank, Kasaragod |