

Sublunk



Next Generation

Corporate Family Magazine Of The South Indian Bank Ltd.



MSME SPECIAL EDITION



Inauguration of MCCPC. Sri. V.G. Mathew, MD & CEO lighting the lamp. Sri. Thomas Joseph K., EVP (Operations), Sri. Sivakumar G., EVP (Credit), Sri. Benoy Varghese, SGM (Credit) & Sri. Balakrishnan K.N., JGM (MCCPC) are seen.



Corporate Family Magazine of
South Indian Bank

Advisory Board:

Mr. Sivakumar G.,
Executive Vice President (Credit)
Mr. John Thomas,
Sr. Gen. Manager (Business Development Dept.)
Mr. Paul V.L.,
General Manager (Admin)

Editorial Board:

Mr. Peter A. D.,
Dy. GM & Principal, SIBSTC, Thrissur
Mr. M. T. Jose,
Dy. GM (Personnel)
Mr. Ajit C Jacob,
Dy. GM (CRD)
Mr. Biju E. Punnachalil,
AGM (IRMD)
Mr. Francy Jos E.,
CM (CCO)
Mr. Nanda Kumar C.,
Manager, STC
Mrs. Sherin Thomas,
Clerk, HO Inspection & Vigilance

Objectives:

- To instil in the bank staff a sense of belonging and involvement in the bank's affairs
- To appreciate and applaud the individual achievements of our members of staff
- To act as a communication medium between management and the staff
- To increase the professional competence of our bank staff

Inside

Message

Articles

MSMEs – The “POWER HOUSE” of Indian Economy
MSME in India: Opportunities, Issues & Challenges
Credit Guarantee Fund Trust for Micro and Small Enterprises
Accident – Story of a Survivor
“UTSAV-2017-A gala to cherish”
Pages from the diary notes of a banker
Stand Up India
Know your Branch & Know your Bank
Kerala Start-up Mission

Romita Chakraborty
Vivek Viswan
Lakshmi Krishnakumar
Nikhil A.B.
Glaxon K.J.
Prakash M.K.
Ramya K.

Jenish Paul

Regular Features

Publisher:

Mr. Thomas Joseph K.
Executive Vice President (Operations)

Editor

Mrs. Sheela Davis,
CM, Staff Training College

Layout, Typeset & Printing

Lumiere Printing Works
Thrissur 680 020

VISION

To be the most preferred bank in the areas of customer service, stakeholder value and corporate governance.

Mission

To provide a secure, agile, dynamic and conducive banking environment to customers with commitment to values and unshaken confidence, deploying the best technology, standards, processes and procedures where customer convenience is of significant importance and to increase the stakeholders' value.



Mr. Raphael TJ, Senior General Manager (Technology and Marketing) and Mr. Sony A, DGM (IT) South Indian Bank receiving the Banking Technology Awards instituted by IBA from RBI Deputy Governor Mr. Viral Acharya, and Padma Vibhushan Mr. Raghunath Mashelkar.



'SIB Scholar. Our MD & CEO Sri. V.G. Mathew and Metroman Dr. E. Sreedharan, along with the students from various colleges in Kerala, who won the 'SIB Scholar'. Sri. Sivakumar.G E.V.P.(Credit) and Sri. V.L. Paul, G.M. (Admin) also seen.



ISO 27001:2013 : Our MD & CEO Sri. V.G. Mathew receiving the ISO 27001:2013 certificate from BSI Group India's MD Sri. Venkataram Arabolu. Also seen Sri. Raphael T.J., Senior General Manager and CIO.

MD & CEO Speaks

The latest quarterly results of our Bank announced on 11th July 2017 shows that MSME business grew Y.O.Y by 10.85%. While Q1 generally registers a tepid growth, we will all agree that the growth trend needs to at least double during the rest of the year.

It is often argued that the banking system has grown only in low single digits and hence our growth is pretty good. But we need to remember that, given our relatively small base, we can and need to grow much faster than the larger competitors.

Why is MSME so central to our growth plans?

The relatively small ticket MSME loans, covering a large number of customers belonging to a variety of industrial and trade sectors, offer opportunities for well diversified and risk controlled growth of advances. MSME relationships present multiple opportunities of engagement with the customer. Apart from the primary credit requirements of working capital finance and term loans, such customers need an array of products such as LCs, BGs, Forex Products, Investment products, Insurance facilities, Salary accounts, POS machines, Current and Savings accounts and personal credit products such as Housing Loans, Auto Loans, Personal Loans etc. Since most of the MSME relationships are on sole banking basis a growing MSME venture can bring many valuable business opportunities to the Bank. A strong MSME account is hence an anchor relationship for a number of other ancillary business in the retail space all of which are very important for our Bank.

The current issue of Siblink will discuss a number of these aspects in greater detail.

I sincerely wish that each one of our branches would appreciate the importance and value potential of MSME business and work tirelessly towards achieving our chosen mission of becoming a Retail Banking Power House by focusing on MSME opportunities in their areas.

Wishing you all the best,

V.G Mathew
Managing Director & CEO



.... a growing MSME venture can bring many valuable business opportunities to the Bank. A strong MSME account is hence an anchor relationship for a number of other ancillary business in the retail space all of which are very important for our Bank.



MSMEs – The “POWER HOUSE” of Indian Economy (Turning Potential to Profit)

“AN OVERVIEW”

❖ Brief Idea:

“Changes are the driveway to success”; rightly said so, several changes had occurred in the global economy since the 1990s. Economies have become more independent and the markets have become more open and competitive. Developments in international trade and finance have altered the pattern of commodity and investment flows all over the world. Technological upgradations in emerging sectors e.g. biotechnology and the knowledge based industries, is expected to drive the economic growth. The new policy framework that has emerged at the beginning of 21st century is more outward oriented, less restrictive, and more flexible in terms of strategies.

Small and medium enterprises are the backbone of industrial development that have always represented the model of economic growth and upliftment, contributing highest to domestic production, significant export earnings, low investment requirements, employment generation and foreign exchange earnings of the nation with low import intensive activities.

MSME sector has emerged as a dynamic as well as prominent sector of the economy. There is a growing trend that the Micro, Small and Medium Enterprises play a catalytic role in the development process of most economies. This position gets reflected in the form of their increasing number and rising proportion in the overall product manufacturing, exports, manpower employment, technical innovations and promotion of entrepreneurial skills. In India, the MSME sector is the second largest manpower employer, after agriculture and the output from this sector alone constitutes 40 percent share of the value added in the manufacturing sector and one third of national exports.

The importance of Micro, Small and Medium enterprises (MSME) for its contribution in the growth of Indian economy is something that needs to be addressed. However, with the



Romita Chakraborty

Asst. Manager
Br. Behala

changing focus from economic growth to inclusive growth, MSME sector's role in the socio economic development of India needs to be understood, explored and facilitated. The opportunity in MSMEs exists; however, the fact remains that most of the funding goes to the larger and more solvent MSMEs and to those who have business linkages with large corporates. The banks compete with each other to grant loans to the top running MSMEs.

❖ Emergence history:

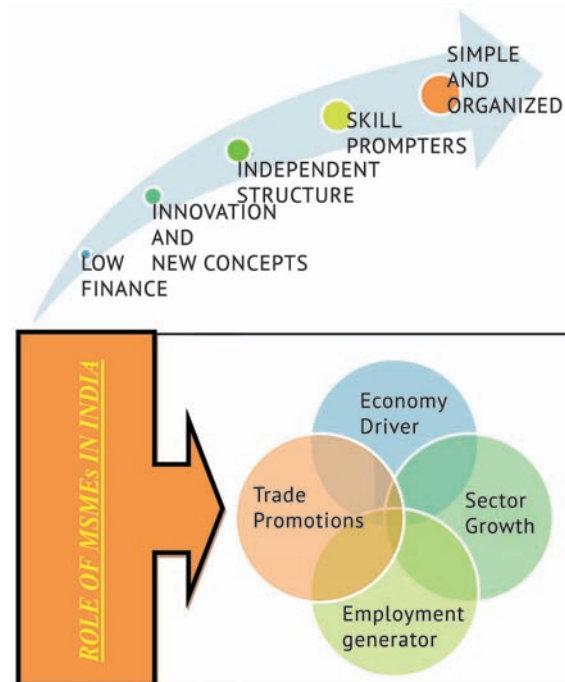
The Indian economy is expected to grow by over 8% per annum until 2020 and can probably become the third largest after China and US by 2032 and second largest in the world ahead of US in 2050. The emergence background of MSMEs in India can be summed up as follows;

1. The emergence of MSME is based on Gandhi model.
2. During pre liberalization before 1991 India adopted Industrial policy resolution 1948 that defined the role of state in industrial development for the first time.
3. At that time India accorded high priority to small and medium enterprises.
4. Despite numerous protection and policy measures MSME has remained mostly small & technologically backward.
5. The scenario of small scale sector changed with industrial policy establishment in 1991.
6. Liberalization came into existence. It was the post liberalization era (1991 to 2006) that reflected the growth of SSI's. In 1991 the growth rate of SSI was almost 3 times of the total industrial sector from 1992 to 1995.
7. However in 1995 the growth rate was slightly lower but again it increased in 1996.
8. It is encouraged by setting up of MSMED Act, 2006.

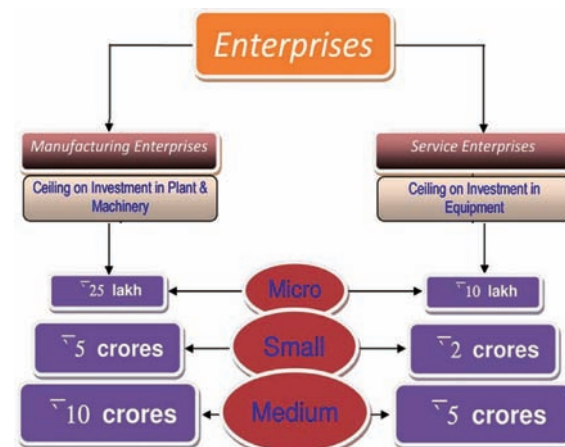
❖ Why MSME??

MSME IS THE **BEST REVIVER**

IT IS NOT A SECTOR OF ECONOMY BUT A **CATEGORY OF ECONOMY**

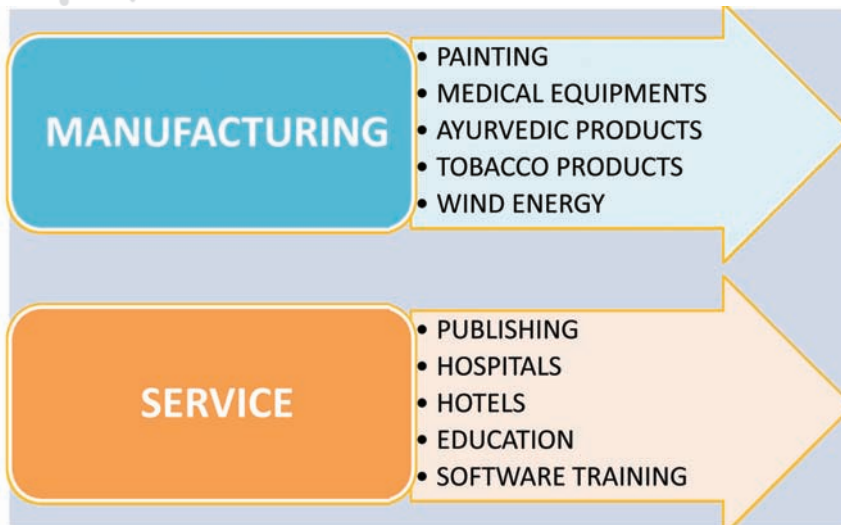


❖ Classification of MSMEs:



❖ Industries coming under MSME:

In accordance with MSMED Act, 2006, the various types of industries coming under manufacturing and service sector can broadly be subdivided into the following categories;



“MSMED ACT, 2006”-BACKBONE OF MSMEs

The conceptual and legal framework for small scale and ancillary industrial undertakings is derived from the Industries Development and Regulation Act, 1951. The Act provided the necessary powers to the Central Government to amend the provisions of this act from time to time so as to encourage small scale and ancillary undertakings.

The Small and Medium Enterprises Development Bill 2005 which was enacted in June 2006 was renamed as “Micro, Small & Medium Enterprises Development Act, 2006” aims at facilitating the promotion and development of small and medium enterprises. Various notifications issued by the Central Government from time to time relating to increase in slap rate of investments in plant & Machinery for manufacturing enterprises and equipments in service enterprises provides a clear cut proof that the economy of our country is striving towards achieving the economies of scale by increasing the volume of production of goods.

The Micro, Small and Medium Enterprise Development Act, 2006 (MSMEDA) extends the scope to accomplish many long-standing goals of the government and stakeholders in the MSME sector including the service sector.

The salient features Micro, Small and Medium Enterprises Development Act, 2006 are,

1. Industry replaced by enterprise which includes service enterprises also.
2. Sector enlarged to cover medium enterprises.
3. Constitution of MSME Board.

4. Simplification of registration procedure.
5. Progressive credit support.
6. Penalty for delayed payments.
7. Provision for exit policy.



This Act provides the first-ever legal framework for recognition of the concept of “enterprise” (comprising both manufacturing and services) and integrating the three tiers of these enterprises, namely, micro, small and medium. Apart from clearer and more progressive classification of each category of enterprises, particularly the small, the Act provides for a statutory consultative mechanism at the national level with wide representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions.

Establishment of specific Funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and simplification of the process of closure of business by all three categories of

enterprises are some of the other features of this legislation.

The Government has also announced a Policy Package for Stepping up Credit to Small and Medium Enterprises assuring, inter alia, a 20 per cent year-on-year growth in credit flow.

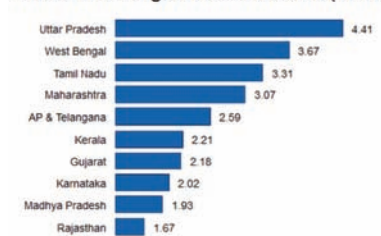
PRESENT INDIAN SCENARIO

According to the fourth All India Census of MSMEs, more than 92 per cent of enterprises are in the unregistered sector and these account for more than 81 per cent of employment. Less than 8 per cent of the enterprises are in the registered sector accounting for more than 18 per cent of employment. As expected, the top 10 in terms of the number of MSMEs is dominated by the larger states with Uttar Pradesh at the top with 4.4 million MSMEs. West Bengal has around 3.7 million followed by Tamil Nadu (3.3 million), Maharashtra (3.1 million), Andhra Pradesh (2.6 million) in the top five. The other states in the top 10 are Kerala, Gujarat, Karnataka, Madhya Pradesh & Rajasthan.

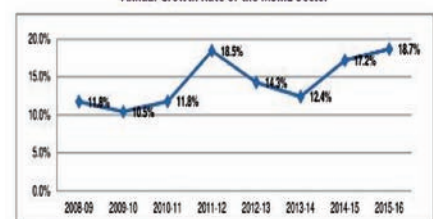
MSME sector which has large employment potential of 59.7 million persons over 26.1 million enterprises, is considered as an engine for economic growth and for promotion of financial inclusion in rural areas. MSMEs primarily depend on bank credit for their operations.

Bank credit to MSME sector witnessed a CAGR of 31.4% during the period March 2006 to March 2012. Of total credit to MSME, **public sector banks contributed the major share of**

States With Largest No. Of MSMEs (in million)



Annual Growth Rate of the MSME Sector



Source: MSME Annual Report 2015-16, Ministry of MSME

Nari Shakthi Puraskar Award 2017



Mrs. Radhika Varma C.K., Senior Manager, South Indian Bank Eruveli branch receiving Nari Shakthi Puraskar Award for the year 2017 from His Excellency Sri. Pranab Mukharjee, President of India on behalf of Tripunithura Kathakali Kendram Ladies Troupe in a royal function conducted at Rashtrapathi Bhavan, New Delhi on 08-03-2017 on World Women's Day. Mrs. Radhika Varma is a founder member of this ladies troupe.

Team Siblink Congratulates Mrs. Radhika Varma and her team members

Plastic Bottle Recycling Machine at Kochi Metro Station



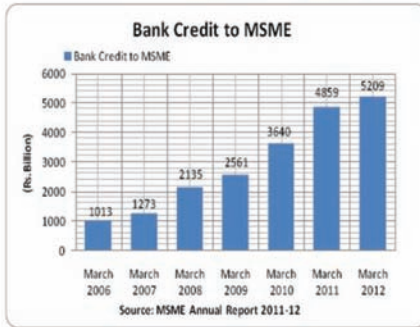
Our MD & CEO Sri. V.G. Mathew along with Sri. Elias George, MD, Kochi Metro inaugurates the first Plastic Bottle Recycling Machine installed at Palarivattom Metro Station

National Payment Excellence Award



National Payment Excellence award was received by Sri. Bobby James, SGM-Inspection & vigilance and Sri. Sony A, DGM-Digital Division from Sri. N. S. Vishwanathan, Deputy Governor, RBI, on 8th March 2017 in the presence of Sri. Balachandran M, Non Executive Chairman, NPCI, Sri. A.P. Hota, MD & CEO, NPCI at a glittering event held by NPCI.

Bank Credit to MSME



76%, while private sector banks accounted for 20.2% and foreign banks accounted for only 3.8% as on March 31, 2012.

❖ Contributions and Performance of MSMEs in India(Approx):



❖ Evolution of MSME lending:

Adequate and timely availability of Finance is one of the most important key inputs for any business. This is equally applicable while setting up of a MSME unit by an entrepreneur. Micro, small or medium business owners are generally first time entrepreneurs with very little capital or without capital, need not only technical, marketing and managerial support but also require the much needed seed capital to start the business. Many MSME units also need additional capital for technology up gradation, capacity expansion growth, and marketing and for imports and exports. Banks in India have been providing financial facilities to numerous businesses through their branch offices, regional offices in across the length and breadth of the country.

The Micro, Small and Medium Enterprises (MSME) sector has consistently grown at a quicker pace than India's GDP, but has not been supported by adequate financing opportunities. This is largely because many of these businesses are in the informal segment, and lack proper documentation and liquid collateral, making underwriting difficult for banks.

Traditionally, banks consider lending to small businesses a relatively risky business, and have

adopted conservative policies to minimize both credit risk and cost of delivery. They have taken far greater comfort in financing formal and medium enterprises, leaving a gap in the market. Over the years, India has witnessed the evolution of various models to try and fill this gap and meet the credit needs of the unorganised sector.

Non-banking finance companies (NBFCs) with localised presence and domain knowledge have started to look at small business finance market as an opportunity. Presently, the small business finance market comprises of NBFC-MFIs, large and old NBFCs along with new NBFCs. The aggregate AUM(Assets under management) of NBFCs focussing on small business financing is estimated at INR 33,000-35,000 crores. Within this segment, large NBFCs dominate the market, catering to borrowers in both the formal sector, who are able to produce documented proofs of income, and the informal sector. Large NBFCs dominate the market with over 90% of the aggregate AUM. Other players include NBFCs, a number of whom have partnered with IFMR Capital, to focus on mortgage loans or secured and unsecured loans to small businesses.

Microfinance emerged as a step forward in addressing the continued challenge of financial inclusion. Some MFIs such have even started offering Individual Loans to customers with long standing relationships, while others have created a small customer base of individual run micro enterprises.

Non-banking financial companies (NBFCs) with a sectoral focus on MSME finance have steadily developed their business. Their unique model of underwriting and credit delivery has helped them scale-up financing to small businesses while maintaining strong portfolio quality. The loans offered facilitate occupational needs including, equipment purchase, business expansion, technology upgradation and working capital requirements.

Over the past 5-7 years, newer NBFCs sensing opportunity have made a foray into SME lending with innovative business models. These NBFCs analyse informal records that banks generally do not accept, and conduct background checks on potential customers through an exhaustive evaluation process.

A number of private equity firms have expressed an interest in these originators at their early

stages of growth. Furthermore, it is interesting to note that a number of originators have developed their own niche of operations to meet specific gaps – working capital needs of corporates, equipment financing for larger MSMEs, ongoing business requirements for smaller businesses etc. Others have focused on developing their networks in specific geographies.

❖ Major Schemes implemented to support MSMEs:

Credit Support

- Public sector banks advised to double the flow of credit to MSMEs within 5 years (20% annual growth)
- A minimum of 40% of bank credit earmarked for priority sector lending which includes loans to MSEs for both public and private sector banks
- Specialised SME Bank branches in industrial clusters for smooth flow of credit to MSMEs
- One Time Settlement (OTS) scheme for settling NPAs of MSMEs

Technological Support

- Credit Linked Capital Subsidy Scheme for Technology Upgradation
 - Scheme meant to improve quality of products by technology upgradation
 - Investment upto INR 10 million (US\$ 250,000) eligible for support with subsidy upto 15% on investment.
- Testing Centres for Quality Certification
- Tool Rooms and Training Centres for skill upgradation
- Incentive scheme for obtaining ISO Certification by MSEs

Marketing Assistance and Export Promotion

- Support for participation in trade fairs and exhibitions – national as well as international.
- Training programmes on packaging for exports.
- Purchase preference in Government procurement.
- Market Development Assistance Scheme for publicity, market studies and adoption of modern market practices

Cluster Development Programme

Cluster formation has been considered important for MSME development. A cluster may be defined as a local agglomeration of enterprises (mainly SMEs, but often also including some large enterprises), which are



Inaugural ceremony of our 843rd branch at Tirupati under Hyderabad Region, by Smt. M. Suguna (MLA, Tirupati Constituency) in the presence of Sri. Chadalawada Krishnamurthy (Chairman, Tirumala Tirupati Devasthanam), Mr. John C. A (Deputy General Manager and Head, RO Hyderabad)



Inauguration of Haripad Branch by Prof. Sudha Suseelan (Chairperson, Haripad Municipality), Mr. Peter A. D. (Dy Gen. Manager & Regional Head, Thiruvalla), Mr. Baburaj B. (Councillor, Haripad Municipality), Mr. Reswin R Nath (Branch Manager, Haripad), are seen.



Inauguration of TBD, Bangalore by Head & DGM (TBD), Mr. Sreekumar Chengath in the presence of Mr. Joseph T P, AGM (RO-BI're) and Mr. Suresh Srinivas Rao, SM & Center Head (TBD-Bangalore).



Inaugural Ceremony of new Offsite ATM at Seemas Wedding Collection, Aluva by Ms. Lissy Abraham (Chairperson, Aluva Municipality) in the presence of Mr. Reddy N. J., (JGM and Regional Head, RO Ernakulam), Mr. K. P. Kunjumohammed (MD, Seemas Textiles), Mr. Manu Jose (Senior Manager and Aluva Branch Head)



Inaugural ceremony of new onsite ATM attached to Pune Viman Nagar Branch, by Mr. Jagdish Mulik (MLA, Wadgaonsheri Constituency) in the presence of Mr. Vijith S (Regional Head, Pune), Ms. Manisha Shrivastava (Branch Head, Viman Nagar)



Inauguration of new Offsite ATM at Mini Civil Station, Pathanapuram by Rev. Fr. K. V. Paul (Secretary, Mount Tabor Daira) in the presence of Mr. Shaik Pareed (Ward member, Nadukkunnu), Mr. K. S. Satheeshkumar (Dy. Gen. Manager and Head, RO Thiruvananthapuram), Mr. Harikrishnan S. (Branch Head, Pathanapuram)



Though Banks have lend around Rs 8 trillion to MSME sector, MSME sector is still **under funded** and badly in need for capital infusion. According to International Finance Corporation (IFC), MSME sector faces a severe capital shortage of Rs 32.5 trillion. Out of this, debt shortfall is Rs 26 trillion. This is the shortfall that the organised financial sector will have to provide to MSMEs to ensure that they are properly capitalised and can continue to grow. For the banks, the challenge is to access and tap the wide MSME segment and for small business owners to access finance. The key products through which banks lend to MSME is working capital finance (in form receivable discounting and / or basis trade assets), loan vehicle / equipment purchase, project finance, and long term finance. The hurdles faced by MSME in accessing finance is lack of comprehensive formal documentation relating to accounts, income and business transactions.

Nearly all banks prefer to lend to MSMEs only against collateral. Current trend is that majority of lending to MSME sector is against property mortgaged by promoters or owners or partners of MSME unit to the bank. A significantly large chunk of MSME loans between Rs. 30 million to Rs 150 million are actually nothing but Loan Against Property (LAP). This t is actually because of the risk framework adopted by Banks to avoid bad loans in their portfolio.

producing and selling a range of related and complementary products and services.

"SLOW BUT STEADY STEP TOWARDS FUTURE"

THINK ABOUT IT???

MSME is still a highly untapped sector.....

International Cooperation Programme

- Provides exposure to MSMEs to the latest technologies, manufacturing practices prevalent in their fields in different countries.
- Encourages their participation in international exhibitions for exports.

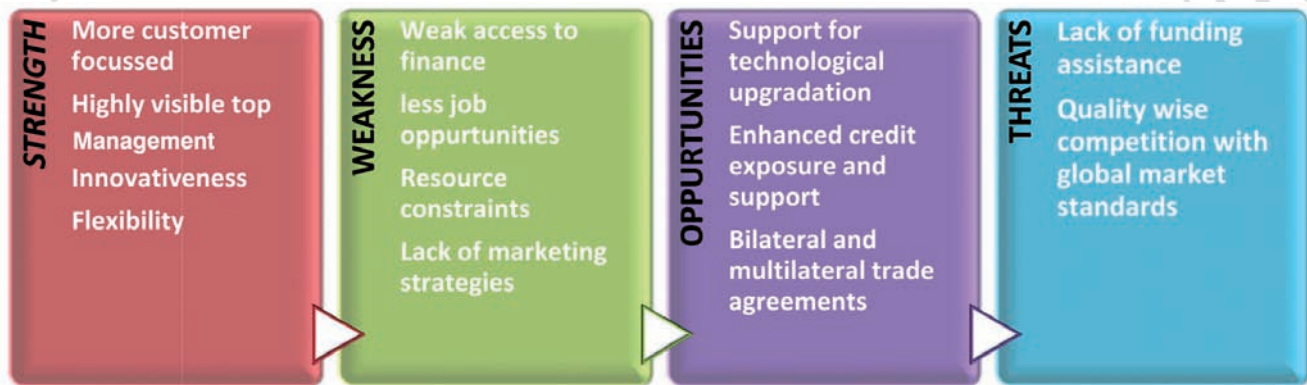
SWOT Analysis :

By looking into the strength, weakness and opportunities of MSME in India, the following suggestions can be given for economic development of the country in general,

1. A cluster centric development plan for each potential clusters may be prepared for long term development.
2. District Industrial Centers should be proactive in providing help both to the entrepreneur and bankers.
3. There is need for making handloom and handicraft sector more market friendly and competitive to strengthen MSME.
4. Private sector participation may be encouraged.



Handing over of Haemo Dialysis Unit to Bishop Alappatt Mission Hospital, Karanchira under CSR initiative in the presence of our Director Dr. John Joseph, Mr. Paul Antony Maliakal (Asst. Gen. Manager & Head, RO Irinjalakuda), Mr. Silvan Antony (BM, Karanchira), Rev. Sr. Dhanya Bastin (Provincial Superior, Irinjalakuda FCC congregation)



Steps taken by central Government to address this issue:

To channelize credit flow to the MSMEs and reduce the fund gap, the Reserve Bank of India (RBI) has now compelled banks specific targets for lending to MSME as part of the Priority Sector Lending norms. In April 2015, the RBI mandated banks to lend 7% of their annual total lending to micro enterprises. This is a remarkable moment as far as MSME segment is concerned and is likely to go a long way to resolve the access to finance problem faced by MSME from a policy perspective.

Additionally, Reserve Bank of India (RBI) proposed setting up of credit rating agencies.

In pursuance with this suggestion, SME Rating Agency (SMERA) was incorporated by SIDBI, banks and Dun and Bradstreet. They have introduced various rating products to evaluate and rate MSMEs, helping MSMEs to access bank financing easily and at better terms.

To address and resolve concerns of lack of adequate collateral, banks are encouraged to offer collateral free loans, wherein Credit Guarantee Fund Trust Scheme for Micro and Small Industries (CGTMSE) offers credit guarantee cover to Member Lending Institutions (MLIs), up to 75% of amount of default. This is a boon for micro units and start-ups, who can raise initial funding without

having to worry about collateral.

Union Budget 2015 has also offered a new source of trade financing to MSMEs by proposing setting up of Factoring - Trade Receivables Exchange.

Another path breaking initiative taken in this regard by Prime Minister Mr. Narendra Modi by launching ambitious programs like ***Make in India***, Micro Units Development and Refinance Agency Bank (***MUDRA***) and Smart Cities. PM's vision can be achieved only if there is adequate flow of credit in MSME sector. Increased and easy credit will help MSMEs expand, hire more people, and become larger contributor to overall economic growth.

Handing over of the school bus for KRIPA Special School under CSR Initiative of South Indian Bank to Rev. Fr. Paul Nedumchallil CMI (Director, KRIPA Special School) by Mr. Reddy N.J. (Joint General Manager and Regional Head, RO Ernakulam), in the presence of Rev. Fr. Jacob Menachery CMI (Asst. Director, KRIPA Special School, Mr. Manu Jose (Senior Manager and Aluva Branch Head), students and staffs of KRIPA school.



MSME in India: Opportunities, Issues & Challenges



Vivek Viswan
Manager
HO CPPI

Micro, Small and Medium Enterprises constitute the backbone of an economy in maintaining an appreciable growth rate and in generating employment opportunities. This sector has been regarded as engine of economic growth and social development in many developed and developing countries. Contribution of MSMEs to the Indian economy are in terms of employment generation, containing regional disparities, fostering equitable economic growth and enhancing export. Despite some infrastructural deficiencies and challenges like flow of institutional credit and inadequate market linkages, this sector has registered remarkable success with regard to increase in number, quantum of investment, scale of production and overall contribution to national GDP. Potential of the country has been quite phenomenal.

Indian economy during the recent years has shown an appreciable growth performance by contributing to creation of livelihood opportunities to millions of people, in enhancing the export potential and in increasing the overall economic growth of the country. Prompt and appropriate fiscal stimulus, effective monetary policy and huge capital inflows were greatly instrumental in the bounce back situation of the economy. As a catalyst for socio-economic transformation of the country, the MSME sector is extremely crucial in addressing the national objectives of bridging the rural-urban divide, reducing poverty and generating employment to the teeming millions.

Export-Import Bank of India, (2012) has critically analysed the present situation of MSMEs and support systems available in India as well as in the global context. It has suggested that MSMEs in India should have access to alternative sources of capital like angel funds/ risk capital etc. and that existing laws should effectively address issues like insolvencies/ bankruptcies; need to redefine the ceiling limits to encourage MSMEs to move up the value chain and need for cluster development approach to increase the level of competitiveness.

Statistics reveal that the number of such enterprises set-up, employment generated and the investments made in the MSME sector in India has shown an increasing trend over the years as evident from Table below

Flow of credit or availability of finance from banking institutions is a major factor contributing to the growth and success of MSMEs. MSMEs sector plays a major role in contributing to India's export performance. This sector contributes 45-50% of the Indian exports out of which direct export accounts for nearly 35% and indirect 15% to the total exports. Needless to emphasize that while the organized industrial sector with large scale industries requires substantial amount of investment for generation of employment, the MSME sector creates larger employment opportunities with less or same investment.

Potentialities for Growth: Opportunities

The MSME sector offers huge opportunities for growth in industrial and service sector. It also creates employment by creating an ecosystem for growth. The major opportunities are listed below:

Unleash industrial growth

The MSME sector in India occupies the second position next alone to agriculture in terms of employment generation. This sector accounts for about 95% of the industrial units, 45% of manufacturing output, 40% of total exports of the country. MSMEs have greater opportunities to grow as ancillary industries to unleash higher industrial growth.

Creating employment by growth in ancillary industries

There are huge opportunities for the MSMEs to grow as ancillary industries to unleash greater industrial growth which create more employment. Development of the sector is therefore extremely important as it holds the key to inclusive growth and plays a pivotal role in holistic development of the country.

Creating an ecosystem for a manufacturing hub

MSMEs in India consistently feed the domestic and the international value chain as manufacturers, suppliers, distributors, retailers, contractors and service provider by accounting for a substantial segment of our industrial units. This sector has been performing appreciably better than the overall rate of GDP and the overall industrial output (measured by Index of Industrial Production-IIP). Availability of adequate financial resources, a supportive policy framework to address the areas like entrepreneurial skill development, a competent pool of human resources, application of latest technology and new innovations, adequate international market linkages and bilateral trade agreements etc. would make the Indian MSME sector globally competitive to address the emerging challenges and help ensure their sustainability.

Issues and Challenges

Some of the major challenges confronted by these enterprises include; lack of adequate credit and capital, poor and inadequate infrastructural facilities, inadequate access and marketing linkages, technological obsolescence

Year	Total Working Enterprises	Employment Generated (In Lakh)	Market Value of Fixed Assets(Rs. in Crores)
2006-07	361.76	805.23	805.23
2007-08	377.36	842.00	920,459.84
2008-09	393.70	880.84	977,144.72
2009-10	410.80	921.79	1,038,546.08
2010-11	428.73	965.15	1,105,934.09
2011-12	447.64	1,011.69	1,182,757.64
2012-13	447.54	1,061.40	1,268,763.67
2013-14	488.46	1,114.29	1,363,700.54
2014-15	510.57	1,171.32	1,471,992.94

Source: Annual Report of MSME, Government of India, 2015-16.

and inadequate application of new technology, lack of skilled human resources, dilatory and cumbersome regulatory practices for clearance and poor adaptability to emerging international trends.

Lack of Adequate Capital and Credit

One of the greatest challenges which constrain the growth of MSMEs in our country relates to inadequate capital and credit facilities. Easy and timely access to credit is a crucial factor to the development and growth of enterprises. The Report of the Working Group on Rehabilitation of sick MSMEs by the Reserve Bank of India has identified this situation as a crucial reason for industrial sickness of this sector. Complex collaterals insisted by the banks, cumbersome sanction procedures and delay in disbursement and high rate of interest on term loans further worsen the situation.

Poor and Inadequate Infrastructural Facilities:

Deficiencies in the infrastructure and poor support facilities marked by inadequate access to basic facilities like water, power supply, road/rail connectivity etc. adversely affect this sector and contribute to enhance their operational cost by rendering the MSMEs less competitive in the challenging market situations.

Inadequate Access and Marketing Linkages:

Poor marketing linkages characterized by inadequate Government support and patronage, lack of adequate marketing infrastructure/ network facilities continue to be a greater challenge for marketing and sale of MSME products. In a non-cluster situation, these enterprises get segregated and are unable to ensure reduction in procurement cost from big companies and fail to streamline the output-supply chain.

Lack of Skilled Human Resources:

Non-availability of skilled workforce and better managerial/entrepreneurial expertise at affordable cost near the location of enterprises is another such big challenge for the MSMEs in our country. Lack of managerial competence, absence of proper training on resource planning and capital management etc. hinders the growth of enterprises.

Lack of Access to New Technology:

Most of the industries today require application of advanced technology in their operations whereas in the Indian context, continuance of low technology base results in low productivity by making these enterprises uncompetitive in

the ever-widening market contexts. Apart from enhancing productivity and quality, new technology should be adopted for an overall transformation and competitive edge.

Cumbersome Regulatory Practices

Cumbersome regulatory clearances relating to sanction and disbursement of loans from commercial banks, collateral securities/ guarantees, for construction permits, resolving insolvency and taxation etc. continue to be the constraining factors for many MSMEs. Absence of a common regulatory body and inadequate provisions for start-ups affect the growth of such enterprises. Non adherence to RBI guidelines regarding revival/rehabilitation of enterprises by the Banks is another such constraint that needs to be addressed.

Suggestions

Although the performance of the MSME sector has been commendable over the years in terms of employment generation, growth of exports and in bringing about social transformation, a lot more need to be done for their continued growth and sustained development. The issues and constraints that hinder their growth need to be identified and properly addressed. Some suggestions to improve the performance of MSMEs are indicated below;

Easy Access to Finance and Credit :

Institutional finance/credit from banks and other financing institutions should be promptly available without long and cumbersome procedures. Sanction of credit / loan applications by public sector banks should be made within a reasonable time frame at affordable and reduced rate of interest.

Stepping up Infrastructural and Support Facilities:

Deficiencies in basic infrastructural facilities like water, power supply, road/rail and telephone connectivity, etc. should be addressed on priority basis. Use of solar or renewable energy as an alternative source should be encouraged in rural areas on subsidized basis. A cluster-centric or cluster development approach should be adopted for a number of enterprises working in closer proximity.

Creation of adequate Marketing Linkages :

For enhancing sale of products, regular trade fairs/exhibitions etc. should be conducted for creation of a larger platform for better marketing facilities. The Govt. of India policy

regarding 20% mandatory procurement of MSME products by government Departments/ State PSUs should be ensured.

Skill Development and Capacity Building

Initiatives should be taken for skill / competency development of human resources. Infrastructural and professional support from Rural Self Employment Training Institutes (RSETI) and suitable training institutes may be obtained for conducting training of entrepreneurs and workers engaged in different activities. Awareness / sensitization programmes and TV/Radio talks should be conducted.

Access to Modern Tools and Technology:

MSMEs today need to adopt and adhere to quality parameters of international standards in the context of a globalized market. Technological obsolescence should be replaced by adoption of modern and latest tools and technology for increased productivity and quality product for competitive advantage.

Policy Intervention and Support Mechanisms:

Industry-friendly policies should be initiated by the government for promoting infrastructural support facilities and for easy availability of finance by the scheduled banks. Government and Banks should take steps for revival of sick units as per RBI Guidelines and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGAMSE) Scheme.

Conclusion

MSMEs over the years have assumed greater significance in our burgeoning national economy by contributing to employment generation and rural industrialization. This sector possesses enough potential and possibilities to pushbutton accelerated industrial growth in our developing economy and well poised to support national programme like 'Make in India'. This sector has exhibited enough resilience to sustain itself on the strength of our traditional skills and expertise and by infusion of new technologies, capital and innovative marketing strategies. Appropriate strategies should be evolved for creation of an enabling ecosystem where these enterprises are able to access the benefits meant for themselves under a formal and friendly ecosystem and are further capable of meeting the emerging challenges of a globally competitive order.

Credit Guarantee Fund Trust for Micro and Small Enterprises

Government has introduced many schemes and initiative to bring about financial inclusion and to make people more self reliant. Thrust has been given to the growth of Micro Small Medium Enterprises (MSME). MSME is an area which offers great scope for economic growth, employment generation and balanced regional development. In our Bank, out of the total advances as on 30.06.2017, 24.32% comes under MSME sector.

In order to promote maximum growth under MSME, the Government has set aside a Credit Guarantee Fund Trust (CGFT) which offers guarantee cover to Banks by the name Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to cover MSME loans.

Key Features

- CGTMSE cover is extended to all MSME loans up to Rs 2.00 Cr, without collateral or third party guarantee.
- The objective of the cover is to ensure that project viability is given importance and



Lakshmi Krishnakumar

Asst. Manager
HO CPPI

the advance is secured by primary security.

- The scheme assures the lender that in case the MSME unit fails to discharge its liabilities, the Trust would make good the loss incurred by the lender at 85% of the credit facility.
- Manufacturing and Service sectors are included and retail trade educational institutions are excluded.

Beneficiaries

To Banks/Financial Institutions

CGTMSE cover seeks to reassure the lender that, in the event of a MSE unit, which availed collateral free credit facilities, fails to discharge its liabilities to the lender, the Guarantee Trust would make good the loss incurred by the lender

up to a maximum of 85 per cent of the credit facility.

To Borrowers

The cover also provides an opportunity to Banks/Financial Institutions to provide financial assistance to small scale enterprises with the backing of the guarantee. Hence many MSMEs have the possibility to realize their dreams.

Schemes Covered

Not restricted to any schemes and covers all fund / non-fund based facilities without collateral and third party guarantee under manufacturing and service sectors. As per latest modification, CGTMSE has increased the coverage of the eligible credit limit per borrower under the CGS from Rs. 100 Lakhs to Rs. 200 Lakhs.

Since we are now shifting focus from wholesale to retail credit, CGTMSE cover has come as a great comfort for the lenders, as we can extend credit to our retail customers with assurance from the Government. Therefore we must make maximum utilisation of this guarantee cover and provide assistance to MSMEs wherever possible.



SIBS Arts & Sports Club members to Mysore
Team Meppadi Branch in Ooty



Team RO Ernakulam at Bhoothathankettu.



HO Credit Department at Wayanad



Inauguration of new Offsite ATM at Lobelia HSS, Nayarambalam by Ms. Rosemary Lawrence (Member, Zilla Panchayath) in the presence of Mr. S. Sharma (MLA), Mr. E. P. Shibu (President, Nayarambalam Grama Panchayath), Mr. Reddy N. J. (Joint General Manager and Head, RO Ernakulam), Ms. Annie Ouseph (Branch Manager, Vypin)



Inauguration of Onsite ATM at the new premises of Nallanur Branch, by Mr. M. Ramesh (Chairman, Jayam Group of Institutions) in the presence of Mr. A. Sankar (DRO, Dharmapuri), Smt. Minu Moonjely (Dy. Gen. Manager and Head, RO Coimbatore), Sri. Ananthasubramanian (Asst. Gen. Manager, RO Coimbatore)



Inaugural ceremony of re-dedication of Chavakkad Town Branch by Mr. N. K. Akbar, (Chairman, Chavakkad Municipality) in the presence of Mr. Jojo Antony, (AGM & Regional Head, RO Palakkad), Mr. Joseph P. P., (CM, RO Palakkad), Mr. Nitheesh CV, (Manager, Chavakkad Town Branch)



Inaugural ceremony of Offsite ATM at Kannur International Airport Limited attached to branch Mattannur under Kannur region by Sri. E. P. Jayarajan, MLA, Mattannur Constituency in the presence of Sri. Francis P. J. (AGM & Regional Head, RO Kannur), Sri. K. S. Shibukumar (Chief Project Engineer, KIAL)



Inauguration of new Offsite ATM at Meenakshi Mission Hospital and Research Centre (MMHRC), Melur by Mr. R. Chadraavel Rajan (Chief Financial Officer, MMHRC) in the presence of Mr. S. Vijaykumar (Joint Commissioner, Commercial Taxes, Madurai), Mr. N. I. Thomas (Asst. Gen. Manager & Head, Madurai),



Inauguration of new Offsite ATM at PS Mission Hospital, Kundannur by Very Rev. Msgr. Mathew Elangimattom (Vicar General, Arch Diocese of Veropoly) in the presence of Dr. Sr. Annie Sheela (Director, PS Mission Hospital), Mr. Reddy N. J. (Joint GM & Head, RO Ernakulam), Mr. Nandakumar A. (Branch Manager, Maradu)

Accident – Story of a Survivor

Accidents and survival is a part of everybody's life. From childhood accidents like falling from a bicycle or falling while playing with friends or the first crash in college days makes our body and mind fit to absorb the next big hit. This is a story of an accident and survival.



Nikhil A.B.
Senior Manager
Br. Adayar

The hero of the story was an average student born and brought up in Thrissur, Kerala. Having grown up, one day while he was waiting for a bus at the bus stand, suddenly a truck lost its control and rode over him. We can say expect the unexpected and when it comes to a tragic incident, it is always a disaster. The accident was literally a disaster and took the lives of some. Luckily he made a narrow escape with severe injuries. We always say friends are the real partners of life - but here, one of his friend pretending to be a close friend ran away from the situation without saving the life of his dearest friend!!!

"Injury" - we normally classify as breaking a leg or a hand. Here his head had a major injury apart from minor injuries on his body. His skull was broken, the brain and eyes were also injured. Immediately he was taken to the Government Hospital along with the others who were injured in the incident. They stitched his head and he was told to go home. But the blood was oozing out and the duty Doctor immediately said to his bystander "this looks like a severe injury and we are not having the expertise to look to his case. Better take him to a good hospital". Coimbatore is gifted with number of good hospitals and he was taken to K.G. Hospital. Immediately he underwent a surgery to bring him to consciousness. "THANK GOD". The surgery was a great success. The doctors were then waiting for the main Neuro surgeon to come.

He regained his memory as the first surgery was a success. He had to undergo another surgery for his nerves. Before going to the operation theatre for the second surgery, the doctor told him: "there is a possibility of survival - survival with paralysis or the surgery may be a failure. So, which do you prefer?" A very tricky question to a person lying on the operation table in this situation!!

He was able to answer the question in a different way. "Sir, I am seeing you as a God and I want to live. I am confident in you. Please

go ahead. The Doctor smiled at the patient and said, "I was testing your mental strength at this critical time because, only if you are confident of life, then only this critical surgery is going to be a success.". He was then taken to the operation theatre. His parents, friends, relatives were all praying for his survival outside the operation theatre. The surgery took more time than the usual time. Because of the accident impact, his nerves connecting the eyes to the brain was damaged and the doctors were trying to "stitch" the nerves!! Neuro surgery on brain was carried out with expert doctors and luckily everything went well. He was brought to ICU from the theatre and his body was shivering with cold. Nurses and doctors put blankets to reduce the cold on his body and to bring him back to normal. After few hours his body started functioning normally. His father and mother were called inside the ICU to check whether he was able to recognize them. The video of the entire surgery was shown to his father - a tough moment to a father seeing the surgery of his son, that too the head being opened.

Thanks to the medical science which has been advanced to a great extent that these complicated procedure are solved now. He was moved to a room after a week from the ICU and the interesting feature in that room was that there was no "Mirror". If there had been a mirror, on seeing his own figure the patient would have had a mental shock since his head was like a "Big Zip". Slowly he came to his normal life. He was told to undergo another surgery after 3

months by the doctor. Continuous rest for 3 months made him get strengthened for the next surgery. He was admitted at KG Hospital, Coimbatore again for the third surgery. This time the surgery was to put a "Metal Alloy" in the place of the broken skull which will protect the brain from further hits or damage. Again the same Doctor did the operation with ease and the surgery was a success. Like the last surgery there were questions and answers and due to the continuous pain, the patient without losing hope became physically and mentally strong. He went back home at Thrissur. After 3 weeks regular monthly check ups was carried on and now he was able to move back to normal life over a period of time. After this accident, he never grows hair and the "Gajini" stitch mark on his head made him a different person wherever he went. He loves adventure, sports and was able to do river rafting, bungee jumps (which the doctor has said not to do it again), para-gliding etc and he loves to travel a lot.

The survivor is a motivational speaker among the severely injured accident patients and some of the leading hospitals call him to counsel the patients to gain confidence before the surgery so that the survival rate will be higher. Friends, this is my story. I am Nikhil A.B., now placed as a Senior Manager at Chennai Adayar Branch. My gratitude goes to everyone who made me survive from the unexpected incident; especially my parents and sister who had suffered a lot to bring me back to life, the dynamic doctor who is very straight forward and talented and my loving wife who had accepted me even after knowing this horrible incident.

This story gives us some inputs on how to face a difficult situation and how not to lose mental strength on ever demanding occasion. Always be confident of yourself and do whatever you can for others.

World Heart Day celebration at Lourdes Hospital, Ernakulam inaugurated by renowned Malayalam Film Actor Sri. Manoj K. Jayan in the presence of Sri. Reddy N. J. (Joint General Manager and Regional Head, RO Ernakulam), Rev. Fr. Sabu Nedunilath (Director, Lourdes Hospital)





"UTSAV-2017-A GALA TO CHERISH"

"**UTSAV-2017**", our Region's Family Meet was held on 5th March 2017, Sunday at Vaigai club, Madurai under the leadership of Mr. Benoy Varghese, Senior General Manager, HO-Credit Dept. and Mr. N I Thomas, Assistant General Manager, Madurai Region. Family get-togethers are a great way for family members to catch up, strengthen the camaraderie and to experience a much needed change from the daily routine. There was an abundance of youthfulness in everyone who participated in the family meet irrespective of age and the official designation.

The theme of '**UTSAV-2017**' was "**Unleash The Talent In You!!!**" and the 300 odd strong participants took the motto in its true spirit that triggered active participation in sports and cultural events. In short '**UTSAV-2017**' served as a platform for the staff members and their family members to showcase their talents.

The tireless efforts of convenor, Mrs. Katyayini, Chief Manager, RO Madurai and Joint convenors, Mrs. Susan Sarah Zachariah, Manager and Mr. Palpandian, Clerk is laudable. The splendid organisational skills that made the family meet a grand success is praiseworthy. Organising an event for the Staff under Madurai Region was not an easy task owing to the geographical vastness of the region. But the meticulous planning and efficacious execution of the

programmes by the Organising Committee collectively made '**UTSAV-2017**' a memorable event. "**YES, WE CAN.....**" is the motto that we had chosen for '**UTSAV-2017**' and the grand success of the event did justice to the motto.

Regional Office and Branches had participated in '**UTSAV-2017**' under the flags of four clusters:

- ♦ "**Madurai Bull Riders**", led by Mr. Premkumar S, Chief Manager, RO Madurai
- ♦ "**Classic Spinners**", led by Mr. Senthil Kumar K T S, Chief Manager, Br. Aruppukottai
- ♦ "**Delta Warriors**", led by Mr. Srivatsan V P, Manager, Br. Trichy Main and
- ♦ "**Super Sailors**", led by Mr. Saji T, Senior Manager, Br : Tirunelveli

It is noteworthy that the creativity of the cluster heads with prominent logos and colourful T-shirts added flavour to the event. They exhibited commendable team work and their contributions translated the hidden energy levels of one and all into the success of the meet.

'**UTSAV-2017**' kick started with the cricket matches and the team Classic Spinners emerged as winners. Which was followed by badminton competition and other events like musical chairs, treasure hunt, Tug of War and Lemon and spoon race for women and kids. The active participation in the sports events vindicated that the sweltering summer did not dampen the

spirit of the participants and the verve and the enthusiasm evinced by them in the sports events spilled over to the cultural events also. As the day progressed, the hidden youth in each one transformed the venue into an electrifying atmosphere.

"One need not be a participant to feel the excitement". The audience cheered the performers fervently and on occasions joined them on and off on the stage too. The vibes of college days were felt there. For a number of participants, it was the pre-event sessions that were most memorable. They enjoyed night practice and dinner together and the sense of togetherness and fun was a welcome change after tight work schedule. Above all, '**UTSAV-2017**' catalysed to strengthen the bonding between the staff members regardless of the difference in the rank and age.

'**UTSAV-2017**' lingers afresh in the minds of one and all at SIB- Madurai region. It happened to be a perfect example of what team work and cooperation can achieve in an organization. The support from the staff members and their family was tremendous which culminated into the success of the Meet. SIB is privileged to have such wonderful, talented and supportive staff.



Glaxton K.J.
Manager (Legal),
Madurai RO



Sitting Row (Left-Right) : Mr.Sugan, Mr.Sreejith, Mr.Prem kumar (CM- RO,Madurai), Mr. Benoy Varghese (SGM-HO Credit Dept), Mr.N.I.Thomas(AGM- RO, Madurai), Mr.Siva, Mr.Ramesh(CM- RO, Madurai), Mr.Senthil, Mr.Dilip
Standing Row (Left-Right) : Mr.Shankar, Mr.Alappat, Mr.Aadish, Mr. Jubin, Mr.Tilak, Mr.Sarath, Mr.Santhosh.

Pages from the diary notes of a banker

Having served South Indian Bank for 34 years, I am now stepping down. I can assert with much satisfaction that I have worked to my best for the betterment of this institution. The God almighty has blessed me in all my efforts and I would be thankful always.

Retiring with a satisfied mind is definitely a lucky thing. No complaints or no grievances on whatever happened to me during my career. All the works assigned to me have been accepted without any hesitation and I consider that all those challenges brought me rise in my career. Without a briefing of my service details, the message, which I wish to share, will be incomplete. I am always happy to mention the good things the bank conferred to me from the very beginning of my career.

Once somebody asked me how you are getting all favours from the bank, I replied even though I belong to a place far away from Thrissur, I have got an influential person in Thrissur and his name is "Guruvayoor Appan". My career in South Indian Bank is summed up below.

Having got appointment in 1983, I was posted to my home district, a rare thing at that time. On to the next promotion I was posted to Coimbatore, which is the nearest city outside the state. I was allowed to work in the same branch for 6 years, which helped me in the education of my children. On next promotion I was posted to Chennai which is about 500 kms from Coimbatore. My daughter who took Malayalam as second language, which has been taught only in 3 or 4 schools in Tamilnadu, got admission in a school in Chennai. Again a blessing for me! Here I would mention that neither have I given any request for a transfer nor the authorities concerned aware of my preferences. From Chennai, almost every 2 to 3 years I have been transferred to different places either on promotion or on completing 3 years service. Even then, the study of my children was hardly affected. I also received timely promotion and retiring as AGM, I believe this is the position most fitting to my calibre and I don't aspire for anything more.

I have no complaints or grievances but only gratitude and loyalty to the organization. There were setbacks in my career, which included having served memos, charge sheets and even punishments. I considered it as a way to make



Prakash M.K.

Asst. General Manager
RO Thrissur

me more cautious and prudent in future, believing that our sincerity will win always. I also remember situations, where by God's help, I was saved from problems. In my whole service I have not given any transfer request, still I got convenient postings and comfort in my career and life. I believe that if we work sincerely, rewards will come to us in one or other way. I was not an outstanding manager but I tried to give maximum output to the organization by reducing availment of leave. Till date I have not taken any sick leave and the balance sick leave to my credit is 630 days. We used to hear complaints from staff members that his/ her house at native place remained locked for years and partly damaged due to lack of maintenance or by not occupying. In my case, out of total 34 years I was out of my home state for 19 years and I am going to occupy my house for the first time after the retirement and so far I have changed 18 rental houses in my service. I believe that God's blessings were with me and majority of my transfers were to a better branch/ office than the previous ones and those transfers had not caused any inconveniences.

During my career I tried to induce the value of work and importance of sincerity to my subordinates by describing my career experience. I am sure that all of them will follow a better work culture and transparency in their career.

I don't want to invite the allegation of boasting, that is why I requested to publish this after my retirement.

We have got a strong, dedicated and sincere work force, which I believe will bring our beloved institution to glorious position. I have got full confidence in our young generation; they are capable of leading our next generation bank. Now we have got staff mix from all areas, which will bring in innovations. We have got good presence in a number of states and powerful positions in few areas/ locations,

which has to be utilised to our favour. Even though our share of contribution to the total business is comparatively low, our growth rate is much above the peer, which shows our competency.

On gender proportion, 40% of total strength and about 35% of officers are female. These officers are very efficient and capable of leading our institution to better heights. But I have a feeling that we are not giving them better opportunities or exposure instead of that in most cases we deny them opportunity for their career development in the name of favouring or protecting them. If they are provided with challenging situations, their confidence level will improve and this will benefit our institution. One concern that everybody agrees to is our CASA position, which is not to the level of industry average or to the peer group level. Our CASA is still around 25% of total deposit, which is much below the desired level. I believe that demographic analysis of our individual CASA accounts may give some clue in this direction. We are not very successful in bringing the young to our fold. We have got all technology products but this advantage is not really reaching the younger generation who are presently having sufficient income generation. Additionally we could not get into the cash rich companies for which our branch level initiatives seem not sufficient.

Along with propagating our digital facilities, the service in the branch counters is also to be improved and speedy disposal of customers to be ensured. For this all branches should be provided with sufficient work force in different categories. Those who are 'crying for' always get favours and the difficulties faced by others are not being noticed. Throughout my career it has been observed that some branches are always getting sufficient staff whereas a few are suffering. I don't know whether there is any gauge to access the actual requirement. From our experience we can formulate methodology to access the staff requirement of a particular branch. Weight may be given to different areas like time deposit, demand deposit, term loans, working capital limits, NPAs, number of vouchers, number of ATM, forex business etc. for analysing the staff requirement.

Branch level profitability is also to be considered for accessing one's performance. At the close of every financial year, the profit will speak rather than the volume of business. Our

Stand Up India

Name of Centre	No of branches considered	No of branches with advance > Rs 100.00 cr	No of branches with advance < Rs 100.00 cr	Average advance among category 2 Rs. in Cr.
Bangalore	14	5	9	51.79
Chennai	17	7	10	39.78
Delhi	23	4	19	20.01
Ernakulam	20	6	14	38.99
Mumbai	14	4	10	24.09
Thrissur	18	6	12	32.00

transfer price mechanism is to be scientifically modified and actual performance in profitability should be measured. This will give a measure of real performance of the business. Once the profitability is measured for branch performance, number of requests for reduction in rate of interest or charges will definitely drop. I have come across situations where branch recommend rate of interest reduction, more than that requested by the borrower.

Since the efficiency of the branch is measured in terms of figures, there is a tendency to retain customers by allowing reduced rate of interest and all other concessions for the only reason of keeping the advance figure intact. Managers are not ready to accept rejection of loan even though the quality of an advance impairs. This should be changed and managers should exit such accounts for the sake of our bank. A suitable exit policy is to be formulated and managers are to be given target for deporting doubtful accounts from our fold. A similar case is that the branches achieving their target numbers with the help of giving enhancements in the existing accounts. At the end of the year a stock should be taken on how many new advance customers whom each branch was able to bring to our fold rather than just seeing the achievement of target numbers. It is true that achieving the targets in the present challenging environment is not a cake walk. In the endeavour to achieve the targeted numbers, another trend being found in some branches is that the proposals once declined are being taken up again by new branch heads without any proper justifications. Respective regional offices have a great role to play to put a full stop to such unhealthy practices.

Hard work and dedication are the base on which growth starts. The location of a branch is also one of the factor determining the growth. However it can be observed that the branches situated in the same area and with same infrastructure showing business figure with wide variations. Little more attention and persuasion in these branches may lead to better

results. Take the examples of few centres outside Kerala like Delhi, Mumbai, Bangalore Chennai, where we have good presence, and also places like Ernakulam and Thrissur in Kerala. Expecting an advance of Rs 100.00 crore per branch from these centres is very reasonable. But except a very few, the advance figure of all other branches is very low and even less than that of a branch situated in rural area. These branches could not grab the location benefit and the potential available, which is a concern. The above given chart shows the data in 6 major centres and the last column give the average advance figure of branches categorized under advance < Rs 100.00 crore. If these branches take little more efforts, they can make their advance to Rs 100.00 crore. Vigorous persuasion and support from RO/ HO definitely show results. If these branches make advance to an average figure of Rs 75.00 crore for the current year, this itself will contribute Rs 3000 crore to our advance number.

Similarly after identifying the scope of good business, we have opened a number of branches especially outside Kerala during 2012-13 onwards. The advance figures of majority of these branches are not encouraging.

I also take this opportunity to share one more experience with you. Some of our retired staff have got temporary job or assignments with our existing customers. After joining the new firm, their first attempt is to pressurize our branch and to get reversal of charges collected in the previous years. They find this as an easy way to get his position safe and to take the confidence of the new boss. These poor people seldom remain there for more than 1 year. Please think twice before doing such things.

Before concluding, I take this opportunity to thank those who supported, helped and recognized me from the beginning of my career and I specially thank those who supported me in my difficult times.

MSME is the back bone of Indian Economy and the Government of India is leaving no stone unturned to boost this sector. There were several schemes introduced by the Govt. and one of the schemes that was evolved to bring in parity in the economy is the 'Stand Up India'. The following are the salient features of this scheme:

- ♦ The fundamental concept of the Stand Up India scheme is to promote entrepreneurship among women and Schedule Caste(SC) / Schedule Tribe(ST) borrowers.
- ♦ This scheme is designed to facilitate bank loans to SC/ST and women borrowers.
- ♦ The loans are provided for setting up 'New Green Field Enterprises' in Manufacturing, Trading or Services sector (non-farm sector).
- ♦ Quantum of finance :Above Rs.10.00 lac up to Rs.100.00 lacs.
- ♦ Funding : Composite Loan by way of Term Loan and Working Capital - Fund based or non fund based.
- ♦ Margin : 25% of the total project cost.
- ♦ Loan Tenor : 84 months excluding a holiday period of 18 months.
- ♦ There is no insistence on collateral security, if the borrower opts for guarantee cover under CGSSI Scheme with National Credit Guarantee Trustee Company.

This scheme is promoted by all banks and the focus is to provide the necessary support to the under -served sector. This scheme is expected to benefit approximately 2.5 lac borrowers, thereby bringing the MSME sector to limelight.



Ramya K.
Manager
HQ CPPI



Know your Branch & Know your Bank



Branch Name
Date of Opening
No. of ATM
Specialty of the Location

Alappuzha Br. code 0001
07-02-1944
Onsite 1
With its vast network of lakes, lagoons and fresh water lakes and crisscrossing rivers Alappuzha is referred to as the **"Venice of the East"**. Alappuzha is also famous for its boat races, houseboat holidays, beaches, marine products and coir industry.
Alappuzha-3 km
Cochin International Airport, Nedumbassery-89 km
Alappuzha-2 km
Near municipal Office, CCSB Road, Alappuzha



Branch Name
Date of Opening
No. of ATM
Specialty of the Location

Aluva Br. code 0002
10-07-1945
Onsite- 2 Offsite-3
Aluva, home to the summer residence of the Travancore royal family – the Alwaye Palace is also famous for the Sivarathri festival celebrated annually at the sandbanks of Periyar. The Advaita Ashram founded in 1913 by Sree Narayana Guru
Aluva only 100 mtrs from branch
Cochin International Airport, Nedumbassery - 11.7 km
Aluva only 150 mtrs from branch
1. Parur Kavala 2. Seemas Wedding Collections
3. Rajagiri Hospital,



Branch Name
Date of Opening
No. of ATM
Specialty of the Location

Ammadam Br. code 0003
21-02-1971
Onsite-1 & Off-site- 2 (Kodannur & Perumbillissery)
Ammadam literally meaning 'the place of mother' is a village in the Thrissur district of Kerala. About 8km away from Thrissur. St Antony's church founded in 1803.
Thrissur 12 km
Cochin International Airport, Nedumbassery -70 km
Sakthan Bus Stand -12 km
Ammadam – Peringottukara Rd., Ammadam, Paralam



Branch Name
Date of Opening
No. of ATM
Specialty of the Location

Arakonam Br. code 0004
03-11-1966
01 (offsite)
Famous for Railway Coach building Work. Kancheepuram is just 35 km away from here, which is famous for Temples and Silk.
Arakkonam Junction -1.5 km
Chennai International Airport -75kms
Arakkonam New Bus stand -1/2 km
Gandhi Road,Arakkonam. (500 mtr from branch)



Branch Name
Date of Opening
No. of ATM
Specialty of the Location

Aruppukottai Br. code 0005
23-11-1965
One Offsite ATM
Aruppukottai has got many Textiles Industries, which is the main business of this locality.
Aruppukottai -4 km
Madurai -45 km
Aruppukottai -1 km
Thiruchulli Road

Know your Branch & Know your Bank



Branch Name Ayarkunnam Br. code 0006
Date of Opening 02-07-1970
No. of ATM 2
Specialty of the Location Residential cum business Area, about 16Km from Kottayam town.
Nearest Railway Station Kottayam Railway Station -16 km
Nearest Airport Nedumbassery Airport, Kochi -80 km
Nearest Bus Station Ayarkunnam Bus Stand -10 mts & KSRTC Bus Station, Kottayam -16 km
Location of ATM Onsite-1 & Offsite-1 at Oravackal Jn



Branch Name Ayyanthole Br. code 0007
Date of Opening 27-10-1958
No. of ATM 1 Onsite
Specialty of the Location Thrissur Collectorate.
Nearest Railway Station Thrissur Railway Station -2.5 km
Nearest Airport Kochi International Airport -55 km
Nearest Bus Station Sakthan Stand 4 km, KSRTC -2.5 km
Location of ATM 1 Onsite



Branch Name Bangalore City Br. code 0008
Date of Opening 29-06-1959
No. of ATM Onsite 01
Specialty of the Location Garden City of India, IT Hub, Textile, Hardware, Famous Tourist Spot: Cubbon Park, LalBagh, Ulsoor Lake, Vidhana Soudha
Nearest Railway Station Bangalore Central Station -1.4 km
Nearest Airport Kempeagowda International -34 km
Nearest Bus Station Majestic Bus Station -850 mts
Location of ATM Maharaja Complex K G Road



Branch Name Bangalore Cantonment Br. code 0009
Date of Opening 15-05-1965
No. of ATM ONE
Specialty of the Location Commercial Area with lot of Shopping centre, Hotels.
Nearest Railway Station Cantonment Railway Station -4 km
Nearest Airport Devanahalli Airport -51 km
Nearest Bus Station Shivajinagar -1 km
Location of ATM Onsite



Branch Name Bharananganam Br. code 0010
Date of Opening 23-03-1971
No. of ATM 2
Specialty of the Location Our Branch is just opposite to the famous St. Mary's church & pilgrim centre where mortal remains of St. Alphonsa is entombed
Nearest Railway Station Kottayam -32 km
Nearest Airport Nedumbassery -80 km
Nearest Bus Station Palai -6 km
Location of ATM 1-Onsite
 1-Offsite: At the Entrance of IHM Hospital, Bharananganam

Know your Branch & Know your Bank



Branch Name	BHAVANI Br code 0011
Date of Opening	19-12-1955
No. of ATM	2
Specialty of the Location	Bhavani was known as carpet city from 1950s to early 2000s. Bhavani was a main administrative centre under the British raj. Main spot of attraction is the Sangameswarar Temple, (Kooduthurai Kovil) which is 2000 years old.
Nearest Railway Station	Erode -17 km
Nearest Airport	Coimbatore -105 km
Nearest Bus Station	Bhavani -400 Mtrs
Location of ATM	1- Onsite - Murugan Transport Building, Mettur Main Road 1- Offsite - Komarapalayam



Branch Name	CHALAKUDY MAIN Br.code 0012
Date of Opening	06-04-1964
No. of ATM	On-site-1 Off-site-1
Specialty of the Location	Tourist Spot- Athirapilly / Vazhachal Water Falls are nearby.
Nearest Railway Station	Chalaky -1.5 kms from Branch
Nearest Airport	Nedubassery Air Port -20 kms from Branch
Nearest Bus Station	Chalaky -500 Meter from Branch
Location of ATM	1. Chalaky Main Road 2. 50 Meter from Branch



Branch Name	CHANGANACHERRY Br.code 0013
Date of Opening	04-03-1970
No. of ATM	Onsite1 & Off-site-1
Specialty of the Location	Changanassery is connected to high-range and Kuttanad. Changanassery was the largest market in the princely state Travancore
Nearest Railway Station	Changanacherry Railway Station -900 mts
Nearest Airport	Cochin International Airport -110 km
Nearest Bus Station	KSRTC Bus Station Changanacherry -2 kms
Location of ATM	Onsite-Near To Branch Offsite -Central Junction Changanacherry



Branch Name	Changaramkulam Main Br. code 0014
Date of Opening	05-03-1971
No. of ATM	Onsite - 1
Specialty of the Location	Areca Nut Market
Nearest Railway Station	Kuttipuram -16 km
Nearest Airport	Karipur -68 km
Nearest Bus Station	Changaramkulam -1 km
Location of ATM	Onsite



Branch Name	Chelakkara Br. code 0015
Date of Opening	04-09-1964
No. of ATM	One(On Site)
Specialty of the Location	Anthimahakalan Kavay located within 2 Kms is famous for Kala Kali and followed fire works. 15 Kms away from "Kuthampulli", a village famous for handlooms. Vazhani dam 24 Kms .
Nearest Railway Station	Vallathol Nagar -10 km
Nearest Airport	Nedubassery -84 km
Nearest Bus Station	Chelakkara Bus Stand -100 mtr
Location of ATM	Chelakkara Main Road

Kerala Start-up Mission

Kerala Start-up Mission (KSUM) is designed to provide a springboard to budding entrepreneurs who wish to launch themselves into the world of technology based business careers. KSUM is restricted to high tech startups with technology products and innovations with in a limited time frame. The incubatees in KSUM is selected in such a way that a company with an innovative product idea will be reviewed by a Technical Expert committee consisting of experts from almost all the domains.

KSUM in association with Government of Kerala, provides incubatees with research assistance, prototype developing assistance etc in their respective fields. Government of Kerala is offering a one-year fellowship to young graduates interested in working with technology startups and student entrepreneurs. This is a flagship programme towards promotion of innovation and entrepreneurship across the State.

Technology Innovation Zone (TIZ) is the next step towards entrepreneurship development which starts from building a talent pipeline from schools and colleges and ending with Initial Public Offer for Startups. Dedicated areas will be provided for angel investors and other interested parties in the zone. Kerala Startup Mission has been designated as the agency to setup and operate the TIZ.

The Government also envisages communities who work for the welfare of the society in enhancing the knowledge level to partner with Kerala Start Up Mission. The programme is called Start-Up Community Partner Programme and aims at developing the start up community from different sectors of the society. The programme will act as a catalyst to connect the whole system from students, professionals and entrepreneurs and to promote inclusive development in the start-up eco system within the state. Technology being one of the fastest moving waves across the world. An inclusive growth can only be accomplished by developing start up community across the state.



Jenish Paul
Manager
Br. Chendrapinni

CAIIB



Sreekanth P N
Chennamangalam Br.



Mr. Aljo Anto K
HO Credit Dep.t



Yerramilli Venkata
Almasguda Br.



Deepak. A
Angamaly



Sreeja Nair V
Chittur Br.



Ranjith M
Payyanur Br.



Akshay Deshpande
Hubli



Aishwarya V. Kulkarni
Davanagere Br.



Anija Ann Roy
Trivandrum Main Br.



Vivek Shree Chandran
Perundurai Br.



Patel G. Manjibhai
Naroda Br.



Athira A
Ayarkunnam Br.



Sheeba S.
Cuddalore



Sreeja Nair V.
Chittur



Harikrishnan M.N.
Puthupariyaram



Stebin A.S.
Shillong

JAIB



Radhalakshmy V.B.
Velur Cochin Br.



Nesil George
Orumanayur Br.



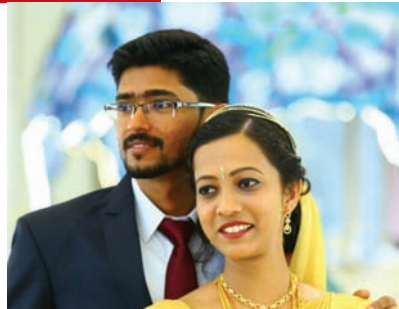
K. Umakanth Naidu
RO Hyderabad



Avijit Singh
Kolkata G C Avenue Br.



Vivek Viswan V, Manager,
HO Credit Dept. & **Rekha**



Rinu Raphy, S/o Mr. Raphy K.A. (Retd. SIB Staff)
& Mrs. Darly George, SIB STC & **Aleena David**



Charan Deep Singh Asst. Manager HO
CRD & **Sharanjit Kaur**



Rohit Kumar Sinha, Manager,
HO Credit Dept. & **Ritu Shree**



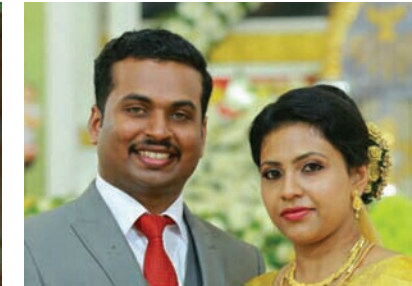
Sreejith Gopinath, Asst.
Manager, Ponda-Goa Br. &
Thushara A



Bansan Thomas George, S/o Mr. Thomas
George, CM, Nangiarkulangara Br. & **Jisha
Clara John** HO Security Department



David S/o Mr. P.D. Vincent Manager SIB
Retd and Mrs. Tessy Chacko Asst. Manager
Kattoor Br. with **Glynn**



Jithin Jose S/o Mr. Jose
Maliekal, S M, HO Mktg.
Dept. & **Maria Anto**



Ranjith M R, Manager, HO
Credit & **Surya Reghu**



Vinod Krishnan K.S., Asst Manager, RO
Palakkad & **Vinduja M.V.**



Bonu Joseph, Manager, RO Bangalore &
Arpitha Tom, Asst. Manager, P&M Dept.



Ron, Arroor Br. & **Kripa Jose**



Jithin P Varghese, CFM Dept.
& **Christeena Thomas**



Sara C Emmanuel, Br. Punkunnam –
Thrissur & **Vimal Denny**



Neethu Jimmy, Assistant Manager, Br.
Punkunnam – Thrissur & **Sanju Thomas**



Lakshmi Krishnakumar, PO,
HO Credit Dept., & **Vinod**



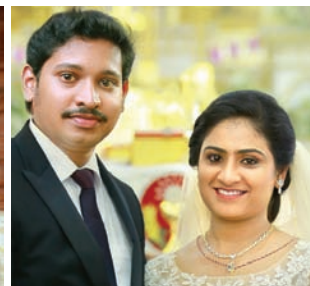
Rincewins, Asst.
Manager, Br.
Pallassana & **Elsa
Elizabeth Joshua**



Don Pulikkottill D, Asst.
Manager, Br. Kechery & **Neethu
C. Jose**, Br Velur



Robin Manjooran, AM Br.
Mannarkkad & **Vineetha Sebastian**



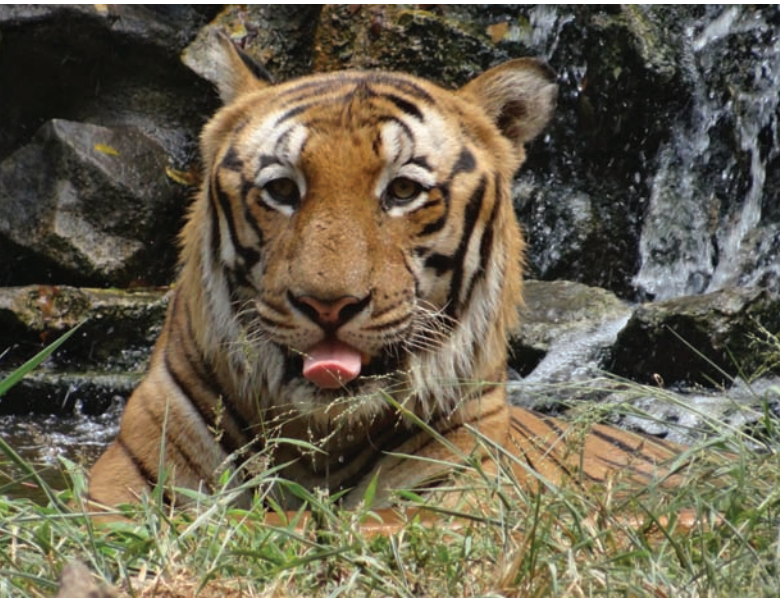
Rithu Davis D/o C.J. Davis, Senior
Manager, Tripprayar Br. & **Calvin**



Bablu Kumar, Br Kanpur
& **Nehapal**



CLICKZ !!!



Mysore Zoo - Bibin Varghese, Br. Pookottumpadam



Mangalam Dam, Palakkad
- Rahul V, HO Ins. & Vig. Dept.



Nelliyampathy
- Mani Jose, Staff Training College



Floating Market, Bangkok
- Jose N.J., Br. Chembukkavu

Clickz!!!

A Platform to showcase your
Photographic skills

Yours might be the next.....

Send in your entries to siblink@sib.co.in



Nong nooch tropical garden, Bangkok
- Jose N.J., Br. Chembukkavu



LOCK YOUR ACCOUNT BE SAFE

DIGITAL -LOCK

Lock or unlock your account
from anywhere, at the touch of a finger.
Protect all your digital transactions.



SIB Mirror+

Download from



Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL),
Email: sibcorporate@sib.co.in, CIN : L65191KL1929PLC001017

www.southindianbank.com |  /thesouthindianbank



**SOUTH
INDIAN Bank**

Experience Next Generation Banking