

**STATE LEVEL BANKERS' COMMITTEE – KARNATAKA
CONVENOR**



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Date: 09.10.2018

All the Controlling Offices of Commercial Banks,
RRBs, Cooperative Banks, Lead District Managers, Line Departments,
LIC of India, General Insurance Companies & Other Invitees

Dear Sir / Madam,

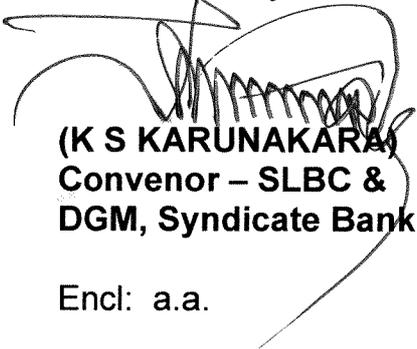
Sub: Proceedings of 142nd SLBC Meeting held on 29th September, 2018.

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We are forwarding herewith the proceedings of 142nd SLBC Meeting held on **Saturday, 29th September, 2018 at 2.30 pm** in the Conference Hall, Room No.334, III Floor, Vidhan Soudha, Bengaluru. In addition to the minutes of regular Agenda, the minutes of special agenda on **“Floods ravage in Coffee Estates in Karnataka State”** is also included.

We request the concerned Banks/ LDMs/ Departments to take immediate action on the various action points evolved during the SLBC meeting and submit compliance report to the action points pertaining to them. Please note that as we have to conduct meetings of various SLBC sub-committees, Meeting of Steering SLBC-sub- committee as per the revised guidelines on Lead Bank Scheme, we request all the concerned to submit the compliance report by 20th October 2018 without inviting further reminders from SLBC.

Yours faithfully,



(K S KARUNAKARA)
**Convenor – SLBC &
DGM, Syndicate Bank**

Encl: a.a.



STATE LEVEL BANKERS' COMMITTEE: KARNATAKA
Convenor – SYNDICATE BANK: CORPORATE OFFICE: BENGALURU

MINUTES OF THE 142nd MEETING OF SLBC HELD ON 29.09.2018

The 142nd SLBC Meeting was held on 29th September 2018 in the Meeting Hall, Vidhana Soudha, Bengaluru under the Chairmanship of Sri T.M. Vijay Bhaskar, Chief Secretary, Government of Karnataka.

Sri Ajay K Khurana, Executive Director, Syndicate Bank extended hearty welcome to Sri T.M. Vijay Bhaskar, Chief Secretary, GoK, Smt. Vanditha Sharma, ACS & DC, GoK, Smt. Mudita Mshra, Director, DFS, GOI, Sri PJ Thomas, Regional Director, RBI, Sri PVS Surya Kumar, CGM, NABARD. He also extended cordial welcome to Addl. Chief Secretaries, Principal Secretaries, Secretaries to GoK, Senior Executives from Reserve Bank of India and NABARD, Senior Officers from the State Govt, representing various Line Departments, Corporations and Boards, Senior Executives from Commercial Banks, Co-op. Banks, Chairmen of RRBs, Officials from other Financial Institutions, UIDAI, General Insurance Companies, NGOs & other participants present in the meeting.

Sri, Ajay K Khurana, Executive Director, Syndicate Bank in his keynote address touched upon various Agenda items slated for discussion in the house.

Achievement under Annual Credit Plan-2018-19 of the State:

ED informed the house that Banks have performed well under Micro and Small Enterprises sector by disbursing Rs.20549 Cr. against the Annual target of Rs.40874 Cr. recording an achievement of 50.27% in the first quarter ending June 2018. He congratulated the Banks for their splendid performance and requested to keep the tempo in the remaining quarters. Further, Banks have disbursed Rs.20607 Cr., under Agriculture Sector against the Annual target of Rs.98655 Cr., recording an achievement of 20.89%. Under Total Priority Sector, Banks have recorded 24.30% achievement in the first quarter of 2018-19 by disbursing an amount of Rs.43919 Cr., as against the Annual target of Rs.180761 Cr. However, he said that the disbursements under Short Term Crop loans are to be improved as the disbursements vis-a-vis targets is 16.46% only during the first quarter. The shortfall has been compensated to some extent with enhanced disbursements in Agricultural Term Loans, ED remarked.

Further, ED informed the house that the GoK has declared 86 Taluks in 23 Districts of the State as drought affected as per their GO dated 25.09.2018. He requested all the Banks to extend required relief measures to the affected farmers as per the RBI guidelines besides extending fresh finance to continue with their farming operations. He also requested the Insurance Companies to settle the claims towards crop loss at the earliest.

ED requested Banks to give focussed attention to increase Credit flow under Education, Housing, Social Infrastructure and Renewable Energy Segments where the achievement of Banks is not satisfactory during the first quarter of the FY 2018-19. He requested the Banks to take advantage of “**Prime Minister Awas Yojna-Housing to all**” (Capital Linked Subsidy Scheme), which is a flagship



programme of Govt. of India, to increase the lending under housing sector where good number of applicants have registered their names in the PMAY Portal by organising Housing Loan Melas involving Department officials, LDMs, Urban Local Bodies and Banks.

CREDIT DEPOSIT RATIO

ED informed the house that the CD Ratio of the state as a whole has witnessed an increase of 2.9% from 74.1% as on 30.06.2017 to 77.0% as on 30.06.2018. However, the Banks and the Districts where the CD Ratio is less than 60% are requested to see that the CD ratio improves steadily, ED remarked.

With regard to the Agenda on Financial Inclusion Initiatives and Financial Literacy, ED informed the house as under:

- As per the latest information, 160 centres still remain as uncovered villages in the State. The District wise and Bank wise details of these 160 centres have already been shared with the LDMs and controlling offices of concerned Banks, ED remarked and requested the respective Banks to ensure opening of Banking Outlets immediately under information to SLBC.
- Further, as per the Road Map of RBI, still 56 villages having population of 5000 and above are pending for opening of Bank branches by 15 Banks. Now DFS is also closely monitoring opening of Bank branches in the villages having population of 5000 and above. Hence, he requested all the concerned Banks to open the Branches at the earliest.
- There are totally 6117 BC locations in the state and all are provided with Micro ATMs. Of these, 5782 BCs are active and doing transactions through Micro ATMs. However, there are 308 inactive BCs and 27 BCs have resigned. DFS is critically monitoring the functioning of the BCs and has advised the Banks to ensure activation of all inactive BCs. Thus, ED requested the concerned Banks to complete this task at the earliest.

With regard to Opening of Bank Branches in Aspirational Districts, ED observed that Raichur and Yadgir are the two Aspirational Districts in the State of Karnataka and 10 potential locations have been identified and allotted to different Banks to open Branches in these two Districts. ED requested the concerned Banks to take immediate steps for opening of the Branches in the identified locations.

ED informed the house regarding the Progress in increasing digital modes of payment in the State and said that the member Banks have responded positively with regard to adoption of villages for promoting cashless transactions. The number of villages adopted by various Banks has increased from 92 to 227 villages in the state. He requested all other member Banks also to adopt the villages for cashless transactions through their Rural and Semi urban branches for promoting cashless transactions in the state in a big way. The services of Business Councillors and Financial Literacy Centers shall be effectively utilized for the same, ED remarked.

GOI has decided to continue the Pradhan Mantri Jan Dhan Yojana (PMJDY) beyond 28.08.2018 with a change in the focus of opening of accounts from **“one account**



per every household” to “one account per every adult” and with some customer friendly modifications, ED informed the house and requested the Banks to take suitable steps to publicise the modifications made in PMJDY scheme through display of banners and posters in the premises of all the Branches as well as in prominent places in their operational area. He also requested Banks to give due publicity about the scheme during the Financial Literacy programmes also. ED brought to the notice of the house regarding the decision of DFS to ensure opening of maximum number of new PMJDY accounts in a Campaign Mode from 17th September 2018 till 30th November, 2018 and to achieve the allocated target of opening of three accounts per day in Rural and Semi urban Branches and one account per day in Urban and Metro Branches during the campaign period. These targets being very reasonable, he requested the Banks to accomplish the targets well before the cutoff date.

It is a matter of concern that the total NPA accounts have increased from 19.35 lakh accounts with a balance of Rs.36,341.84 Cr., as on March 2018 to 24.30 lakh accounts amounting to Rs.48,341.83 Crore as on 30.06.2018 constituting 5.90% as at 31.03.2018 to 7.87% as at 30.06.2018. Similar trend is observed in Farm loans also ED requested the Chief Secretary to advise all the District Collectors and the Line Departments to extend their support in recovery of dues so as to bring down the NPA position. He appealed to GOK on behalf of all the Banks to create awareness through print and electronic media among the borrowers, the need for prompt repayment of loans to improve the repayment culture and to reduce NPAs in the Banking System. Prompt renewal/repayment of KCC/Crop loans before the due date will help the farmers to avail the interest subvention benefit extended by Govt. of India and also Govt. of Karnataka, ED informed the house.

The recent rains have caused havoc on the lives of the people. Unprecedented landslides and floods have caused damage to crops, livestock, plantations and dwelling houses in Kodagu and parts of Chickmagalur and Hassan Districts. ED requested Govt. of Karnataka to issue notification in this regard to enable the Banks to extend relief measures as per RBI guidelines and said that a special Agenda on this is also placed for deliberation by the house.

Sri C B L Narasimha Rao, GM SLBC thanked ED Syndicate Bank for his keynote address and requested Sri T M Vijay Bhaskar, Chief Secretary, Govt. of Karnataka to address the House.

Shri TM Vijaya Bhaskar, CS, GoK commenced his address by complimenting Banks that Bankers in the state have been in the forefront in implementing major welfare programmes. He complemented the Banks who have generously contributed for Chief Minister's disaster relief fund for the victims of Kodagu and other Districts in the state. He said that, the loss in Kodagu and other districts due to floods is estimated at Rs.4300 Cr., and the help from central and state Governments may be to the tune of 20% of this loss. Hence, he appealed to the Bankers to liberally contribute to the CM's disaster relief fund. He also informed the house that the State Government employees have contributed their one day salary towards this purpose and also said that the employees of Honorable High Court also have contributed generously. He requested the Bankers to give special consideration to the flood affected people to extend relief measures and extend adequate finance for rehabilitation of the people in the affected areas. He called upon the insurance companies to settle the claims without insisting for pucca documents as many



people have lost their basic documents viz., ID Cards, Aadhaar cards, Bank pass books etc.

Continuing his address, CS said that Government of Karnataka has declared 86 taluks in 23 districts as drought hit during the current year and requested the Bankers to extend relief measures to the farmers in these Talukas by restructuring their existing loans and by extending fresh finance to continue with their farming operations. He also requested the Crop Insurance Companies to settle all the pending claims immediately.

Further, he touched upon about the "Crop Loan Waiver Scheme" which has been already announced by the Hon'ble Chief Minister in his Budget Speech and said that the Finance Department has already communicated the details of the same through the SLBC to all member Banks.

He requested the Banks to provide the data extracted from CBS by 10th October 2018, either by directly from their servers or in digitally signed XML format. He requested the convenor SLBC to play a pivotal role in collection and submission of data electronically. He requested the Banks to ensure not to report written off accounts and accounts which are not eligible under crop loan definition while submitting the data and to cover only loans sanctioned on or after 01.04.2009 and outstanding as on 31.12.2017 as detailed in the GO. He also informed that every Bank shall nominate an executive at the State level for liaising with the GOK and requested SLBC convenor to ensure smooth implementation of the Scheme. He made an observation that different banks have different OTS Scheme to settle NPA accounts and in accordance with the ongoing OTS Scheme policies, Banks should first settle the NPA accounts and restructured accounts of the farmers and arrive at the correct amount of loan waiver as envisaged in the Scheme.

Further, he requested the bankers to ensure that only verified and certified debt waiver data is sent to GoK by the controlling offices of the Banks. He said that the Revenue Department of GoK is the "**Nodal Department**" for implementing the Scheme and the Data waiver data will be subjected to Audit by the Controller and Auditor General of India at a later stage. He said that the Banks are playing proactive role in facilitating the Aadhaar enrolment of the loanees and seeking Aadhaar numbers in case of all eligible farmers. He said that Government intends to complete the process on priority and sought the co-operation from all the Banks for ensuring implementation of the same at the earliest as it will help the bankers in reducing NPA considerably. He said that Hon'ble Chief Minister is very much concerned on the farmers' suicides which are being continued. Recently one farmer in Gadag District has committed suicide, reportedly due to issue of notice for loan recovery by one of the Bank. In view of the crop loan waiver Scheme, he requested the Banks to keep this in mind before issuing notices or taking any coercive measures for recovery of Agricultural crop loans.

He expressed his happiness that Banks have performed well under MSME Sector by achieving more than 50 % of the annual target and 24.30 % achievement under Priority Sector as at the end of June 2018 under Annual Credit plan. In other sectors, achievement is low compared to previous year performance, he requested all the Banks to synergies their efforts to achieve the set targets for the Current year. He expressed his happiness that the CD ratio increased from 73% as at the end of June



2017 to 77% as at the end of June 2018. He said that though the CD Ratio of the State as a whole is at 77%, the CD ratio in certain Districts like Uttara Kannada, Udupi, Dharwad, Dakshina Kannada and Mysore is below 60% and six of the Banks namely Punjab & Sind Bank, Corporation Bank, Dena Bank, Industrial Co-operative Bank Ltd, Karnataka Bank Ltd and Tamil Nadu Mechanize Bank are having CD Ratio of less than 60%. He called upon them to improve the CD ratio to above 60%.

He further said that the opening of Bank Branches in villages is still ongoing and 56 villages are yet to be covered which has been pending since last one year. The major Banks who are yet to open branches are SBI-17, Karnataka Bank-9, Vijaya Bank-7, Canara Bank and IOB-4 each and Corporation Bank-3 branches. He requested all these Banks to open the branches before December 2018. In addition to this, he observed that 10 branches are to be opened in two Aspirational Districts viz. Raichur & Yadgir. He said that still 160 Banking outlets are to be established in unbanked villages as per GOI. He advised Banks to activate 308 inactive BCs in the State. He expressed his happiness that SEBI has conducted four "one day workshops" to create awareness on financial literacy, especially about operation of ponzi schemes and illegal activities of unincorporated bodies soliciting deposit from public.

Further, he said that some of the FLCs are not having councillors and some are not functioning properly. Hence, he requested the SLBC to review the functioning of FLCs as a regular Agenda in the SLBC and ensure proper functioning of all the FLCs in the state. He also suggested that SLBC may upload the details of all Schemes on the SLBC website for the information of FLC counsellors and Branch heads so that they shall have updated knowledge on all the poverty alleviation programs. He also said that there is need to utilize the services of FLCs at Taluka level for mobilizing applications under Social Security Schemes.

CS expressed his unhappiness about the poor performance under PMAY scheme; He observed that as against 1.59 lakh applications, only 7315 loans have been sanctioned. He requested all Banks to dispose of the applications quickly.

CS expressed his happiness that the performance of all the Banks in Karnataka under MUDRA is good and the State has been ranking No. 1 during previous years. However, he expressed concern that the disbursement under Shishu component of MUDRA has come down over the last year and requested the Banks to look into it and improve the same in coming quarters. He said that the performance under State Sponsored Schemes is not up to the expected level during first quarter. He advised the concerned Departments and Corporations shall sponsor the applications by 15th of October 2018, so that Banks will have adequate time to process and sanction the applications. He also advised the Departments and Corporations to sponsor applications at least 1½ times the target to enable the Banks to have adequate choice for sanction and to reject ineligible applications. He called upon the Banks and Departments to ensure 50% achievement by the end of December 2018.

He expressed his happiness and congratulated the Banks for showing splendid performance in formation and credit linkage of SHGs and JLGs.

At the end he called upon the Banks to encourage usage of Kannada in Banks and to post Kannada speaking people in the front desk to avoid conflicts at the Branches

and also requested the Banks to ensure that all the forms are made available in Trilingual as per the directions of GOI. Finally, he requested the Banks for their whole hearted support in implementing the Debt Waiver Scheme which is major priority of the Government.

Sri C B L Narasimha Rao, GM SLBC thanked the Chief Secretary and assured that his directions will be meticulously implemented. Thereafter, he requested RD, RBI Sri. P J Thomas to address the house. RD touched upon some of the important developments that have taken place after the last SLBC meeting, which are as detailed below:

1. Amendments to Reserve Bank of India (Note Refund) Rules, 2009

He informed that Reserve Bank of India has made amendments to the RBI (Note Refund) Rules, 2009 to enable the public to exchange mutilated notes in Mahatma Gandhi (New) series at Bank Branches and also at RBI offices, which are smaller in size compared to the earlier series. The Reserve Bank of India (Note Refund) Amendment Rules, 2018 has since been notified in the Gazette of India on September 6, 2018. These rules have come into force with immediate effect. There is a change in the minimum area of the single largest undivided piece of the note required for payment of full value for notes of rupees fifty and above denominations. With the passage of the new and simplified Note Refund Rules, we expect, the banks would be able to exchange mutilated notes with greater ease.

2. Co-origination of loans by Banks and NBFCs for lending to priority sector.

The RD informed the house that in order to provide the much-needed competitive edge for credit to the Priority Sector, Co-origination Model between Banks and Non-Banking Financial Institutions has been introduced. Accordingly, guidelines have been issued vide circular FIDD.CO.Plan.BC.08/04.09.01/2018-19 dated September 21, 2018. The broad guidelines are as follows:

- It is applicable to all scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks). All scheduled commercial banks may engage with Non-Banking Financial Companies-Non-Deposit taking-Systemically Important (NBFC-ND-SIs) to co-originate loans for the creation of priority sector assets by joint contribution of credit at the facility level. It involves sharing of risks and rewards between the bank and the NBFC as per the mutually decided agreement. The bank/ NBFC shall formulate a Board approved policy for entering into a co-origination agreement with the NBFC/ bank.
- The Bank can claim Priority Sector status in respect of its share of credit and the priority sector assets on the Bank's books should at all times be without recourse to the NBFC.
- Based on the respective interest rates and proportion of risk sharing, a single blended interest rate should be offered to the ultimate borrower in case of fixed rate loans.



- In the case of floating interest rates, a weighted average of the benchmark interest rates in proportion to the respective loan contribution should be offered.
- The interest rate charged by the bank for its portion of credit, shall be subject to applicable directions on interest rates on advances.
- The NBFC-ND-SIs, are also required to abide by the pricing of credit and other applicable guidelines for loans covered under “Qualifying Assets” regarding their contribution towards the co-originated loan.
- The benefit of low cost funds from banks and lower cost of operations of NBFC to be passed on to the ultimate beneficiary through the blended rate/ weighted average rate.
- While engaging in co-origination arrangements, *inter-alia*, the bank/ NBFC is required to adhere to extant guidelines on outsourcing of financial services. Accordingly, though the NBFC is expected to source loans as per the mutually agreed parameters between the bank and the NBFC, bank shall not outsource its part of credit sanction component to the NBFC.
- Redressal of complaints: Any complaint registered by a borrower with the NBFC/ bank shall also be shared with the bank/ NBFC; in case the complaint is not resolved within 30 days, the borrower would have the option to escalate the same with the concerned Banking Ombudsman/ Ombudsman for NBFCs.
- Sharing of Risk and Rewards: Minimum 20% of the credit risk by way of direct exposure shall be on NBFC’s books till maturity and the balance will be on bank’s books.
- Know Your Customer: The co-originating lenders shall adhere to applicable KYC/ AML guidelines.

3. Financial Literacy and Financial Awareness:

With regard to Financial Literacy and Financial Awareness, the RD informed the house that at the directions of Reserve Bank of India all the commercial Banks have observed the first week of June this year (June 4 -8, 2018) as Financial Literacy Week with the theme of “Consumer Protection”. As part of the FL week, RBI had distributed four banners on various themes like ‘Customer Liability– Unauthorized Electronic Banking Transaction’, “Good Practices for a Safe Digital Banking Experience”, “Risk Vs Return” and “Know to Lodge your Complaints” to all Banks advising them to display the banners at all branches at least for six months. RD also informed that on a random visit to some Bank branches across the state, he **was taken by surprise to note that these banners were not been displayed in most of the branches**. He urged all the Banks in the state to display the same in their branches and promote Financial Awareness.

4. Survey of Banking Correspondents (BC):

With regard to functioning of BCs, the RD informed the house that during a survey of Banking Correspondents (BC) conducted by RBI in one taluk in the state of Karnataka, it was observed that 16 out of 47 BCs in the taluk were not working and the villages allotted to them were deprived of Banking facilities though it is declared by the Banks that BCs are appointed to those villages. He

advised all the Banks to immediately ascertain the number of BCs appointed by them directly or through their corporate BCs and to know who are not working or defunct and ensure that all such BCs are replaced by a fresh BC arrangement.

5. The RD informed the house that RBI conducts NAMCABS (MSME Financing) workshops at quarterly intervals for capacity building of Bankers in MSME Lending all over the Karnataka State. Recently a workshop was conducted in Mangalore on September 6-7, 2018 for Banks, which included sessions on soft skill/technical subject etc. He also informed about the Town Hall Meetings conducted by RBI all over the state every quarter with the following objectives:

- (i) To create awareness of banking facilities amongst the entrepreneurs.
- (ii) To link the unbanked entrepreneurs to the formal banking system and
- (iii) To create a platform for a two way communication amongst the stakeholders.

Finally, the RD urged all the Banks to continue their efforts for better credit flow to this sector and wished the deliberation in 142nd meeting a great success leading to a fruitful co-ordination of the efforts of Banks and Government Departments in bringing overall growth of the state and the country.

Sri C B L Narasimha Rao, GM SLBC thanked RD RBI for his address and requested CGM, NABARD to address the house. The CGM, NABARD touched upon some of the important developments that have taken place after the last SLBC meeting.

The Chief General Manager, NABARD informed that credit flow to Agriculture has come down in the state of Karnataka. 2/3 of total cultivable area in the state is under rain fed cultivation. 86 taluks out of 176 Talukas in the state are facing stressed condition. He attributed lower credit flow towards Agriculture during first quarter to Agriculture Debt Waiver Scheme of GoK. Under any circumstance, he said that three things must happen. (1) Credit must not be a constraint for any of the viable proposals (2) Production must not suffer and (3) repayments must not be stopped

With regard to Farmers Produce Organizations (FPOs) and (Other Farmers' Producers Organizations) OFPOs, he said that there are already schemes to assist FPOs under different schemes and he hoped that NABARD and the State Govt. will initiate the necessary steps to strengthen the FPOs and OFPOs. He said that credit is the primary requirement of (FPOs) and OFPOs and he narrated his visit to the State Level workshop of Farmers Producers Organizations (FPOs) and OFPOs organized at Bangalore wherein many FPOs and OFPOs had participated. More than 50% of these organizations while giving their feedback said that credit from Financial Institutions is a major issue. He made an appeal to the Banks not to deprive credit flow to these organizations.

Thereafter, regular Agenda was taken up for deliberations by Sri C.B.L. Narasimha Rao, the Convenor-SLBC & General Manager, Syndicate Bank.

GM informed the House that, as per the revised RBI guidelines on revamping of Lead Bank Scheme, the SLBC convened the Steering Sub-committee meeting on 20.09.2018 at Board Room of SyndicateBank, Corporate Office under the Chairmanship of General Manager, SLBC. The Committee members deliberated on all the Agenda items of 142nd SLBC meeting. The suggestions of the members were incorporated and final Agenda was prepared, GM informed the House.



AGENDA 1.0: CONFIRMATION OF THE MINUTES OF 141st SLBC MEETING HELD ON 24th JULY 2018

GM informed the house that the minutes of 141st SLBC Meeting held on 24.07.2018 were circulated vide letter No.356/2018/2944/SLBC/101-141 dated 01.08.2018. He requested the house to approve the same as no suggestions for amendments were received. The house approved the minutes of 141st SLBC Meeting held on 24.07.2018.

AGENDA 2.0: FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE PREVIOUS SLBC MEETING

The action taken on the various action points evolved during the previous meeting were taken note by the House and the Convenor has reiterated the following issues for action.

1. On the issue of Reimbursement of Service Charges to Banks under Crop Insurance Schemes of PMFBY/WBCIS/NAIS, the GM, SLBC requested the officials from the Department of Agriculture to clarify the present status. The Secretary, Department of Agriculture confirmed to the house that they have already made the provision in the portal and requested the Banks to generate the season wise invoices for Kharif & Rabi 2016, Rabi 2016-17, Kharif 2017 and Rabi 2017 and to send the hard copies duly signed by the Controlling Office of the Banks to SLBC for onward submission of the same to the Department of Agriculture for doing the needful in the matter. GM, SLBC requested the Banks to immediately generate the season wise invoices and send the duly signed hard copy to SLBC.

(Action: All Banks & Dept of Agriculture)

2. On the issue of Aadhaar Authentication & Setting up of Centers for Aadhaar enrolment, GM, SLBC informed the house that SLBC has already issued guidelines to all the controlling offices of member Banks and SLBC has received confirmation from the Banks that they have already directed their Branches where Aadhaar enrolment centres are operating to act upon the guidelines.

With regard to the observations of the ACS, e-governance that there was a complaint in the print media that Bank centres are being used only for "half a day", that too only for enrolment purpose, GM:SLBC informed the house that SLBC has clarified to all the Banks that these centres:

- a. Shall extend services to all without restricting to Bank customers only.
- b. Shall be opened for the whole day.
- c. Are to be operated within the Branch premises only.
- d. Shall extend all type of facilities without restricting it for new enrolments only.

With regard to the suggestion of the Chief Secretary, GoK to make use of Gram Panchayats having Aadhaar equipments for accomplishment of task of Aadhaar seeding and updation at the earliest, GM, SLBC informed the house that SLBC has already requested the member Banks to create awareness among the public on the facility available at all Gram Panchayats to make use of them effectively.



3. With regard to Adoption of Villages by Banks for Cashless Transactions, GM:SLBC informed the house that SLBC has requested all those Banks which are yet to adopt Villages to adopt villages early so that cashless transactions are promoted in a big way. LDMs have also been advised to review the progress in this regard in BLBC and DLRC meetings, GM remarked.
4. With regard to providing space for BCs at Gram Panchayat Office, the Chief Secretary, GoK informed the house that necessary instructions from RDPR have already reached all the GPs. He requested all the Banks to ensure that the BCs will function on fixed days for a fixed time in the GPs without fail. He requested the SLBC to co ordinate and ensure that all the BCs function from the GPs. CS also requested ACS, e-Governance to bring it to the notice of the SLBC the names of the GPs where BCs are not functioning for immediate action.

(Action ALL Banks, SLBC and Dept of e-Governance)

5. With regard to the Review of operations of Business/Correspondents–hurdles / issues involved, GM, SLBC informed that the operational issues /hurdles faced by BCs such as Network/ Connectivity Issues, frequent inactiveness of BCs due to various reasons, timely repair & replacement of Micro ATMs, timely payment of remuneration and incentives, regular Training/ awareness programmes etc have been resolved by the Banks.
6. With regard to the Progress in increasing digital modes of payment in the State to promote cashless transactions, GM SLBC informed the house that as against 92 villages during the Quarter ending March 2018, Banks have adopted 227 villages SLBC once again requested the other member Banks also to adopt villages to promote cashless transactions and report the same to SLBC to update the position.
7. With regard to the Rollout of Direct Benefit Transfer in the state, Aadhaar seeding and Authentication of the data made available in the 141st SLBC Meeting:
 - 13 lakh Aadhaar numbers were yet to be mapped with NPCI
 - Out of 14 lakh joint accounts, 5 lakh accounts were pending for conversion into individual accounts. GM: SLBC has requested the Bankers to cooperate with the concerned departments to complete the task at the earliest.
8. MGNREGA: As discussed during 141st SLBC Meeting,
 - Out of total 60,33,094 MGNREGA workers in the state, 34,02,121 workers' accounts have been converted into Aadhaar Based Payment which works out to 56.39% as on 07.06.2018.
 - As per the latest position, the total number of MGNREGA workers in the state has increased from 60,33,094 as on 31.03.2018 to 61,70,123 as on 30.06.2018. However, the number of workers whose accounts are enabled for AePS has come down from 34,02,121 as on 31.03.2018 to 33,74,052 as on 30.06.2018 as few of the active workers' job cards were deleted during the process of job card verification. GM: SLBC has requested the Bankers to cooperate with the concerned departments to complete the task at the earliest.



9. Flow of Credit to CLSS - Pradhan Mantri Awas Yojana (PMAY-Housing for All 2022) GM Informed the House that as per the data provided by the Department during 141st SLBC Meeting, 210677 people had applied for housing loans in PMAY-MIS portal. However, Banks had sanctioned only 6824 applications. This progress being very dismal compared to total number of people applied in the portal, SLBC officials met the MD of RGRHCL to sort out the issue. After a detailed discussion MD RGRHCL convened a meeting of Bankers & officials of the Department on 19.09.2018. MD reviewed the progress under RGRHCL program. MD appealed to the Banks to dispose of the applications appearing in their portal based on the merits of each case. The scheme guidelines on PMAY, Bank wise and District wise details of the pending applications under the captioned scheme is provided in Agenda, GM remarked and requested all the Banks/LDMs to attach top priority for early disposal of pending applications in a campaign mode.

(Action: All Banks & LDMs)

10. With regard to the pending claims pertaining to Kharif 2016 / Rabi 2016-17 / Summer 2016-17, GM: SLBC requested the officials from the department to address this issue at the earliest. The Secretary, Department of Agriculture informed the house that the matter has been taken up with GOI for resolving the issue and he also said that weekly meetings with Banks are being convened regularly to sort out the issue. Intervening in the discussion, CS advised the Secretary, Department of Agriculture to resolve the issue immediately.

11. GM informed the house that as on 30th June 2018, the overall CD ratio of the state as a whole stood at 77%. The CD Ratio in 5 districts viz., Uttar Kannada, Udupi, Dharwad, Dakshina Kannada which had shown CD ratio less than the State average during March 2018 have registered some improvement as on June 2018. However, Mysore District has shown negative CD ratio as on June 2018 vis-a-vis March 2018. It may be noted that all the above five Districts are still below the State average. Similarly, while all the commercial Banks have shown CD ratio of above 60%, Punjab & Sind Bank, Corporation Bank, Dena Bank, Industrial Co-operative Bank Ltd, Tamil Nadu Merchantile Bank and Karnataka Bank in the State have registered CD Ratio of less than the State average. Intervening in the discussion, CS observed that Karnataka Bank and Corporation Bank having the base in Karnataka in particular and other Banks in general should ensure increased lending so as to increase their CD ratio in the coming months. GM, SLBC also requested all the above referred Banks Executives and LDMs referred above to concentrate and to see that the negative trend is arrested and ensure improvement in the CD Ratio.

Action: Concerned Banks & LDMs)

AGENDA-3: BANKING STATISTICS AS OF JUNE 2018:

3 (a): BUSINESS FIGURES UNDER VARIOUS PARAMETERS:

The GM, SLBC presented the Banking Statistics which included Deposits, Advances, CD ratio, total PSA, Advances to MSE/ Agriculture/ Weaker Section, Network of Bank branches and ATM Network in the State of Karnataka as on June 2018 vis-à-vis March 2018. From the Data, he observed that:

- The share of PSA in the state increased from Rs.2,38,080 Cr. as on 30.06.2017 to Rs.2,62,291 Cr. as on 30.06.2018 showing a y-o-y growth of Rs.24211 Cr. (10.2%). There is a marginal growth of Rs.620 Cr as on June 2018 over March 2018 which needs Improvement. The total PSA level stands at 42.7% as on June 2018 which is above the mandatory level of 40%.
- The Agricultural advances have improved from Rs.1,17,840 Cr. as on 30.06.2017 to Rs.1,25,684 Cr. as on 30.06.2018, showing a y-o-y growth of Rs.7844 Cr. (6.7%). However, there is a decline to the extent of Rs.5353 Cr. as on June 2018 over March 2018. This is mainly attributed to considerable decline in disbursement of Agricultural loans particularly in Crop loans as the farmers are not coming forward for renewal/ enhancement of existing loans as well as for fresh loans in view of the debt waiver scheme of the GoK. However, the level of Agricultural Advances to the total Advances in the state stands at 20.5% as on June 2018 which is above the mandatory level of 18%.
- There is considerable improvement under MSME sector. The outstanding level has gone up by Rs.9325 Cr. from Rs.76,483 Cr. as on June 2017 to Rs.85,809 Cr. as on June 2018. Similarly there is a growth of Rs.2742 Cr. from Rs.83,067 Cr. as on March 2018 to Rs.85,809 Cr. as on June 2018.
- The Weaker Section Advances have shown an improvement from Rs.83,322 Cr. as on 30.06.2017 to Rs. 90,988 Cr. as on 30.06.2018 showing a growth of Rs.7666 Cr.(9.20%). There is a growth of Rs.3243 Cr. as on June 2018 over March 2018. The Weaker Section Advances level to the total Advances in the state stands at 14.8% as on June 2018 which is above the mandatory level of 10%.
- The CD Ratio of the state as a whole has witnessed an increase of 2.9% from 74.1% as on 30.06.2017 to 77.0% as on 30.06.2018. The CD ratio has remained constant at 77.0% both as on March 2018 and June 2018. However, there is a marginal reduction in total Deposits and total Advances as on June 2018 compared to that of March 2018.

3 (b): BRANCH NETWORK:

GM informed the house that the total number of branches operating in the state has been reduced from 10945 as on 30.06.2017 to 10915 as on 30.6.2018. However, the number of Bank Branches has increased from 10807 as on 31.03.2018 to 10,915 as on 30.06.2018.

3 (c): ATM NETWORK

GM informed the house that the total number of ATMs operating in the state has increased by 110 from 16,622 as on 31.03.2018 to 16732 as on 30.06.2018. However, though there is a reduction of 72 ATMs in Rural Areas there is considerable increase of 188 ATMs in semi urban areas. The major reduction of ATMs in Rural and Metro areas is because of closure of ATMs by SBI after merger of associate Banks with them. However, it may be noted that the major share of increase in number of ATMs in Semi urban and urban areas is also by the SBI.

4 (d): Status of Opening of Banking outlets in unbanked villages, CBS- enabled Banking outlets at the unbanked rural centres (URCs)



GM informed the house that, as per the latest information, 160 centres still remain as uncovered villages in the state as against the earlier 609 villages. District wise and Bank wise details of these 160 centres have been shared with the LDMs & controlling offices of concerned Banks. He also informed that the DFS is closely monitoring this issue and requested the concerned Banks and LDMs to ensure opening of Banking Outlets immediately under information to SLBC.

(Action: Concerned Banks & LDMs)

4 (e): Status of opening of Brick and mortar branches in above 5000 population villages:

GM:SLBC informed the house that, time and again SLBC has been pursuing the member Banks to open Brick and Mortar branches in all the villages having population of more than 5000. However, still 56 villages having population of 5000 and above are pending for opening of Bank branches. He informed the house that the Bank wise list of these 56 villages have already been shared by the SLBC to concerned Banks & LDMs and requested the Executives from the concerned Banks & LDMs to open the Branches where there is pendency at the earliest and confirm the same to SLBC

(Action: Concerned Banks and LDMs)

4 (f): Review of operations of Business Correspondents–hurdles / issues Involved:

GM informed the house that:

- There are totally 6117 BC locations in the state and all are provided with Micro ATMs,
- Of these 6117 BCs, 5782 BCs are active and doing transactions through Micro ATMs
- There are 308 BCs who are inactive and 27 BCs have resigned. The concerned Banks are requested to activate the inactive BCs and engage new BCs immediately in the locations where the existing BCs have resigned
- The Bank wise details of inactive BCs and places where BCs have resigned have been shared with all the concerned Banks & LDMs.

Further, GM informed the house that DFS is critically monitoring the functioning of BCs and has given a deadline of 15th Sept 2018 to ensure activation of all inactive BCs either by activating existing BCs or by replacing with new BCs wherever essential. DFS has also given a deadline of 15th Sept 2018 to appoint new BCs in all locations where existing BCs have resigned. Though the deadline stipulated by DFS has already lapsed, GM: SLBC requested the member Banks to complete this exercise at least by 10.10.2018. Intervening in the discussion, Smt. Muditha Mishra, Director, DFS, GOI also advised the concerned Banks to complete this exercise with all seriousness immediately and to report compliance to SLBC.

(Action: Banks)

4 (g): Proceedings of the meeting held under the chairmanship of the Additional Chief Secretary, DPAR (e-governance) on 03.09.2018 regarding Financial Inclusion.

GM brought to the notice of the house the decisions taken in the above meeting which are as follows:

- 5 All the Banks to allocate Banking Correspondents (BCs) by name to Gram Panchayat that falls under their Sub Service Area. The Banks should also issue written directions to BCs to be available in allotted Gram Panchayat during specified hours. The Banks should share the list with details of BCs and Technology Service Providers (TSPs) as per format provided by the Department.
- 6 The Banks informed that no upper limit has been defined for number of transaction per BCs. However, the upper limit for total financial transaction per day is fixed and varies between TSPs. The Bankers were asked to share the details of TSPs in the format provided by the Department. It was decided to call a meeting of all TSPs along with SLBC to discuss on this issue.
- 7 The SLBC team Demonstrated printing of receipts in both Kannada and English languages using BCs device for other Bank accounts. The Chair advised SLBC team to adopt handheld devices for issuance of receipts.
- 8 The SLBC team mentioned about network connectivity issues in few villages. The chair advised them to make use of "BharatNet" available at each Gram Panchayat. However, SLBC was also requested to provide details of BCs along with villages where they are facing connectivity problem.
- 9 Director, Posts informed the meeting that Indian Postal Payment system (IPPS) has been launched on 01st September 2018. As a result, the post offices will be designated as BCs and will be able to provide Aadhaar based services to its customers. Chairman advised that inter operability is essential for BCs and Postal Department must work to ensure that the Post Office BC can help citizens in transaction even when their account is not with Postal Department. The chair also suggested to schedule a meeting with the technical team of Department of Posts to discuss their issues.

Further, with regard to table agenda placed by the e-Governance department, the following aspects have been discussed in the house by the ACS, e-Governance, Gok:

- 6 The state Government has issued Govt. Order No DPAR 02 PRJ 2018 dated 13.8.2018 mandating use of core DBT portal, developed by e-Governance Department for usage by all departments. The DBT is Aadhaar based. As a Pilot, Milk Incentive Scheme of Animal Husbandry & Veterinary Sciences Department has been chosen for payment to the beneficiaries. "Ksheerasiri" application, developed by NIC, is integrated with the core DBT portal which in turn is integrated with Khajane-II. Aadhaar Based Direct Benefit Transfer has been successfully made to 679 beneficiaries. The payment response files have been processed and the following issues were observed:

**a. Incorrect Seeding of Aadhaar**

The account holder's name in the response file was compared with the Beneficiary Name. It was found that in one of the cases, amount was credited to a wrong person due to incorrect seeding of Aadhaar to bank account.

b. Payment not transferred directly to the beneficiary account

An account number with alpha numeric and special characters was observed in one of the payment responses. On verification, it was found that the account number was the pool account of the Bank. The concerned bank had in-turn credited the amount to the beneficiary account.

As per policy, Aadhaar based benefit transfer must be mandatorily credited to the account seeded with the given Aadhaar and the response file must provide the beneficiary account number and name. However, in this instance, the response contained the Bank's pool account number and the beneficiary name.

7 Decision Sought: The department has requested SLBC to issue directions to Banks as under:

- a. To ensure correct seeding of Aadhaar to Bank accounts, as otherwise wrong payment would happen for which primarily bank would be responsible.
- b. Bank should directly credit the amount transferred to the Aadhaar seeded account and provide the said beneficiary account number and name in the response file. They should not transfer to their pool account and then to beneficiary account.

8. Enabling Banking Correspondents' System to ensure Last Mile Connectivity

1. Government of Karnataka has mandated Aadhaar based Direct Benefit Transfer (DBT) for beneficiaries of Government Schemes vide Govt. Order No FD 06 CAM 2013 dated 23.11.2016. DPAR e-Governance has developed a Core DBT Portal accordingly. However, the success of Aadhaar based DBT is dependent upon availability of Banking Services at the village level. This last mile connectivity can be provided by the existing Banking Correspondents (BC) Network.
2. A meeting to discuss the extent of BC network and major issues faced by BCs was held on 3.09.2018. The following issues were brought to notice:
 - a. The upper limit for financial transaction per day is fixed and varies between Rs.10,000 per day to Rs 50,000 per day depending on the Technical Service Providers. As a result the BC is able to serve limited number of beneficiaries. This is likely to impact disbursement of pensions at the beginning of the month.
 - b. BCs function in the respective Sub Service Area of the Bank. They are not designated to a Gram Panchayat (GP) and are not mandated to be located/seated in GP office. As a result, the location of BC is not known and cannot be ensured.
3. **Decision Sought:** SLBC is requested to issue directions:
 - a. To Banks to increase the upper limit and fix a uniform upper limit for financial transactions that can be carried out by BCs per day.



- b. Identify and allocate BCs to Gram Panhayats and mandate them to be co-located in the Gram Panchayat Office premises.

GM: SLBC requested the member Banks to take note of the above Action Points and ensure its compliance in letter and spirit.

(Action: All Banks)

4 (h): Opening of Branches in Aspirational Districts:

GM informed the house that Yadagiri & Raichur Districts are the Aspirational Districts in the State of Karnataka. The LDMS of these districts had convened special meeting of all major Banks in the district head quarters and took their opinion regarding opening of branches in these Districts. In both the districts, it is agreed to open Ten Bank branches before the deadline fixed by DFS. SLBC has already circulated the list containing name of the Bank and the villages where the Bank branch has to be opened to the concerned LDMS & Banks. In view of the top priority attached by DFS for opening of Bank Branches in operational Districts, GM: SLBC requested the controlling offices of the concerned Banks to take immediate steps for opening of the Branches in the identified locations and to confirm the same to SLBC.

(Action: Concerned Banks & LDMS)

4 (i): Progress in increasing digital modes of payment in the State, provision of continuous connectivity with sufficient bandwidth, resolving connectivity issues / connectivity options (Bharat Net, VSAT, etc.), installation of ATMs and PoS machine and status of implementation of e-receipts and e-payments in the state

GM informed the house that as per the resolution taken in the 141th SLBC meeting, the Banks have responded positively and the number of villages adopted by various Banks has increased from 92 to 227 villages in the state and furnished the Bank wise details to the house.

He requested all other member Banks to adopt the villages for cashless transactions through their Rural and Semi urban branches so as to increase number of villages for promoting cashless transactions in the state. The services of BCs and FLCs shall be effectively utilized for the same, GM remarked.

(Action: Concerned Banks)

4 (j) Issues related connectivity:

GM informed the house that the Department of Telecommunications has confirmed that connectivity issues have been resolved in all BC locations in the state. However, they have requested to refer the list of BC locations as and when connectivity issues are noticed so as to resolve the same at the earliest.



4 (k): Status of rollout of Direct Benefit Transfer in the state. Aadhar seeding and Authentication

4 (k) 1: MGNREGA:

GM informed the house that as per the information provided by the Dept., out of total 61,70,123 **MGNREGA** workers, 33,74,052 workers have been converted into Aadhaar Based Payment which works out to 54.68% as on 05.09.2018. Banks and GM requested the concerned Govt. officials & the Banks to ensure that the remaining accounts are also converted into Aadhaar Based Payment accounts at the earliest.

(Action: Concerned Banks & Department)

4 (k) 2: Social Security Pensions:

GM informed the house that the Dept. has informed that there are 13.12 lakh Social Security Pension beneficiaries in the State who receive pension through Banks of which 5.67 lakh a/cs are mapped with NPCI as on 14.09.2018. GM requested the Banks and the concerned Govt. officials to ensure that all the beneficiaries are mapped with NPCI at the earliest. He also informed that as many as 7.44 lakh accounts constituting 56.8% of the total social security pensioners are pending for mapping with NPCI. The GoK has taken a decision to release the pensions only through DBT towards credit of Aadhaar seeded accounts. Hence, mapping of all pending accounts with NPCI is of paramount importance. Thus, GM: SLBC requested all the LDMs to bestow their personal attention to review the progress in BLBC and DLRC/DCC and ensure mapping all pending accounts at the earliest. GM, SLBC also requested the controlling offices of all member Banks in the state to direct their branches in this regard

(Action: All Banks)

4 (k) 3: Progress under Aadhaar/Mobile seeding of operative CASA a/cs in Karnataka State as on 31.08.2018 is furnished here below:

GM placed before the house the Bank-wise Progress under Aadhaar and Mobile seeding of SB a/cs in Karnataka state as on 31.08.2018 and house took note of the same.

4 (l): Review of inclusion of Financial Education in the School Curriculum, Financial literacy initiatives by banks (particularly digital financial literacy)

GM informed the house that as per RBI Circular dated 14.01.2016, FLCs and rural branches of Banks have to adopt a tailored made approach for different target groups Viz., farmers, Micro and Small Entrepreneurs, school children, SHGs, Senior citizens, etc. There should be adequate synchronization at the ground level between the different stakeholders viz. LDM, DDM of NABARD, LDO of RBI, District and Local administration, Block level officials, NGOs, SHGs, BCs, Farmers' clubs, Panchayats, PACS, village level functionaries etc. during the conduct of financial literacy camps. In this connection he requested the member Banks to implement these directions by organising various activities through FLCs



and Rural Branches. He also presented a consolidated list of literacy camps conducted by FLCs and Rural Bank Branches for the quarter ending June 2018.

(Action: All Banks)

4 (m): Creating awareness about various schemes, subsidies, facilities e.g. Crop Insurance, renewable energy:

GM informed the house that the LDMs are creating awareness among all member Banks in BLBC meetings in turn to give wide publicity for various Govt. schemes and also to highlight subsidy and Crop insurance benefits among the customers. The BCs and FLCs are also playing major role in dissemination of information among the villagers on these schemes. Majority of member Banks are conducting extension programmes through their Branches and giving wide publicity to various schemes. GM requested all the member Banks to further strengthen the efforts in the above direction so that more and more people are benefitted.

4 (n): Review of efforts towards end to end projects involving all stakeholders in the supply chain

GM brought to the notice of the house that this being a new agenda item incorporated as per the revised agenda suggested by RBI, various departments implementing this type of projects are once again requested to submit data to SLBC to discuss under this head from ensuing quarter onwards.

(Action: Concerned Departments)

4 (o): Progress under Social Security Schemes:

GM informed the house that the performance of Banks in two out of three social security schemes viz., PMSBY and PMJJBY is poor excepting under APY during the first quarter of 2018-19. GM: SLBC requested all the Banks to give focused attention to popularize all these social security schemes and enroll all eligible people in their area of operation.

(Action: All Banks)

4 (p): Progress under PMJDY:

GM informed the house that the GOI has decided to continue the National Mission on Financial Inclusion i.e. Pradhan Mantri Jan Dhan Yojana (PMJDY) beyond 28.08.2018 with a change in focus of opening of accounts from **“one account per every household”** to **“one account per every adult”** and with the following modifications.

- Existing overdraft limit to PMJDY account holders of Rs.5000 has been raised to Rs.10000.
- Age Limit of 18-60 years has been revised to 18-65 years
- There will not be any conditions attached for OD upto Rs.2000
- Accidental insurance cover for new RuPay card holders has been raised from Rs.1.0 lakh to Rs. 2.0 lakh to new PMJDY accounts opened after 28.08.2018.



GM also informed the house that, in addition to the above, the Secretary, DFS has directed to achieve the following tasks in a time bound manner:

- For all new PMJDY accounts opened, Instant RuPay Card shall be issued and delivered invariably on the same day of opening of the account.
- Issue of RuPay Cards to all those PMJDY account holders where the accounts are already opened but RuPay cards are not yet issued is to be completed by 15.10.2018 and simultaneously activation of these cards shall be ensured.
- Activation of RuPay Cards already issued but not activated till date is to be completed before 15.10.2018.
- Enlist involvement of all staff members and BCs in identifying the adults who do not have Bank account in the operational area for opening of new PMJDY accounts.
- Take suitable steps to publicise the modifications made in PMJDY scheme through pamphlets, display of banners and posters in all the Branch premises and also at prominent places in the operational area where people normally visits.
- Due publicity to be given during the Financial Literacy programmes and other meetings conducted by the Branches/Regional Offices.
- Aadhaar seeding and Aadhaar authentication shall be completed for all the existing as well as new PMJDY accounts.

He also said that DFS has advised the Banks to ensure opening of maximum number of new PMJDY accounts in a Campaign Mode from 17th Sept 2018 till 30th November, 2018 and accordingly DFS, GOI has allocated the following targets for opening of new PMJDY accounts by the bank branches, GM informed the house.

Sl	Branch Category	No of Accounts to be opened per day per branch	Total number of A/cs to be opened by each Branch from 17.09.2018 to 30.11.2018
1	Rural and Semi Urban	3	74 days X 3 A/cs per day=222
2	Urban / Metro	1	74 days X 1 A/c per day=74

Hence, GM: SLBC requested all the member Banks to issue suitable instructions to all their Bank branches and ensure that the targets are not only achieved but also surpassed. He also observed that compared to task already accomplished by the Banks in this direction, the above targets are achievable and hence requested the Banks to accomplish the above tasks well before the cutoff date.

(Action: All Banks)

4 (q): Progress in disbursements under MUDRA scheme:

GM informed the house that the number of Entrepreneurs financed under MUDRA scheme during June 2018 has decreased compared to June 2017 quarter. However, there is an improvement in the amount disbursed under all the components put together. The reduction in number of Entrepreneurs and the amount disbursed is mainly under Shishu component, GM remarked. Intervening



in the discussion, CS, GoK wanted to know the reasons from the Banks for the poor performance under Shishu Component. Smt. Mudita Sharma, Director, DFS brought to the notice of the house that increasing NPAs under Shishu component is one of the reason for reduction in number of disbursements under Shishu component. Few member Banks also made their point in this regard. After listening to the observations of DFS and member Banks, CS requested Banks to popularise this scheme among the Entrepreneurs by timely sanction of loans under MUDRA scheme so as to show good growth under MSME advances.

(Action: All Banks)

4 (r) Progress under Stand-Up India scheme:

GM presented the progress under Stand-Up India scheme as on June 2018 to the house and house took note of the same.

4 (s) Allocation of targets for financing Handloom weavers under MUDRA:

GM informed the house that the Department of Handlooms and Textiles, GoK have communicated the District wise targets for financing Handloom Weavers under MUDRA scheme during FY 2018-19. GM: SLBC requested all the LDMs for re-allocation among the Bank branches especially to the branches operating in the Handloom clusters/areas.

(Action: All LDMs)

4 (t) Display of PMMY logo at work premises of PMMY borrowers:

GM brought to the notice of the house with regard to the instructions received from DFS, GOI to display of PMMY logo at the work premises of PMMY borrowers. SLBC has forwarded the above mail to the controlling offices of all member Banks to adhere to the above guidelines and ensure display of PMMY logo in the work premises of PMMY borrowers and also on the vehicles financed under PMMY, GM informed the house. He requested all the Banks once again to issue suitable instructions to all their branches to complete this task at the earliest and report compliance to SLBC.

(Action: All Banks)

AGENDA 5.0: REVIEW OF CREDIT DISBURSEMENT BY BANKS

5(a): ACHIEVEMENT UNDER ACP of the state, Priority Sector Lending

GM took up a detailed review of the progress under achievement under ACP of the State and made the following observations:

- The disbursements under short term Crop loan during the first quarter is not encouraging as the disbursements vis-a-vis the targets is only 16.46% which is mainly because of non-renewal of short term Crop loans in anticipation of debt waiver. However, the shortfall has been compensated to some extent with enhanced disbursements in Agricultural term loans. Thus total farm sector as a whole has recorded 20.89% achievement v/s annual target.
- Banks have recorded good performance under disbursements to MSE sector.
- The disbursements under total priority sector stood at 24.30%.



- However, Banks have to give focussed attention to increase Credit flow under education, housing, Social Infrastructure and renewable energy segments where the achievement is not at all satisfactory during the first quarter of the FY 2018-19. The Banks to take advantage of CLSS (PMAY-Housing for all) scheme, which is a flagship programme of Govt. of India, to increase the lending under housing sector, GM remarked.

5 (b): Discussion on lending towards government sponsored schemes (DAY-NRLM, DAY-NULM, MUDRA, Stand-Up India, PMEGP, etc.) and impact of these schemes:

GM informed the house that as per RBI guidelines, performance under Govt sponsored schemes shall be discussed in the subcommittee meetings and the major observations shall be brought to the main SLBC for suitable directions. Intervening in the discussion, CS observed that many Departments have not yet finalized/communicated the targets under various Govt. sponsored Schemes. While expressing his displeasure for not communicating the targets even after lapse of six months of the current financial year, he directed the Department Officials to immediately co ordinate with SLBC and finalize the targets and to complete the task on or before 15.10.2018.

(Action: All Departments)

5 (c): CREDIT FLOW TO MINORITY COMMUNITIES

GM informed the house that the outstanding level of advances to Minority Communities in the state as at the end of Mar. 2018 was **Rs.35197 Cr** covering **14,54,211 accounts**, constituting **13.45%** of total PSA. The outstanding level has considerably increased to Rs.37,087 Cr. as on 30.06.2018 constituting 14.14% of total PSA. The level of advances to minority sector is steadily increasing and will reach mandatory level of 15% soon, GM remarked

5 (d): FLOW OF CREDIT TO MINORITY COMMUNITIES IN IDENTIFIED DISTRICTS

The flow of credit to minority communities in all the three identified Districts viz. Bidar, Kalburgi and Dakshina Kannada Districts have surpassed the mandatory level of 15% of total priority sector advances, GM informed the house and expressed his happiness for the same.

5 (f): KCC loan, Crop insurance under PMFBY

GM informed the house that 11,78,564 cards are issued during the first quarter of FY 2018-19 amounting to Rs.8853.12 Crore and the cumulative outstanding number of KCCs is 49,96,682 with an outstanding amount of Rs.54,476 Crore.

5(e): Crop insurance under PMFBY:

GM informed the house with regard to the issues arising at various Bank branches in connection with adjustment of Crop insurance claim proceeds to Crop loan accounts. He quoted the letters received from UCO Bank, Aminbavi Branch, LDM Hassan, AGM from State Bank of India, LDM Dharwad, LDM Belagavi, Kaveri Gramin Bank in this regard and requested the Officials from the Department of Agriculture to clarify on this important issue as the Branch Managers are facing serious problems at the Branch level by way of Dharna by Farmers. Intervening in

the discussion, CS advised the Secretary, Dept. of Agriculture to issue clarifications to all the Banks immediately.

(Action: Agriculture Department)

- **Pending claims in Haveri District under PMFBY for Kharif 2016-17 due to “Major to Minor” and “Minor to Major” crop issue:**

With regard to the Issue related to delay in release of claim proceeds, GM: SLBC requested the Officials from the Agriculture Department & the Crop Insurance Companies to resolve the issue immediately. Intervening in the discussion, CS advised the Secretary, Agriculture Department to resolve this issue early. The Secretary, Agriculture Department informed the house that the matter was discussed in the meeting held under the Chairmanship of Joint Secretary (Credit), Gol on 21.07.2018 and it was accepted in principle that the farmers are to be compensated appropriately as the problem has come up due to operationalization issue in the portal developed by the State Government. The Secretary said that the Chairman has assured the Insurance Companies that he will take up the issue with the GIC reinsurance to resolve the issue. The insurance companies were instructed to take up the matter with their top management and make arrangements to settle the claims at the earliest.

(Action: Department of Agriculture)

5(g): The enrolment under PMFBY Kharif 2018 as on 01.09.2018 is as under:

With regard to the above issue, GM brought to the notice of the house regarding certain issues raised by few Bank branches which are pending for early resolution. GM: SLBC requested the Department and the Insurance companies to consider the claims pertaining to few Bank branches as a special case and to resolve the issue.

(Action: Department of Agriculture and Insurance companies)

5(h): PMFBY-Kharif 2016 Claim Initiation/pendency:

GM brought to the notice of the house regarding certain claims which are pending for want of clarification/decisions from Govt. of India in respect of (1) “Minor to Major” and “Major to Minor” Crop categorization issues. The Secretary Dept. of Agriculture assured the house to settle the claims at the earliest.

(Action: Agriculture Department)

5 (i): PMFBY-Rabi 2016-17 and Kharif 2017 Claim Initiation/pendency:

GM observed that the pending claim amount has considerably reduced both in respect of **Rabi 2016-17 and Kharif 2017** and requested the Department and the insurance companies to settle the remaining claims at the earliest.

(Action: Agriculture Department & Insurance Companies)



5 (k) Grant of Education Loans:

GM informed the house that during the first quarter of FY 2018-19, various Banks have sanctioned Education loans to the tune of Rs.171 Cr., as against the target of Rs.4604 Cr. The performance of Banks in lending under Education loans is not up to the mark, as the percentage of achievement v/s target works out to 3.71% only. Banks can even think of organising Education Loan Mela in collaboration with University/Colleges. Focussed attention by Bank branches is required for this programme so that the targets are achieved in the FY 2018-19, GM remarked.

(Action: all Banks)

5 (l) Progress under SHG-bank linkage/ Joint Liability Groups:

5 (l) 1: SELF HELP GROUPS:

GM informed the house that as against the annual target of Credit linking of 2,50,000 SHGs for the year 2018-19, Banks have Credit linked 104266 SHGs up to the quarter ending June 2018 of which 104112 SHGs have been Credit linked directly and 154 SHGs have been Credit linked indirectly. The performance of Banks under Credit linkage of SHGs stood at 41.71%. The excellent work done by Banks may be continued to surpass the annual target of credit linking of 250000 SHGs well in time, GM informed the house.

5(l) 2: JOINT LIABILITY GROUPS:

GM informed the house that as against the Annual target for Credit linking of 90,000 JLGs for the FY 2018-19, Banks have Credit linked 50,058 JLGs with a Credit limit of Rs.317.55 Cr. up to June 2018. The performance of Banks under Credit linkage of JLGs stood at 55.62%. The good work done by Banks may be continued to surpass the annual target of credit linking of 90,000 JLGs well in time, GM remarked.

AGENDA 6.0: DOUBLING OF FARMERS' INCOME BY 2022

NABARD AGENDA NOTES

6. 1: GLC in Agriculture – 2018-19:

82: Data on Agri term loan in the SLBC agenda:

6. 3: Doubling of Farmers' Income

6. 4: Promotion of Producers Organizations in Farm Sector (FPO)

6. 5: Support available for Formation and Development of OFPOs

6. 6: New Policy on Skill Initiatives:

6. 7: Self-Help Groups: Digitization of SHGs

6. 8: Village Level Programme:

6. 9: Financial Inclusion

DGM NABARD made detailed presentation on all the above issues and requested the member Banks and concerned Dept. Officials to take advantage of various initiatives from NABARD.



AGENDA 7.0: CD RATIO, REVIEW OF DISTRICTS WITH CD RATIO BELOW 40% AND WORKING OF SPECIAL SUB-COMMITTEES OF DCC (SCC)

GM informed the house that the CD Ratio of the state as a whole has witnessed an increase of 2.9% from 74.1% as on 30.06.2017 to 77.0% as on 30.06.2018. The CD ratio has remained constant at 77.0% both as on March 2018 and June 2018. GM requested the Banks and the LDMs where the CD ratio is less than the State average to ensure increased credit flow so that CD Ratio improves.

(Action: Concerned Banks & LDMs)

AGENDA 8.0: POSITION OF NPAs IN RESPECT OF SCHEMATIC LENDING, CERTIFICATE CASES AND RECOVERY OF NPAs

8.1 NON-PERFORMING ASSETS POSITION:

GM expressed his concern regarding the increase in NPA level as on June 2018 vis-à-vis March 2018 and requested the Chief Secretary to instruct the District administration to assist the Banks in recovery of overdue accounts. He also appealed to the CS to issue press release both in print & electronic media advising the borrowers to repay the dues and also to acknowledge the debts. Intervening in the discussion Chief Secretary advised officials from the Finance Department, GoK to co ordinate with SLBC and to finalize the contents of the press release after obtaining due permission from the Govt.

(Action: Finance Department & SLBC)

8.2 RECOVERY OF BANK DUES UNDER PMEGP

GM expressed his concern with regard to the raise in NPA position under PMEGP scheme and requested the officials from KVIC, KVIB and DIC to assist the Bank branches in recovery of overdue accounts under PMEGP. Intervening in the discussion, CS: GoK advised the Department officials to assist the Bank branches in recovery of overdue accounts. Officials from the KVIC/KVIB/DIC assured the house that their officials will organize recovery camps in association with Banks/LDMs. GM, SLBC requested the Banks & LDMs to ensure organizing more and more recovery camps so as to bring down the NPA level under PMEGP.

(Action: KVIC, KVIB, DIC, Banks and LDMs)

8.3 RECOVERY OF BANK DUES UNDER KPMR & KACOMP Acts:

GM brought to the notice of the house regarding the poor recovery of Bank dues under KPMR & KACOMP Acts. GM:SLBC requested the concerned Department to conduct frequent reconciliation meetings and arrange for joint recovery drives to expedite recovery under these acts. The LDMs shall coordinate with the Banks and the Department to increase number of joint recovery drives, GM remarked.

(Action: Department, Banks & LDMs)



8.4 RECOVERY OF BANK DUES UNDER SARFAESI, DRT & LOK ADALATS

Acts:

GM gave a brief description regarding recovery of Bank dues under **SARFAESI, DRT & LOK ADALATS Acts**. He informed the house that, Banks have filed 13,568 cases under SARFAESI Act involving an amount of Rs.3860.47 Cr during the June 2018 quarter of FY 2018-19. The recovery made during the quarter ending June 2018 is only Rs.497.47 Cr which is very nominal. Similarly, Banks have filed 1556 cases under DRT and 11,023 cases under Lok Adaalat involving an amount of Rs.1373.36 Cr and Rs.113.94 Cr respectively during June 2018 quarter of FY 2018-19. The recovery made under DRT is Rs.89.63 Cr and under Lok Adaalat is Rs.6.16 Cr only, he remarked. He also requested the concerned officials to expedite recovery proceedings so as to bring down the pending claims drastically.

(Action: Department)

AGENDA 9.0: REVIEW OF RESTRUCTURING OF LOANS IN NATURAL CALAMITY AFFECTED DISTRICTS IN THE STATE, IF ANY

GM informed the house that, since Govt of Karnataka has not declared Annewari in any part of the state during the first quarter of the financial year 2018-19, there will be no discussion on this agenda. However, the Karnataka Planters' Association has submitted a representation for extending relief measures in view of damage caused to the crops and plantations occurred due to recent floods in Kodagu, Chickmagalur and Hassan Districts, GM remarked and said that a special Agenda is placed for discussion in the meeting.

AGENDA 10.0: DISCUSSION ON POLICY INITIATIVES OF THE CENTRAL/ STATE GOVERNMENT/ RBI (INDUSTRIAL POLICY, MSME POLICY, AGRICULTURE POLICY, START-UP POLICY ETC.), AND EXPECTED INVOLVEMENT OF BANKS

GM informed the house that, this agenda is newly incorporated as per the revised SLBC agenda as suggested by RBI and requested the concerned Departments to provide the requisite data to SLBC at quarterly intervals in future to have a meaningful discussion and review under this agenda.

(Action: Concerned Departments)

AGENDA 11.0: DISCUSSION ON IMPROVING RURAL INFRASTRUCTURE / CREDIT ABSORPTION CAPACITY

GM informed the house that, this agenda is newly incorporated as per the revised SLBC agenda as suggested by RBI and requested the concerned Departments to provide the requisite data to SLBC at quarterly intervals in future to have a meaningful discussion and review under this agenda.

(Action: Concerned Departments)

AGENDA 12.0 PARTNERING WITH KVK, HORTICULTURE MISSIONS, NATIONAL SKILL DEVELOPMENT CORPORATION, ASCI, ETC. INCLUDING A REVIEW OF FUNCTIONING OF RSETIs

12.1: Functioning and performance of RUDSETI/RSETIs in Karnataka state:



GM informed the house with regard to the performance of RUDSETI/ RSETIs in the State and gave a brief picture of the achievements, which are as under:

- 33 RUDSETI/ RSETIs are functional in the state of Karnataka.
- These 33 RUDSETI/ RSETIs have Trained 5940 candidates in 231 training programme during first quarter of the financial year 2018-19 i.e. from 01.04.2018 to 30.06.2018 against the annual target of training 24795 candidates through 902 training programmes.
- The achievement against the annual target in terms of number of candidates trained is 23.95% and in terms of number of programmes, it is 25.60%.
- There is lot of thrust for Credit linking of trained candidates by MoRD, GoI. As such Banks are requested to extend requisite Credit to the RUDSETI/ RSETIs trained candidates to increase the reach. Banks are also requested to sponsor more and more candidates to the RSETIs for training so that the quality of lending especially under MUDRA scheme can be improved to a considerable extent, GM remarked.

12.2: New Department for Skill Development, Entrepreneurship and livelihood:

GM informed the house regarding creation of New Department for Skill Development, Entrepreneurship and livelihood during financial year 2016-17. GM also informed the house that the role of Banks is very crucial especially in case of trained candidates who intend to commence their own self employment ventures by way of extending timely finance to commence their activities without loss of time. Financing the trained candidates is a win-win situation wherein (1) the trained candidates can start their ventures at the earliest, (2) the Banks can develop quality credit portfolio under PSA as the trained candidates can successfully establish and run their activities which ensures regular repayment and (3) the Department can get more and more enrolment of candidates for training programmes motivated by the successful establishment of self employment ventures by already trained candidates with the support of timely Bank Finance. Hence, GM: SLBC requested:

- The Department to provide the list of trained candidates to the Banks as and when training programmes are concluded under a copy to SLBC.
- The Banks to extend timely finance according to the needs of the trained candidates so that they shall successfully establish their self employment ventures without much loss of time.
- GM also informed the house that, DFS, MoI, GOI have advised all the SLBCs of all states in the review meeting of Skill India Mission held on 06/08/2018 under the Chairmanship of Cabinet Secretary that a decision was taken that Lead District Managers in each district should visit the Prime Minister Kaushal Kendra (PMKK) in the District once a month to impart financial training and provide guidance to the candidates on how to apply for a loan. As such, GM :SLBC requested all the Banks having Lead Bank responsibilities in the state to issue directions to their LDMS to adhere to the above directives of DFS and effectively train the trainees at PMKK so that they can commence their self employment ventures at the earliest with the support of Bank finance.

(Action: All Banks with Lead Bank responsibilities and LDMS)



AGENDA 13.0: STEPS TAKEN FOR IMPROVING LAND RECORD, PROGRESS IN DIGITIZATION OF LAND RECORDS AND SEAMLESS LOAN DISBURSEMENTS

GM informed the house regarding the Bhoomi, a flagship project launched by GoK which has an all-inclusive system for land management to monitor land records. He also told regarding launching e-governance portal called "Bhoomi app by GoK to ease the functioning of land registry. GM: SLBC requested all the member Banks to utilize the Bhoomi-Bank integration facility provided by the Department successfully for various purposes in connection with extending timely credit to the farmers. Banks shall also guide the farmers to get the required documents through online instead of visiting the revenue officials time and again involving lot of time and expenses, GM remarked.

AGENDA 14.0: SHARING OF SUCCESS STORIES AND NEW INITIATIVES AT THE DISTRICT LEVEL THAT CAN BE REPLICATED IN OTHER DISTRICTS OR ACROSS THE STATE

GM shared few success stories of the candidates trained by RSETI/RUDSETIs in the State and requested the member Banks to send Success stories to SLBC so as to share the same among the member Banks for their benefit.

(Action: All Banks)

14.a: TABLE AGENDA

- (1) Exemption from charging commercial rates of tariff on the electricity and water connection provided to the RSETIs and also waive building tax for RSETIs
- (2) Exemption of TDS and GST on reimbursement of training expenses to RSETIs
- (3) Sponsoring candidates to RSETIs for training under all subsidy linked schemes of the Government

Sri Linganna from NACER brought to the notice of the house that the Sponsor Banks of RSETIs have represented that for the electricity connection provided to the RSETIs, the Department is charging commercial rate of tariff instead of domestic rates. To cite a specific instance, CHESCOM, Mysuru is charging commercial rate of tariff to RUDSETI, Mysuru, even though it has been brought to their notice the clarification given by MoRD vide their Letter No I-12011/16/2015-NRLM (RSETI) dated 15th September 2015 (relevant extract of the letter is also attached) that the RSETIs should not be treated as commercial establishments and hence tariff as applicable to domestic connections need only be charged. He also requested for a similar stand in respect of water connection provided to the RSETIs. He requested CS to intervene in the matter.

He also informed the house that, for the training expenses reimbursed to the RSETIs, there are instances of **deducting TDS and charging GST** and quoted the examples of Watershed Department (Agricultural Department, GoK) and Women & Child Welfare Department, Belgavi. As the amount released by the Government to the RSETIs is only a reimbursement of the expenses already incurred for training the candidates, he requested CS to issue necessary clarifications/ guidelines to the concerned, **not to deduct TDS or charge GST at the time of making payment towards reimbursement of training expenses to the RSETIs.**



Further, as the RSETI trained candidates are better borrowers because of their exposure to training wherein they are also informed about the advantages/ benefits of proper utilization of loan and repayment ethics. In this context, he requested CS to advise the concerned Departments to give priority in sponsoring beneficiaries under the subsidy linked schemes of the Government to RSETIs for training by making training as a pre-condition for release of subsidy. Intervening in the discussion, CS advised NACER to submit representations to his office to enable him to take up the issues with concerned Departments.

(Action: NACER)

AGENDA 15.0: DISCUSSION ON MARKET INTELLIGENCE ISSUES e.g.

- (a): Ponzi Schemes / Illegal Activities of Unincorporated Bodies / Firms / Companies Soliciting Deposits from the Public**
- (b): Banking Related Cyber Frauds, phishing, etc.**
- (c): Instances of usurious activities by lending entities in the area, cases of over Indebtedness**
- (d): Credit related frauds by borrower groups etc.**

GM, SLBC gave a detailed picture on the above issues based on the letter received from RBI, RO Bangalore and requested all the Banks to take note of the above and to take precautionary measures to avoid Bank related frauds, credit related frauds by borrowal groups etc..

AGENDA 16.0: ISSUES REMAINING UNRESOLVED AT DCC/DLRC MEETING6

GM: SLBC presented the details of unresolved issues evolved during DCC/DLRC meetings as received from few LDMs in general and the genuine difficulties faced by the Dhall mill owners in particular and requested the member Banks to take a holistic view on the extent of the benefit of rephasement and rehabilitation that can be extended to Dhall mill owners within the purview of RBI guidelines. He also appealed to the member Banks with Lead Bank responsibilities to guide the LDMs to resolve the unresolved issues at the earliest.

(Action: Concerned Banks and LDMs)

AGENDA 17.0: TIMELY SUBMISSION OF DATA BY BANK, ADHERING THE SCHEDULE OF SLBC MEETING

GM brought to the notice of the house that, as per the extant guidelines of RBI, SLBC has to collect and consolidate the data on various agenda at quarterly intervals. Submission of data in time is very essential to keep up the time schedule. However, in spite of repeated mails, phone calls to the state level coordinators, the SLBC is not getting proper response from some of the Bankers/Departments. Hence, he appealed to all the Banks and Departments to submit the required data/ information in time which is error free so as to ensure that the SLBC meetings are convened as per the time schedule.

(Action: All Banks & State Govt. Departments)

**AGENDA 18.0: ANY OTHER MATTERS WITH THE PERMISSION OF THE CHAIR.**

- 18 (a). Recovery of Agricultural & Other loans: GM brought to the notice of the house regarding various representations received from majority of the Banks with regard to the difficulties the Bank employees are facing from the farmers when they are on recovery visits to the villages. The representations received from Canara Bank, Circle Office, Bangalore, Lead Bank Office Vijayapura, representation of KVGB etc., were discussed at length. The Executives from various Banks in the house have informed about one of the critical problems faced by the Bankers that when they are approaching farmers for Acknowledgement of Debt (AOD) to save the limitation period, the farmers are not signing the same on the plea that the loans will be waived under Debt waiver scheme of GoK. In the absence of AOD when they approach the concerned authorities for filing under KPMR/KACOMP Act and LOK Adalat, they are not accepting Agricultural loan cases. In these circumstances, when branches are filing suit in civil court/DRT just to save the limitation period, the farmers are going to police station and in some instances police authorities have taken the Branch Managers to the station which is de-motivating the Bank officials. If the loan documents gets time barred the branch officials will be personally accountable and disciplinary action will be initiated against them by the Bank management for the lapse.

The farmers are having other than crop loan liabilities under various term loans availed for the purposes like land development, farm mechanization, minor irrigation, allied activities etc. which are not covered under debt waiver scheme. The farmers have stopped repaying any loans including jewel loans. Many farmers have liability of more than Rs.2.0 lakh. The entire lending cycle to Agriculture sector has come to grinding halt due to confusion prevailing about debt waiver scheme in farmer community. The adverse publicity, Dharnas of farmer representatives, action of Police authorities demoralized the Bankers and not able to discharge their duties and they are in tremendous pressure and fear.

In view of the above the Bank Executives requested the intervention of CS to protect the interest of the Bank employees. GM: SLBC also appealed to CS to issue a press release in Print & Electronic Media informing the salient features of Debt Waiver Scheme, amount, eligibility criteria etc/, requesting the farmers to repay their over dues and renew the crop loan accounts to avail the interest subvention benefit, Crop insurance and avoid penal interest and keep their record clean. Intervening in the discussion, the CS, GoK has assured the house for initiating suitable action in this regard and directed the Principal Secretary Finance, GoK to do the needful as requested by the Bankers.

(Action: Finance Dept. GoK)

- 18 (b) GM brought to the notice of the House regarding the Suggestions/ Requests from Banks and Farmers on Debt waiver Scheme of GoK-2018 regarding Pre-Ponement of beginning cut off date stipulated in the proposed Debt waiver Scheme of GoK and requested GOK to consider the request of farmers who have availed crop loans between 01.01.2007 to 31.03.2009 who are neither covered under earlier scheme of GoI nor eligible in the proposed debt waiver scheme of GoK to make them eligible under proposed debt waiver scheme of



GoK. Similarly, the representation of State Bank of India, Krishna Bhima Samruddhi Local Area Bank (KBS Bank), with regard to the issue pertaining to adjustment of Crop insurance claim proceeds to Crop loan accounts and excluded categories in Agriculture Debt Waiver Scheme, representation/request from Farmers were also discussed in the house. Finally, it was agreed to resolve the issue by the concerned officials from the Government side in consultation with SLBC

18 (c) Credit financing in water and sanitation (WASH) sector – reg.

SLBC has received a mail from DFS, GOI dated 06/09/2018 advising Banks to extend required credit facilities to the people for WASH sector. In view of the above and to further achieve the objectives of SBM, GM requested all member Banks to sensitize the Bank Branches on the credit needs for water and sanitation (WASH) Sector and to consider proposals under WASH sector in tune with the objectives of Swachh Bharat Mission (SBM).

(Action: All Banks)

18 (d): Proceedings of 9th State Level Sanctioning & Monitoring Committee Meeting (SLSMC) dated 1.08.2018.

GM brought to the notice of the house regarding the proceedings of the 9th State Level Sanctioning & Monitoring Committee Meeting (SLSMC) which was held on 01/08/2018 at Vikas Soudha under the chairmanship of Hon'ble Secretary, Animal Husbandry & Fisheries, GoK. Among others, it was decided to give importance to all the components of Entrepreneurship Development and Employment Generation (EDEG) and to instruct Banks to cooperate in effective implementation of this programme

As Entrepreneurship Development and Employment Generation (EDEG) is very important scheme implemented by the Department of Animal Husbandry having various components, GM:SLBC requested the controlling offices of all member Banks to advise their Branches to take decision on the proposals on a priority basis and LDMS to review the implementation of the scheme in BLBC and DCC/DLRC meetings.

(Action all Banks and LDMS)

18 (e): Under Manpower and other issues of FLC Counsellors:

GM brought to the notice of the house regarding the representation received from FLC Counsellors informing that different Banks are paying honorarium differently which has disappointed them. They have also requested for issue of Identity Cards as they are facing problem to prove their identity while making field visits. GM requested the member Banks to look into the grievances of the FLC counsellors sympathetically.

18 (f) Non participation of Branch Managers in BLBC meetings:

GM brought to the notice of the house that 6 Branch Managers of Kotak Mahindra Bank are not participating in the BLBC meetings convened by the LDM, Chickballapura. He has also informed that the District Coordinator from Kotak



Mahindra Bank is also not participating in the DCC/DLRC meetings. GM requested the executive from Kotak Mahindra Bank to ensure participation of their Branch Managers as well as District coordinators in Chickballapura District to participate in all the meetings regularly.

18 (g) Merger of IOB, Kavital Branch with their Manvi Branch in Raichur District:

GM brought to the notice of the house regarding the proposal of IOB, Regional Office Goa to merge their Kavital Branch with their Manvi Branch w.e.f. 15.10.2018 which is situated 45Kms away from the present Branch location. Looking into the genuine difficulties of the customers of Kavithal Branch, the house advised IOB official not to go ahead with merging of their Kavital Branch with Manvi Branch. Responding to the request of SLBC GM, IOB executive assured the house to maintain status quo in the matter.

(Action: IOB)

18 (h): Pressure from Police Authorities to provide armed guards at all Branches of KGB after Burglary incident at Kyathanayakanahalli Branch of KGB

GM brought to the notice of the house regarding an issue raised by Kaveri Grameena Bank vide their letter dated 26.09.2018 where in they have informed that an unfortunate incident of burglary which took place in their Kyathanahalli Branch, in H D Kote taluk, Mysuru District The Branch has reported the incident to the Police Authorities, H D Kote Police station and the investigation is under progress.

In the meanwhile Superintendent of police, Mysuru has called the Chairman of KGB on 26.09.2018 to his Office and advised to provide armed guards to all the branches of KGB in Mysuru District by Monday itself, failing which he will be ordering for closure of the branches. In this connection, the chairman of KGB requested the GoK to advise SP: Mysore not to insist for posting security guards at the Bank Branches as the proposal is not viable. Intervening in the discussion, CS assured SLBC that suitable instruction will be passed on to SP: Mysore in this regard.

18 (i) On-line collection college fees from the students of 412 Govt. Colleges:

GM brought to the notice of the house with regard to the letter received the Director of Collegiate Education, GoK where in they have informed that few Bank Branches in the state of Karnataka are restricting collection of fees to 4 to 8 students per day only. Thereafter, Banks are insisting for payment of Service Charges up to Rs.59 per student. In this regard, GM: SLBC requested all member Banks to instruct their Bank Branches not to restrict the transactions to a few students and to adhere to guidelines with regard to collection of fees.

(Action: All Banks)

18 (j) Usage of Kannada in Banking in Karnataka State:



GM brought to the notice of the house with regard to the letter received from the Principal Secretary, Finance Department, GoK dated 4.09.2018 informing that a Branch Official in Kolar District assaulted a customer who insisted on conducting his transactions in Kannada. As per the RBI guidelines, Bank Branches operating in Karnataka should adopt a three language policy wherein Kannada should be one of the languages in the state. Hence, there is a need to ensure that the Bank officials working in Karnataka have the working Knowledge of Kannada and the Banks should provide adequate facilities for such non Kannadiga officers to learn the local language of the State. The need is also to sensitize the non Kannadiga officers posted in the State to learn the local Language and use the Local language for business communications.

Occurrence of such incidence again reveals that the progress in implementation of usage of Kannada in Banks is tardy. Therefore, the State Government has requested the top management of the Banks operating in the State to strongly communicate the following suggestions:

- a. Make available the forms, Challans and other printed stationary which is used by the customers in Kannada, in addition to English/Hindi.
- b. Kannada Language should be enabled in all ATMs in the Sate.
- c. Non Kannadiga Officers working in Karnataka should learn Kannada within six months after their posting in Karnataka.
- d. Banks should provide adequate facilities to Non Kannadiga Officers working in Karnataka to learn Kannada immediately on being posted in the State.

State Government has advised SLBC to take steps to ensure that all the Banks adopt the compulsory eligibility of prior working Knowledge of Kannada for recruitment of Officials in Banks including RRBs. GM: SLBC requested all the member Banks to look into the above directives of GoK and initiate appropriate action.

(Action: All Banks)

18 (k) SUB COMMITTEE MEETINGS HELD DURING THE REVIEW PERIOD:

GM SLBC informed the house regarding various SLBC Sub-committee meetings conducted during the Review period and requested all the committee heads to ensure that the meetings are conducted in time to ensure proper review in the main SLBC meeting.

Sl.	Name of the sub Committee	Convenor Bank	Date of meeting	Minutes (Annexure No.)
01.	MSME	Corporation Bank		
	Note: The above meeting was scheduled twice but postponed			
02	SHG-Linkage	Syndicate Bank	21.07.2018	49 (Page No.s 209-214)
03.	Recovery & Rehabilitation and Govt. Sponsored Schemes	State Bank of India	24.09.2018	50 (Page No.s 215-218)
04.	Agri & Allied activities	Canara Bank	20.09.2018	Yet to receive proceedings



05.	Retail Loans	Vijaya Bank	23.08.2018	51 (Page No. 219-222)
06.	Review of functioning of RSETI & RUSETI	State Director for RESETIs, Karnataka		
	Note: The above meeting was scheduled for 14.09.2018 but stands postponed.			
07	Steering Sub-Committee	SLBC	20.09.2018	

19.0: Special Agenda on Floods ravage in Coffee Estates in Karnataka state:

In the light of the representations received from the Karnataka Planters' Association and Karnataka Growers' federation, the contents of which were reproduced in the Agenda Booklet, a detailed discussion took place and thereafter, it was decided to advise LDMs of Kodagu, Hassan and Chikmagalur Districts to convene a special DCC meeting to take up the relief measures. GM requested CS to look into the representations of Karnataka Planters' Association and Karnataka Growers' Federation and give suitable notification of Government indicating the extent of damage area wise to enable the LDMs to proceed further. Intervening in the discussion, CS assured to issue Annewari immediately and the ACS & DC informed that the same will be done immediately.

Immediately after receiving the notification of the State Government, the respective LDMs shall convene special DCC and request all the Bankers to extend relief measures in a mission mode. Further, the LDMs shall keep in mind and highlight the following relevant Para of RBI Master circular No. RBI/FIDD /2017-2018/55 Master Direction FIDD.CO. FSD.BC No.8/05.10.001/2017-18 dated July 03, 2017 in the special DCC meeting to be convened.

3.3 Meeting of SLBC/District Consultative Committee (DCC)

Quote:

3.3.1 In the event of an occurrence of a natural calamity which covers a larger part of a State, the State Level Bankers' Committee convenor Bank should convene a meeting immediately. The committee, in collaboration with the State Government authorities should evolve a coordinated action plan for implementing the relief programme. If the calamity has affected only a small part of the state/few districts, the convenor of the District Consultative Committee of the affected district(s) should convene a meeting immediately. In the special SLBC/DCC meeting, the position of the affected areas may be assessed so as to ensure speedy formulation and implementation of suitable relief measures.

Unquote:

Though the above Para of RBI circular clearly indicates that as the natural calamity i.e. floods have affected Kodagu district and some parts of Hassan and Chickmagalur districts the convenor of the District Consultative Committee of these three Districts should convene a meeting immediately. In the special DCC meeting, the position of the affected areas may be assessed so as to ensure speedy formulation and implementation of suitable relief measures.



3.4 Declaration of Natural Calamity

Quote:

3.4.2 In case of extreme situations such as wide-spread floods, etc. when it is largely clear that most of the standing crops have been damaged and/or land and other assets have suffered a wide-spread damage, the matter be deliberated by State Government/District Authorities in the specially convened SLBC/DCC meetings where the concerned Government functionary/District Collector may explain the reasons for not estimating 'Annewari' (percentage of crop loss– by whatever name called) through crop cutting experiments and that the decision to provide relief for the affected populace needs to be taken based on the eye estimate/visual impressions.

3.4.3 In both the cases, however, DCCs/SLBC have to satisfy themselves fully that the crop loss has been 33% or more before acting on these pronouncements.

Unquote:

However, during the discussions in SLBC dated 29.09.2018, the CS of GoK has assured to issue notification declaring Kodagu district and Parts of Hassan and Chickmagalur as natural calamity i.e. flood affected and the ACS & DC has also responded to issue the GO immediately. SLBC requests LDMs of Kodagu, Hassan and Chickmagalur Districts to act accordingly.

Quote:

4.4.4. With the objective to ensure that banks are proactive in extending relief to the affected persons, **the benefit of asset classification of the restructured account as on the date of natural calamity will be available only if the restructuring is completed within a period of three months from the date of natural calamity.** In the event of extreme calamity, when the SLBC/DCC is of the view that this period will not be sufficient for the banks to reschedule all the affected loans, it should immediately approach the concerned Regional Office of RBI detailing the reasons for seeking extension. Such requests will be considered on the merit of each case.

Unquote:

In the light of the above guidelines of the RBI, as occurrence of floods is almost completing 3 months period, SLBC requests LDMs of all the three Districts to represent to RBI through the proceedings of the Special DCC to extend the time for completion of restructuring of existing accounts suitably for a specified period keeping in view the time period required for extending relief measures to all affected people in their districts. Otherwise, the restructured accounts will not be qualified to continue as standard assets.

Representation of SLBC cell, Canara Bank, Bangalore:

SLBC Cell Canara Bank vide their letter dated 04.09.2018 under subject "Relief measures to farming community and MSME units located in flood affected areas of Karnataka". The contents of the letter is as under:

Quote:

"We would like to bring to your kind notice that the recent incidences of heavy rainfall in the state of Karnataka, which has caused devastating floods, landslides and water stagnation. This has resulted in loss of crops, estates, plantations, livestock, houses, godowns, MSME units and other assets.



In light of destructive act of the nature, we request you to take up with Government of Karnataka to declare/ formulate necessary relief measures under natural calamities for both Agriculture and MSME units.

Unquote:

It is understood from the above that relief measures are required not only for agricultural advances but also for MSME and other units also.

(Action: State Government and LDMs of 3 Districts)

The meeting concluded with vote of thanks from Sri Vijay Kumar, GM, Canara Bank.

**CBL Narasimha Rao
Convenor SLBC &
GM, Syndicate Bank**



**SLBC – KARNATAKA
LIST OF PARTICIPANTS
142nd SLBC Meeting held on 29.09.2018**

Sl.	Name Shriyuths -	Designation	Organization
1	T M Vijay Bhaskar	Chief Secretary	Govt of Karnataka
2	Mrs. Vandita sharma	Addl. Chief Sec. & Dev. Com.	Govt of Karnataka
3	Sri. Ajay K Khurana	Executive Director	Syndicate Bank
4	P J Thomas	Regional Director	Reserve Bank of India
5	Sri. C B L Narasimha Rao	Convenor-SLBC & GM	Syndicate Bank
6	Mudita Mishra	Director	DFS
7	P V S Surya Kumar	Chief General Manager	NABARD
STATE GOVERNMENT DEPARTMENTS			
8	Rajeev Chawla	Addl. Chief Secretary	DPAR (e-Governance)
9	Maheshwar rao	Secretary for Agriculture	Agriculture Department
10	H.S. jai Kumar	Joint director (TC)	Commerce & Industries
11	Anand V Kittur	Additional director	Department of Handloom & Textiles
12	Dr. M R Ravi	Commissioner	Department of textiles
13	Meera Srivastav	Addl. Secretary	Finance Department (Fiscal Reforms)
14	Anil Kumar Jha	Principal Secretary	Finance Department
15	S.Rohith	Project engineer	RDPR (MGNREGA)
16	Gopalakrishna	Jt Reg of Co-op Societies	Sericulture Department
17	Dr. K. V. Halagappa	Addl Director	AH & VS
18	Shanthalakshmi	Superintendent	Dept of Collegiate Education
19	Udaya Shankar H	Addl. Director	Dept of Collegiate Education
20	D Nataraja	Addl. Director	MSME
21	Nandini B S	Jt. Director	Directorate of MSME
22	P Maheshwara Gouda	Jt. Director	AH & VS
23	Jaykumar H S	Jt. Director	Commerce & Industries Dept.
24	Rekha K S	Chief Accounts officer	Department of Horticulture
25	Dr Sadashiva	Jt Director	K M F
26	Salma Firdose	ARCS	Dept of Fisheries
27	Manjunath nayak	Secretary	Animal Husbandary & fisheries
28	K Kumara Swamy	Agriculture Officer	Agriculture Dept
29	M. Maheshwar Rao	Secretary	Agriculture Dept
30	Vijaykumar Tippa	Assistant director	Dept pf Municipal Administration
31	Indira G	Project officer	Dept of Women and child Development
32	Dr. S. Savitha	Deputy director	DSSP Revenue Department
33	Munish Moudgil	Commissioner SSCR	Revenue Department
34	Raj Kumar Kataria	Principal Secretary	Revenue Department
35	V. Surekha	Project Director	Women and Child Development GOK



36	V M Mahesh	Joint director (Technical)	MGNREGA - RDPR
37	A K sharma	Sr. Horticulture officer	NHB GOI
38	Sumathi B S	Addl. Managing director (I/C)	Karnataka State Rural Livelihood promotion society
39	M. Linganna	Nodal Officer	NACER
RESERVE BANK OF INDIA			
40	Gopal b terdal	Asst. General Manager	RBI
41	N B Dattatreya	Asst. General Manager	RBI
APEX INSTITUTIONS			
42	Hemkumar G	Regional Manager	National Housing Bank
43	Dr. K U Vishwanathan	General Manager	NABARD
44	A K Sarangi	Dy. General Manager	NABARD

CONVENOR – SYNDICATE BANK			
45	K S karunakara	Deputy General manager	Syndicate Bank - SLBC
46	K.N. janardhana	Asst General Manager	Syndicate Bank – SLBC
47	P Vishwanath Reddy	Asst General Manager	Syndicate Bank – FI
48	Y A Vajanthree	Chief Manager	Syndicate Bank – SLBC
49	Chandrashekarappa K	Sr Manager	Syndicate Bank – SLBC
50	Yetish M D	Sr Manager	Syndicate Bank – ZO – Bengaluru
51	Ananda Nayaka K N	Senior Manager	Syndicate Bank – SLBC
52	Ravi Kumara	Senior Manager	Syndicate Bank – SLBC
53	V Nagaraja	Senior manager	Syndicate Bank – SLBC
54	Ankur	Asst. Manager	Syndicate Bank – SLBC
NATIONALISED BANKS			
55	Divakara K	Deputy Circle Hea	Corporation Bank
56	Vijay K S	Manager	UCO Bank
57	D Vijay Kumar	Deputy. General Manager	Canara Bank
58	Tulasi Ram N H	Senior Manager	Canara Bank
59	Tharanjeet Kaur	Senior Manager	Bank of Baroda
60	Sunil Simha	DRM, Bangalore	Bank of Baroda
61	Sharana Basava	Asst. Manager	Andhra Bank
62	S. Sadananda Rao	Deputy Gen Manager	Andhra Bank
63	Neha Phakur	Manager	Indian Bank
64	K Srinivas Prabhu	Chief Manager	Indian Overseas Bank
65	MD. intiaz Ansar	Senior Manager	Central Bank of India
66	K. Shivananda	DGM/SRM	Central Bank of India
67	S Shankar Rao	Chief Manager	United Bank of India
68	MadanGopal	Officer	Punjab National Bank
69	Ramdas Hegde	Deputy Gen Manager	Punjab National Bank
70	Anju C	Asst. Manager	Oriental Bank of Commerce
71	S C Kolumath	Sr. Manager	Bank of India



72	S. Eshappa	DGM, ZM	Bank of India
73	R A Patil	Sr. Manager	Union Bank of India
74	Shivani C	Manager	Bank of Maharashtra
75	Chitra Dayar	Deputy Gen manager	Bank of Maharashtra
76	Smartin K Cherian	Manager	Vijaya Bank
77	A. Jayanthi	Asst. manager	Vijaya Bank
78	K Gopalakrishna Nair	Deputy Gen Manager	Vijaya bank
79	Mohan C	Asst. Gen Manager	Dena Bank
80	Amit Kumor	manager	Dena Bank
81	V K Thopa	Asst. Gen Manager	UCO Bank
82	Shivanna S	Chief Manager	Punjab & Sind Bank
83	Abhilasha dutta	Manager	Punjab & Sind Bank
84	Ravishankar	Manager	IDBI
85	Uthej Hegde	Asst. Manager	Canara Bank
86			
STATE BANK GROUP			
86	Sesh Kumar Adiraju	Dy. General Manager	State Bank of India
87	S V Srinivasa	Chief Manager	State Bank of India
88	C H Hawaldar	Chief Manager	State Bank of India
PRIVATE BANKS			
89	Rajalakshmi	Branch nusiness leader	YES Bank
90	Khader	Senior officer	YES Bank
91	Mahesh V	Cluster Head	HDFC Bank
92	Anurag guptha	Nodal Officer	HDFC Bank
93	Manku Bhattacharjee	State Co-ordinator	ICICI Bank
94	Shareef M K	State Co-ordinator	Axis Bank
95	Vani M N	Agriculture field officer	Karnataka Bank
96	P.H. Rajkumar	Deputy Gen manager	Karnataka bank
97	Sanjeev Agarwal	Executive	Jammu & Kashmir Bank
98	Gayatri V	Manager	South Indian Bank
99	Maruti	Asst. V.P	Equitas Small Finance Bank
100	Saleem K B	Deputy Manager	Ujjivan Small Finance Bank
101	Manoj Kumar M	Manager	Federal Bank
102	H S katti	Asst Vice President (Agri)	RBL Bank Ltd
103	Venkatesh	Manager	Indian Postal Payment Bank
104	Raghavendra C D	Manager (Agri)	Karur Vysya Bank
105	Praveen C V	Officer	Lakshmi Vilas bank
106	Santosh Rajan	Cluster Head	Bandhan bank
107	Armugaraj S	Asst. Manager	Tamilnad Mercantile Bank Ltd
CO OPERATIVE BANKS/ OTHER BANKS/INSTITUTIONS			
108	F B Balikai	Executive Director	K.F.R.C., Bagalkot
109	B M Pamadi	Ombudsman	AKMI
110	Bharat G T	Technical Officer	KSCARD Bank Ltd
REGIONAL RURAL BANKS			
111	R Ravi Kumar	Chairman	Pragati Krishna Grameena Bank



112	Bhuvanendra Takoor	Chairman	Kaveri Grameena Bank
113	S Ravindran	Chairman	Karnataka Vikas Grameena Bank
BOARDS/CORPORATIONS/GOVT. OF INDIA			
114	Jayavibhava Swamy	CEO	K V I B
115	K. Revanappa	Managing Director	D.D.Urs.B.C. Dev Corporation
116	K. Madammohan Kumar	D D G R – II Term cell	Department of Telecommunication
117	A.Krishna Kishore	JTO (R)	Department of Telecommunication
118	Nagendrappa M	JTO (R) I	Department of Telecommunication
119	K S Govindraj	ADR - I	Department of Telecommunication
120	Prasad S R N	DDG r - I	Department of Telecommunication
121	P C Venkatesh	Manager I	UIDAI
122	Surendra babu G	ADG	UIDAI
123	Rohini G Hiremath	General Manager - I	K S W D C
124	Leena Kallammanaver	Asst. General Manager	K S W D C
125	M. Manjunathan	ADCL	DR. BR A D C Ltd
126	Srinivasulu	Managing Director	Dr. BR Ambedkar dev corpn ltd
127	S.v. Kamath	Regional Chief	HUDCO Ltd
128	Raghavendra T	Managing director	K.M.V.S.T. Dev. Corporation
129	Islauddin Gadyal	Managing director	KMDC
130	Erannur	Under Secretary	Skill Development Department
131	Basappa C.K.	SMMU & SL	DAY - NULM
132	Gangadevi S R	Social Development Expert	RGRHCL
133	Shivakumara swamy	Senior Liason officer	Coffee Board
134	Boje Gowda	Chairman	Coffee Board
135	M K Aiyappa	Registrar	Co-operative Department
INSURANCE COMPANIES			
136	Santosh Giri	Manager	Shriram General Insurance
137	M Arjunan	SBM (P&GS)	LIC of India
138	Somanath kangal	Manager (Crop Ins)	Reliance General Insurance Co,
139	N Kadarappa	Lead District Chief Manager	LDO, Haveri
140	VasanthKumar	Regional director	Universal sompu InsCo
141	Shreyas Kasa	Asst. Gen Manager	Universal sompu InsCo
142	V. Chandrashekara Setty	Asst. manager	UII Ins co ltd
143	Anil jadhav	Manager (Crop)	Future General India Ins Co ltd
144	Santosh Ganje	Manager (Crop Ins)	HDFC ergo Ins Co ltd



LEAD DISTRICT MANAGERS			
145	N. kadrappa	Lead District Chief Manager	LDO Haveri
146	C Basavaraju	Lead District Chief Manager	LDO, Hassan
147	Somana Gowda	Lead District Chief Manager	LDO, Vijayapura
148	C H Hawaldar	Lead District Chief Manager	LDO, Kalburgi
149	Ranganath S Noolvikar	Lead District Chief Manager	LDO, Raichur
150	Jyothi Ganesh V S	Lead District Chief Manager	LDO, Tumkur
151	Ishwar K	Lead District Chief Manager	LDO, Hubballi
152	Prashanth M Desai	Lead District Chief Manager	LDO, Chickmagalur
153	Manjunath K N	Lead District Chief Manager	LDO, Bengaluru Urban
154	Ninge Gowda	Lead District Chief Manager	LDO, Chitradurga
