

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

**AGENDA NOTES FOR 142<sup>nd</sup> SLBC MEETING & BANKING STATISTICS**  
**AS ON JUNE 2018**

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 list of Participants is enclosed as Annexure.1 (Page No.70) The Committee members deliberated on all the Agenda items of 142<sup>nd</sup> SLBC meeting. The suggestions of the members are incorporated and final Agenda is prepared, which is as follows:

**AGENDA 1.0: CONFIRMATION OF THE MINUTES OF 141<sup>st</sup> SLBC MEETING HELD**  
**ON 24<sup>th</sup> JULY 2018**

The Minutes of 141<sup>st</sup> SLBC Meeting held on 24<sup>th</sup> JULY 2018 were circulated vide letter No. 356/2018/2944/SLBC/101-141 dated 01.08. 2018. The Minutes of the same may be approved as no suggestions for amendment were received.

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

Sl.	Action Points	Action Taken
1.	Reimbursement of Service Charges to Banks under Crop Insurance Schemes of PMFBY / WBCIS / NAIS	This aspect was discussed at length during 141 <sup>st</sup> SLBC Meeting and also in various meetings convened by the Department of Agriculture. The representative from Dept. of Agriculture has informed that a decision has already taken to raise the Bank wise invoices in the portal itself and a provision will be made in the portal within a week's time to enable the Banks to raise the invoices and the insurance companies to make payment of service charges. However, the Department has not confirmed about making provision in the portal till date. SLBC requests the Department to make such provision in the portal immediately so that Banks can raise invoices season wise.
2.	Aadhaar Authentication & Setting up of Centers for Aadhaar enrolment	<ul style="list-style-type: none"><li>• With regard to the observations of the Department officials that some of the centres are operational beyond the Banking hours and outside the premises also, SLBC has informed the controlling offices of member Banks in this regard. Banks have confirmed that they have already directed their Branches where Aadhaar enrolment centres are operating to act upon the guidelines.</li><li>• 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, SLBC has clarified to all the Banks that these centres:</li></ul>

		<p>a. Shall extend services to all without restricting to Bank customers only.</p> <p>b. Shall be opened for the whole day.</p> <p>c. Are to be operated within the Branch premise only.</p> <p>d. Shall extend all type of facilities without restricting it for new enrolments only.</p> <ul style="list-style-type: none"> <li>• The Chief Secretary informed the house that all the <b>6021 Gram Panchayats</b> in the State are having Aadhaar equipments operated by trained staff and requested the Banks to make use of them in accomplishment of task of Aadhaar seeding and updation at the earliest. 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.</li> <li>• As per the DFS guidelines, Banks in the state are suppose to open 922 Aadhaar Centres against which Banks have 721 centres which are active as on 20.09.2018. Thus there is a gap of 201 centres to be made active by the Banks in the state. Bank wise details are provided in Annexure 1 (a) (Page No. 71). SLBC requests the concerned Banks to open/ activate the Aadhaar seeding centres in 201 centres immediately.</li> </ul>
3.	Adoption of Villages by Banks for Cashless Transactions	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. Thereafter, in the last one quarter, the number of villages adopted have gone up and the details are furnished under Agenda-4 (i) (Page No.12)
4	Providing space for BCs at Gram Panchayat Office	We have received few requests from Member Banks that instructions from RDPR has not reached all the GPs. SLBC has circulated letter issued by RDPR to all GPs in this regard among all the Banks. The ACS, e-Governance, GoK has also informed the Bankers in the meeting convened on 03/09/2018 that if any Gram Panchayat refuses to provide space for BCs, the same shall be brought to their notice to resolve the issue. Copy of the letter issued by RDPR to all GPs is provided as Annexure-2 (Page No.72) All the Banks are requested to ensure functioning of BCs at the space provided by GPs at the earliest.
5	Review of operations of Business/Correspondents—hurdles / issues involved	SLBC has advised all the Banks to effectively address 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. Banks have assured to attend and resolve these issues with all seriousness.
6	Progress in increasing digital modes of payment in the State	<ul style="list-style-type: none"> <li>• In order to promote cashless transactions in the state, 92 villages have already been adopted by various Banks as per the resolution taken in the 140<sup>th</sup> SLBC meeting.</li> <li>• As per the request of the Convenor, SLBC in the 141<sup>st</sup> SLBC Meeting dated 24.07.2018, two more Banks have reported on adoption of villages by their rural branches, with this, the total number of villages adopted to promote cashless transactions has been increased to 227.</li> <li>• SLBC requests the other member Banks also to adopt villages to promote cashless transactions and report the same to SLBC to update the position.</li> </ul>
7.	Rollout of Direct Benefit Transfer in the state. Aadhaar seeding and Authentication	<p>As per the data made available in the 141<sup>st</sup> SLBC Meeting:</p> <ul style="list-style-type: none"> <li>• 13 lakh Aadhaar numbers were yet to be mapped with NPCI</li> <li>• Out of 14 lakh joint accounts, 5 lakh accounts were pending for conversion into individual accounts. SLBC has requested the Bankers to cooperate with the concerned departments to complete the task at the earliest.</li> </ul>
8.	MGNREGA	<p>As discussed during 141<sup>st</sup> SLBC Meeting,</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• In the 141<sup>st</sup> SLBC meeting, SLBC has requested the Bankers and the concerned Govt. officials to ensure that the remaining accounts are also converted into Aadhaar Based Payment accounts at the earliest.</li> <li>• 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.</li> </ul>
10.	Flow of Credit to CLSS - Pradhan Mantri Awas Yojana (PMAY-Housing for All 2022)	As per the data provided by the Department during 141 <sup>st</sup> 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

		<p>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 &amp; officials of the Department on 19.09.2018. MD reviewed the progress under RGRHCL program. He appealed to the Bankers 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 Annexure-3 (A) (Page No.s 73 to 75), 3 (B) (Page No. 76 to 78) and 3 (C) (Page No.s 79 to 86) respectively</p>
11.	Kharif 2016 / Rabi 2016-17 / Summer 2016-17 Claim Initiation/pendency	<p>The official from the Dept. of Agriculture has informed the house during the 141<sup>st</sup> SLBC Meeting that almost all the issues are sorted out except paddy/rice and major-minor issues and had assured the house that claims settlement in respect of Kharif 2016/ Rabi 2016-17 / Summer 2016-17 will be done in two weeks time. Though there is considerable reduction in pending claims, still there is some pendency because of "Major-Minor" and "Minor-Major" issues. It is requested that the Dept. of Agriculture to address this issue at the earliest. Detailed report is provided under Agenda-5 (Page Nos. 23-27)</p>
12.	CD ratio, review of Districts with CD ratio below 40%	<p>As on 31<sup>st</sup> March 2018, though the overall CD ratio of the state as a whole stood at 77%, the CD Ratio in 5 districts viz., Uttara Kannada (37.90%), Udupi (49.74%), Dharwad (56.01%) Dakshina Kannada (57.26%) and Mysore (59.46%) was less than the State average. Similarly, while all the commercial Banks had shown CD ratio of above 60%, Karnataka Bank and Tamil Nadu Merchantile Bank in the State had shown CD Ratio of less than 48%. The SLBC had requested the concerned Banks to advise their Bank Branches in the above 5 districts and also the Executives from Karnataka Bank and Tamil Nadu Merchantile Bank to see that CD ratio improves steadily.</p> <p>Now it is reported that</p> <ul style="list-style-type: none"> <li>• The CD Ratio of Uttara Kannada district has shown improvement from 37.90% in Mar 2018 to 39.48% in June 2018.</li> <li>• The CD Ratio of Udupi district has shown improvement from 49.74% in Mar 2018 to 51.63% in June 2018.</li> <li>• The CD Ratio of Dharwad district has shown improvement from 56.01% in Mar 2018 to 64.06% in June 2018.</li> <li>• The CD Ratio of Dhakshina Kannada district has shown improvement from 57.26% in Mar 2018 to</li> </ul>

		<p>59.95% in June 2018.</p> <ul style="list-style-type: none"> <li>However, the CD Ratio of Mysore district has declined from 59.46% in Mar 2018 to 57.52% in June 2018. The LDM of Mysore is requested to ensure improvement in CD ratio to cross desirable level of 60%.</li> </ul> <p>In the last one quarter there is improvement in the CD Ratio in four out of 5 districts referred above. However, Mysore district has shown reduction in CD Ratio from March 18 level to June 18 level. LDM Mysore and the Banks operating in Mysore district are requested to concentrate to see that the negative trend is arrested and ensure improvement in the CD Ratio.</p> <p>Bank wise and District wise CD ratio as on 30.06.2018 is provided in Annexure-4 (a) (Page No. 87) and 4 (b) (Page No. 88) respectively</p>
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### AGENDA-3: BANKING STATISTICS AS OF JUNE 2018:

#### 3 (a): BUSINESS FIGURES UNDER VARIOUS PARAMETERS:

Amount Rs. In Crore:

Particulars	JUNE 2017	MAR 2018	JUNE 2018	Y-o-Y variation		Variation over Mar-18	
				Absolute	In %	Absolute	In %
Deposits	752707	800925	792773	40066	5.32	-8152	-1.01
Advances	557500	615843	614377	56877	10.20	-1466	-0.2
<b>Credit-Deposit Ratio</b>	<b>74.1</b>	<b>77.0</b>	<b>77.0</b>	<b>2.93</b>		<b>0</b>	
Total PSA	238080	261671	262291	24211	10.20	620	0.2
<b>% of PSA to Total Advances</b>	<b>42.7</b>	<b>42.5</b>	<b>42.7</b>	<b>0</b>		<b>0.2</b>	
Advances to MSE	76483	83067	85809	9326	12.2	2742	3.3
<b>% MSE to Total Advances</b>	<b>13.7</b>	<b>13.5</b>	<b>14.0</b>	<b>0.3</b>		<b>0.5</b>	
Agricultural Advances	117840	131037	125684	7844	6.7	-5353	-4.1
<b>% of Agri. Advances to Total Adv.</b>	<b>21.1</b>	<b>21.3</b>	<b>20.5</b>	<b>-0.6</b>		<b>-0.8</b>	
Weaker Section Advances	83322	87745	90988	7666	9.2	3243	3.7
<b>% of WS Adv. to Total Advances</b>	<b>14.9</b>	<b>14.3</b>	<b>14.8</b>	<b>-0.1</b>		<b>0.5</b>	

#### 3 (b): BRANCH NETWORK :

(In numbers)

Particulars	JUNE- 17	MAR-18	JUNE- 18	Variation	
				Y-O-Y	Over Mar-18
1. Rural	3928	4039	4038	110	-1
2. Semi-Urban	2639	2441	2481	-158	40
3. Urban	2161	2172	2225	64	53
4. Metro	2217	2155	2171	-46	16
<b>Total</b>	<b>10945</b>	<b>10807</b>	<b>10915</b>	<b>-30</b>	<b>108</b>

**3 ©: ATM NETWORK:****(In numbers)**

Particulars	JUNE- 17	MAR-18	JUNE- 18	Variation	
				Y-O-Y	Over Mar-18
5. Rural	2482	2353	2281	-201	-72
6. Semi-Urban	3395	3321	3509	114	188
7. Urban	4117	3979	4180	63	201
8. Metro	7192	6969	6762	-430	-207
<b>Total ATMs</b>	<b>17186</b>	<b>16622</b>	<b>16732</b>	<b>-454</b>	<b>110</b>

- The above table indicates 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.

As on 31<sup>st</sup> March 2018, though the overall CD ratio of the state as a whole stood at 77%, the CD Ratio in 5 districts viz., Uttar Kannada (37.90%), Udupi (49.74%), Dharwad (56.01%) Dakshina Kannada (57.26%) and Mysore (59.46%) was less than the State average. Similarly, while all the commercial Banks had shown CD ratio of above 60%, Karnataka Bank and Tamil Nadu Merchantile Bank in the State had shown CD Ratio of less than 48%. The SLBC had requested the concerned Banks to advise their Bank Branches in the above 5 districts and also the Executives from Karnataka Bank and Tamil Nadu Merchantile Bank to see that CD ratio improves steadily.

Now it is reported that

- The CD Ratio of Uttara Kannada district has shown improvement from 37.90% in Mar 2018 to 39.48% in June 2018.
- The CD Ratio of Udupi district has shown improvement from 49.74% in Mar 2018 to 51.63% in June 2018.
- The CD Ratio of Dharwad district has shown improvement from 56.01% in Mar 2018 to 64.06% in June 2018.
- The CD Ratio of Dhakshina Kannada district has shown improvement from 57.26% in Mar 2018 to 59.95% in June 2018.
- However, the CD Ratio of Mysore district has declined from 59.46% in Mar 2018 to 57.52% in June 2018. The LDM of Mysore is requested to ensure improvement in CD ratio to cross desirable level of 60%.

In the last one quarter there is improvement in the CD Ratio in four out of 5 districts referred above. However, Mysore district has shown reduction in CD Ratio from March 18 level to June 18 level. LDM Mysore and the Banks operating in Mysore district are requested to concentrate to see that the negative trend is arrested and ensure improvement in the CD Ratio.

The Bank-wise position as of JUNE 2018 is furnished in various Annexures as detailed below:

Sl.	Annexure No.	Description	Page No.s
1	5	Banking data- Deposits	89
2	6	Banking data- Advances	90
3	7	Banking data- Priority Sector Advances	91-92
4	8	<b>Banking data- Non-Priority Sector Advances</b>	93-94
5	9	Banking data- SF/MF, SC/ST & DRI	95
6	10	<b>Banking Data-Weaker Section Advances</b>	96
7	10 (a)	Bank wise disbursement and O/s Advances to Women, Ex-servicemen and Export	97
8	10 (b)	Bank wise Crop loans and Agri term loans disbursed during June 2018 quarter	98
9	10 (c)	District wise Agricultural loans disbursed during June 2018 quarter	99

#### **AGENDA 4: REVIEW OF FINANCIAL INCLUSION INITIATIVES, EXPANSION OF BANKING NETWORK AND FINANCIAL LITERACY**

##### **4 (a): BRANCH NETWORK:**

**(In numbers)**

Particulars	JUNE- 17	MAR-18	JUNE- 18	Variation	
				Y-O-Y	Over Mar-18
9. Rural	3928	4039	4038	110	-1
10. Semi-Urban	2639	2441	2481	-158	40
11. Urban	2161	2172	2225	64	53
12. Metro	2217	2155	2171	-46	16
<b>Total</b>	<b>10945</b>	<b>10807</b>	<b>10915</b>	<b>-30</b>	<b>108</b>

- 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. The comparative position of Bank wise Number of Branches in the state as on 30.06.2018 vis-à-vis 31.03.2018 is provided in Annexure-11 (Page No. 100)

**4 (b): ATM NETWORK:****(in numbers)**

Particulars	JUNE- 17	MAR-18	JUNE- 18	Variation	
				Y-O-Y	Over Mar-18
1. Rural	2482	2353	2281	-201	-72
2. Semi-Urban	3395	3321	3509	114	188
3. Urban	4117	3979	4180	63	201
4. Metro	7192	6969	6762	-430	-207
<b>Total ATMs</b>	<b>17186</b>	<b>16622</b>	<b>16732</b>	<b>-454</b>	<b>110</b>

- 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 ATMs in Semi urban and urban areas is also by the SBI. The comparative position of Bank wise Number of ATMs in the state as on 30.06.2018 vis-à-vis 31.03.2018 is provided in Annexure- 12 (page No.101)

**4 (c): Guidelines for Merger/Closure/ Shifting/Conversion of ‘Banking Outlets’:** All member Banks are requested to strictly adhere to the following guidelines in this regard:

- Banks having general permission may shift, merge or close all ‘Banking Outlets’ (except rural outlets and sole semi-urban outlets) at their discretion.
- Merger, closure and shifting of any rural ‘Banking Outlet’ as well as a sole semi urban ‘Banking Outlet’ would require approval of the DCC/DLRC. However, conversion of any rural or **sole** semi-urban banking outlet into a full-fledged brick and mortar branch and vice versa would not require such approval. While merging/closing/ shifting/converting a rural or a **sole** semi urban ‘Banking Outlet’, banks and DCC/DLRC shall ensure that the banking needs of the centre continue to be met.
- Banks should also ensure that customers of the Banking Outlet, which is being merged/closed/shifted are informed well in time so as to avoid inconvenience to them. Further, banks should ensure that they continue to fulfill the role entrusted to these ‘Banking Outlets’ under the Government sponsored programmes and Direct Benefit Transfer Schemes.
- It may further be ensured that ‘Banking Outlets’ are shifted within the same or to a lesser population category, i.e., semi urban ‘Banking Outlets’ to semi urban or rural centers and rural ‘Banking Outlets’ to other rural centers.

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

As per RBI, an ‘**Unbanked Rural Centre**’ (URC) is a rural (Tier 5 and 6) centre that does not have a CBS-enabled ‘Banking Outlet’ of a Scheduled Commercial Bank, a Small Finance Bank, a Payment Bank or a Regional Rural Bank nor a branch of Local Area Bank or licensed Co-operative Bank for carrying out customer based banking transactions.

As per Rationalization of Branch Authorization policy–revision of guidelines of RBI, Domestic scheduled commercial banks other than RRBs are permitted to open (unless otherwise specifically restricted) Banking Outlets in Tier 1 to Tier 6 centers



without having the need to take permission from Reserve Bank of India in each case.

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 and it is requested to ensure opening of Banking Outlets immediately under information to SLBC for onward submission to DFS.

Sl.	Name of the Bank	No. of villages to be covered
01	State Bank of India	26
02	Kaveri Gramina Bank	29
03	Pragathi Krishna Gramina Bank	86
04	Canara Bank	6
05	Kotak Mahindra Bank	4
06	Bank of India	2
07	Corporation Bank	1
08	Indian Overseas Bank	2
09	Central Bank of India	1
10	Punjab National Bank	1
11	Bank of Maharashtra	2
12	PKGB	20
	<b>Total</b>	<b>160</b>

The secretary, DFS in the Video Conference with top management of all Banks on 12.09.2018 has directed to open the Banking outlets in the above unbanked villages by 30.09.2018 without fail. SLBC has already sent a mail to all member Banks informing the deadline for opening of Banking outlets. SLBC requests concerned Banks to expedite opening of banking outlets in these villages and confirm the same to SLBC to inform DFS accordingly.

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

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. The Bank wise list of these 56 villages is as under.

SI	Name of the Bank	No. of villages of 5000 & above population allotted for opening of branches	No. of villages pending for opening of branches
1	State Bank of India	31	17
2	Karnataka Bank Ltd	10	9
3	Vijaya Bank	23	7
4	Canara Bank	6	4
5	Indian Overseas Bank	4	4
6	Corporation Bank	3	3
7	Punjab National Bank	2	2
8	Union Bank Of India	2	2
9	KOTAK MAH Bank Ltd	2	2
10	Bank of Baroda	1	1
11	Bank of Maharastra	1	1
12	Indian Bank	1	1

13	UCO Bank	1	1
14	Federal Bank Ltd.	1	1
15	Axis Bank Ltd	1	1
16	Syndicate Bank	32	0
17	Bank of India	1	0
18	KGB	12	0
19	PKGB	34	0
20	KVGB	42	0
<b>Total</b>		<b>210</b>	<b>56</b>

As per the Road Map prepared and guidelines issued by RBI, the cut-off date stipulated for opening of branches in villages of 5000 and above population has already lapsed. Now in addition to RBI, DFS is also closely monitoring about opening of Bank Branches in these villages. Hence, SLBC requests all the 15 Banks to open the Branches where there is pendency at the earliest and confirm the same to SLBC to report NIL pendency to DFS.

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

##### Involved:

- 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.

Total No. of BC locations	No. of Active BCs available	No. of inactive BCs	No. of BCs resigned
6117	5782	308	27

- The Bank wise details of inactive BCs and places where BCs have resigned are as under:

SI	Name of the Bank	Total No. of BCs	No. of inactive BCs	No. of BCs resigned
1	SBI	1813	90	0
2	Kaveri Gramin Bank	419	58	0
3	Canara Bank	566	55	24
4	KVGB	528	54	0
5	PKGB	881	20	0
6	Bank of Baroda	63	5	0
7	IOB	63	5	0
8	Union Bank of India	80	5	0
9	Kotak Mahindra Bank	59	5	0
10	Bank of Maharashtra	17	4	0
11	Karnataka Bank Ltd.	83	4	0
12	Andhra Bank	2	0	2
13	Indian Bank	22	2	0
13	PNB	15	0	1
14	Central Bank of India	34	1	0
	All other Banks	1252	0	0
	<b>Total</b>	<b>6117</b>	<b>308</b>	<b>27</b>

DFS is critically monitoring the functioning of BCs and has given a deadline of 15<sup>th</sup> 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 15<sup>th</sup> Sept 2018 to appoint new BCs in all locations where existing BCs have resigned. Though the deadline stipulated by DFs has already lapsed, SLBC requests the member Banks to complete this exercise at least by 10.10.2018. The compliance shall be informed to SLBC to report NIL pendency to DFS at the earliest.

**4 (g): PROCEEDINGS OF THE MEETING HELD UNDER THE CHAIRMANSHIP OF THE ADDITIONAL CHIEF SECRETARY, DPAR (e-Gov) ON 03.09.2018 REGARDING FINANCIAL INCLUSION.**

The meeting deliberated on the above issue and the following decisions were taken:

1. 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.
2. The Bankers 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.
3. 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.
4. 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.
5. Director, Posts informed the meeting that Indian Postal Payment system (IPPS) has been launched on 01<sup>st</sup> 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.

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

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

On the basis of average number of persons served per branch at National Level, the DFS, MoF, GOI has communicated that there is a gap in number of Branches in two Aspirational districts in the State of Karnataka. The details are as under:

Sl	Name of the Aspirational District	Existing No. of Bank Branches as on 31.05.2018	Bench Mark No. of branches based on national level	Gap
1	Raichur	193	242	49
2	Yadgir	89	147	58

In this regard SLBC had deputed AGM, SLBC to both the districts i.e. on 5<sup>th</sup> Sept 2018 to Yadgir and on 6<sup>th</sup> Sept 2018 to Raichur districts. The LDM of these districts have convened special meeting of all major Banks in the district head quarters and took their opinion regarding opening of branches in these districts. Though firm opinion could not be expressed by the district coordinators, they have come to an understanding that the following branches can be opened based on the potential available. We request the controlling offices of the concerned Banks to take immediate steps for opening of the Branches in these identified locations:

• **Locations identified for opening of Bank Branches in Aspirational Districts:**

Name of Aspirational Districts	Sl.	Name of the Village	Population as per 2011 Census	Bank to which the village allotted	Remarks
Raichur	1	Kelgin Irabgera of Devadurga Block	5765	SBI	This centre is also in RBI Road Map
	2	Kotha of Lingsugur block	5229	SBI	
	3	Anwari village of Lingasugur block	5365	SyndicateBank	Proposed to open by 30.09.2018
	4	Idapanuru of Raichur block	5516	PKGB	The concerned Banks to inform the SLBC about the date of opening
Ydgir	5	Honagera of Yadgir block	4406	PKGB	
	6	Yelheri of Yadgir block	4214	PKGB	
	7	Kanne Kollur of Shahapur block	4226	Canara Bank	
	8	Kurkunda of Shahpur block	4216	PNB	
	9	Wadagera H of Shahpur block	7349	SBI	
	10	Yalgi of Shorapur block	4852	Andhra Bank	

**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**

As per the resolution taken in the 141<sup>th</sup> SLBC meeting, SLBC requested all the Banks vide letter No. 156 dated 24.07.2018 to make necessary arrangements for adoption of villages for cashless transactions and furnish the names of the villages adopted. The Banks have responded positively and the number of villages adopted by various Banks has been increased from 92 to 227 villages in the state and the Bank wise details are as under:

SI	Name of the Bank	No. of villages adopted
1	Syndicate Bank	26
2	Bank of India	13
3	Canara Bank	8
4	KVGB	43
5	UCO Bank	2
6	Bank of Baroda	2
7	Vijaya Bank	59
8	IOB	54
9	PKGB	20
<b>Total</b>		<b>227</b>

All other member Banks are also requested 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.

#### **4 (j) Issues related connectivity:**

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:**

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 the concerned Govt. officials are requested to ensure that the remaining accounts are also converted into Aadhaar Based Payment accounts at the earliest. District wise details are furnished in Annexure-13 (Page No. 102)

Note: Few of the active worker's job cards were deleted during process of job card verification. Hence, there is decrease in number of Aadhaar based payment workers from 34,02,121 as on 07.06.2018 to 33,74,052

##### **4 (k) 2: Social Security Pensions:**

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. Bankers and the concerned Govt. officials are requested to ensure that all the beneficiaries are mapped with NPCI at the earliest. The district wise details are furnished in Annexure-14 (Page No.103). 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. All the LDMs are requested to bestow their personal attention to review the progress in

BLBC and DLRC/DCC and ensure mapping all pending accounts at the earliest. The controlling offices of all member Banks in the state are also requested to direct their branches in this regard.

**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:**

**(Figures in Lakh)**

No. of Operative CASA A/cs	No. of CASA A/cs seeded with Aadhaar	% of Aadhaar seeding	No. of CASA A/cs Aadhaar authenticated	% CASA A/cs Aadhaar authenticated	No. of Operative SB A/cs seeded with mobile No.	% of seeding	No. of Op. SB A/cs not having mobile No.
735.36	600.60	81.67%	387.31	52.67%	636.46	86.98%	98.90

The Bank-wise Progress under Aadhaar and Mobile seeding of SB a/cs in Karnataka state as on 31.08.2018 is furnished in the **Annexure- 15** (a) (Page No.104) and 15 (b) (Page No.105) respectively.

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

As per RBI Circular No., RBI/2015-16/286 FIDD.FLC.BC.No.18/12.01.018/2015-16 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.

Banks have implemented these directions and have conducted various activities through FLCs and Rural Branches. A Consolidated list of literacy camps conducted by FLCs and Rural Bank Branches for the quarter ending June 2018 is as under.

Type of Camps conducted	No. of Camps conducted	No. of people benefitted
Special Camps	3495	2,22,104
Target specific camps (Farmers, SHG members, School children, Sr. citizen, labourers oriented programmes)	4410	2,65,347
Out of target specific camps, camps conducted for school children.	1189	29,262

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

LDCMs 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.

SLBC requests all member Banks to further strengthen the efforts in the above direction so that more and more people are benefitted. It is also observed that the implementing departments are also giving wide publicity to their schemes through posters, Banners, Handbills and News papers, etc.

SLBC requests all member Banks to submit a consolidated report on No. of camps conducted through FLCs, No. of extension programmes organised, No. of people attended/ benefitted through these programmes to SLBC at quarterly intervals so as to review the progress under this agenda.

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

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

#### **4 (o): Progress under Social Security Schemes:**

(No. of enrolments in lakh)

Scheme	O/s As on 31/03/2018			O/s As on 30/06/2018			Growth	
	Rural	Urban	Total	Rural	Urban	Total	No.	%age
PMSBY	29.98	42.66	72.64	30.18	44.17	74.35	1.71	2.35
PMJJBY	13.57	19.95	33.52	13.86	20.58	34.44	0.92	2.74
APY	2.59	3.07	5.66	4.47	4.33	8.80	3.14	55.48
<b>Total</b>	<b>46.14</b>	<b>65.68</b>	<b>111.82</b>	<b>48.51</b>	<b>69.08</b>	<b>117.59</b>	<b>5.77</b>	<b>5.16</b>

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. SLBC requests all the Banks to give focused attention to extend the benefit of all these social security schemes to all eligible people in their area of operation.

The Bank wise and district wise progress under all the above Social security schemes as on 30.06.2018 is provided in Annexure 16 (a) (Page No. 106-107) and 16 (b) (Page No.108) respectively. Claims related information under PMSBY and PMJJBY schemes as on 30.06.2018 is also furnished in Annexure 16 (c) (Page No, 109)

#### **4 (p): Progress under PMJDY:**

(No. of accounts in lakh):

Particulars	31.03.2018	30.06.2018	Variation
<b>Total No. of A/s opened</b>	<b>107.59</b>	<b>114.78</b>	<b>7.19</b>
<b>Total Aadhaar Seeded A/cs</b>	81.47	92.34	10.87
<b>No. of RuPay debit cards issued</b>	92.46	94.36	1.90
<b>No. of RuPay cards activated</b>	64.50	65.41	0.91

Bank wise details on the above parameters are provided in Annexure-17 (Page. 110) 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. Letter received from DFS dated 7.09.2019 is provided as Annexure-18 (Page No.111-112)

- 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.

In addition to the above, the Secretary, DFS has directed to achieve the following tasks in a timebound 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.

DFS has advised the Banks to ensure opening of maximum number of new PMJDY accounts in a Campaign Mode from 17<sup>th</sup> Sept 2018 till 30<sup>th</sup> November, 2018 and accordingly they have allocated the following targets for opening of new PMJDY accounts by the bank branches:

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

SLBC requests all member Banks to issue suitable instructions to all their Bank branches and ensure that the targets are not only achieved but also surpassed. Please note that compared to task already accomplished by the Banks in this direction, the above targets is not that big and same can be accomplished well before the cutoff date so that SLBC can present a good progress to DFS in initial days itself.

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

(Amount Rs. in Crore)

Scheme	Disbursements during quarter ending				Variation (June 18 over June 17)	
	June 2017		June 2018			
	Number	Amount	Number	Amount	Number	Amount
Shishu	976269	2223.71	841922	2045.18	-134347	-178.53
Kishore	59891	871.24	81378	1205.30	21487	334.06
Tarun	9317	686.68	10777	661.38	1460	-25.30
Total	1045477	3781.63	934077	3911.86	-111400	130.23



The above table indicates 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. We request all the Banks to ensure timely sanction of loans under MUDRA scheme to entrepreneurs so as to show good growth under MSME advances. Bank wise data on MUDRA as on 30.06.2018 is provided in Annexure-19 (Page No.113)

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

**Amount in Crore:**

<b>Particulars</b>	<b>Cumulative disbursements up to 30.06.2017</b>	<b>Cumulative disbursements up to 30.06.2018</b>	<b>Y-o-Y Growth</b>
<b>SC</b>	<b>44</b>	<b>66</b>	<b>22</b>
<b>ST</b>	<b>7</b>	<b>15</b>	<b>8</b>
<b>Women</b>	<b>294</b>	<b>426</b>	<b>132</b>
<b>Total</b>	<b>345</b>	<b>507</b>	<b>162</b>

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

Department of Handlooms and Textiles, GoK vide their mail dated 12.09.2018 have communicated the district wise targets for financing Handloom Weavers under MUDRA scheme during FY 2018-19. SLBC has already communicated the targets to all LDMs for re-allocation among the Bank branches especially to the branches operating in the Handloom clusters/areas. SLBC requests all the Branks to advise their branches to process the proposals under the scheme on priority duly keeping in mind the time norms applicable as per RBI guidelines.

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

With regard to display of PMMY logo at the work premises of PMMY borrowers, the DFS, GOI has reiterated the earlier directions through a mail on 24.08.2018 addressed to MDs of controlling offices of all Banks under a copy to SLBC:

**Quote:**

“At the VC which Secretary DFS will be taking later this afternoon, the following issues with respect to PMMY will be discussed:

1. Compliance in respect of display of PMMY logo at Bank branches and a designated officer at each branch as advised by AS, DFS in his letters dated 9th Sept and 22nd Dec 2017.
2. Display of signage at borrower's premise. Sample templates regarding display at the borrower's premise are attached. These may be used with the bank's logo in local language in appropriate sizes.

A format for reporting on the above items is attached. This format is to be submitted to the Mudra Mission office to begin with. The first report is expected on this Friday (5th January 2018). By next week, the consolidated format would be made available on the Mudra portal

A chart showing progress of PMMY at the national level for possible use in publicity material will be sent separately.

Regards

Pankaj Jain, Joint Secretary, DFS, GOI

**Unquote:**

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. All Banks are once again requested to issue suitable instructions to all their branches to complete this task at the earliest and report compliance to SLBC to send confirmation to DFS accordingly. The progress shall be reported in the reporting format provided by DFS. Please note that the PMMY logos shall be in local languages. Copy of the mail received from DFS along with PMMY logo and reporting format are provided as Annexure-20 (a) (Page No.114), 20 (b1 to b4) (Page No. 115 to 118) respectively.

**AGENDA 5.0: REVIEW OF CREDIT DISBURSEMENT BY BANKS****5(a): ACHIEVEMENT UNDER ACP of the state, Priority Sector Lending**

The following table shows a comparative analysis of disbursement for the quarter ending June 2018 of FY 2018-19 vis-à-vis for the quarter ending June 2017 of FY 2017-18

(Rs. In Cr)								
Sector	Annual Target 2017-18	JUNE 2017		Annual Target 2018-19	JUNE 2018		Variation	
		Achievement	% Ach.		Achievement	% Ach.	Absolute	In %
Short Term Loan	58563	9168	15.65	64972	10692	16.46	1524	16.62
Agri Term Loan	28127	11901	42.31	33683	9915	29.44	-1986	-16.68
<b>Total Agri Loans</b>	<b>86690</b>	<b>21069</b>	<b>24.30</b>	<b>98655</b>	<b>20607</b>	<b>20.89</b>	<b>-462</b>	<b>-2.20</b>
MSE	34703	17829	52.33	40874	20549	50.27	2720	15.25
Export Credit	2327	500	21.49	2649	448	16.91	-52	-10.40
Education	3857	188	4.87	4604	171	3.71	-17	-9.04
Housing	16977	4389	25.85	16786	1536	9.15	-2853	-65.00
Social Infrastructure	1101	115	10.45	1368	16	1.17	-99	-86.08
Renewable Energy	1599	112	7.00	1433	28	1.95	-84	-75.00
Other PSA	12766	1361	10.66	14392	564	3.92	-797	-58.56
<b>Total PSA</b>	<b>160020</b>	<b>45563</b>	<b>28.47</b>	<b>180761</b>	<b>43919</b>	<b>24.30</b>	<b>-1644</b>	<b>-3.61</b>

Note: After finalization of ACP for the FY 2018-19, RBI has revised the guidelines pertaining to advances to MSME sector and thus, there is an increase of Rs.17882 Cr under MSE target which otherwise were taken under NPSA. Hence, from next quarter onwards, the total target under PSA will be taken as Rs.198643 Cr. and review will be based on these figures. ACP achievement vis-à-vis target for the quarter ending June 2018 is provided in Annexure-21 (Page No.119). Bank wise & purpose wise level of Priority Sector Advances as on 30.06.2018 is provided in Annexure-22 (Page No. 120-121)

**From the above table, it may be observed that:**

- 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.

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

➤ **PERFORMANCE UNDER GOVT SPONSORED SCHEMES FOR 2018-19**

The status of implementation of various Govt. sponsored schemes as at June 2018 of FI 2018-19 is furnished here below:

SI No.	Name of the Schemes	Target	Achievement	% of Ach.	Annexure (Page No.)
1	<b>PASHU BHAGYA</b>				
A	Dairy Development				
B	Sheep & Goat Development				
C	Piggery Development				
D	Poultry Development				
	<b>Total</b>				
	<b>Remarks:</b> Targets for the FY 2018-19 is yet to be communicated. SLBC requests Animal Husbandry Department to communicate the targets to SLBC at the earliest so as to successfully implement the scheme.				
2.	<b>Dr. Babu Jagjivanram Leather Industries Dev. Corporation Ltd</b>				
	Working Capital for Self Employment Scheme (Subsidy – Max. <b>Rs.</b> 50,000)	280			23 (Page No.s 122-128)
	Establishment of Direct Sales Shop (Subsidy – Max <b>Rs.</b> 4.00 lakh)	120			
	<b>Total</b>	<b>400</b>			
		<b>Remarks:</b> The Dept. of LIDKAR, GoK has communicated the target for the FY 2018-19 vide their letter dated 04.07.2018. SLBC vide letter dated 13.07.2018 has communicated the district wise targets to LDMs for reallocation of the same among the Bank Branches operating in the district and to review the progress in BLBC and DCC/ DLRC meetings.			
3.	<b>NATIONAL RURAL LIVELIHOOD MISSION (NRLM)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	SHG Bank Linkage Groups (Number)	<b>415449</b>	316882	76.4%	24 (Page No. 129)
	Amount in Crore	<b>8001.30</b>	2150.62	27.1%	
B	Rajiv Gandhi Chaitanya Yojana (RGCY)				
	<b>Total (NRLM)</b>	<b>316420</b>	<b>466575</b>	<b>76.4%</b>	
	<b>Remarks:</b> Achievement in terms of number of groups financed is good which stood at 76.4%. However, the average loan amount per group needs improvement to achieve the targets in terms of amount.				
4.	<b>KARNATAKA M.V. ST DEV. CORPN. (as on 30.06.2018)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	Self Employment Programme (SEP)	4286	783	18.3	25 (Page No. 130-134)
B	Dairy Scheme	450	486	108.0	
C	Skill Development Scheme	600	33	5.5	
D	ISB	925	469	50.7	

E	Tourist Taxi	1500	368	24.54	
	<b>Total</b>	<b>7761</b>	<b>2139</b>	<b>27.56</b>	
	<b>Remarks:</b> Progress is satisfactory compared to number of applications sponsored.				
5.	<b>PMEGP</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	KVIC	846	1263	45.50	26(a) to (c) (Page No.135-137)
B	KVIB	876			
C	DIC	1054			
	<b>Total</b>	<b>2776</b>			
	<b>Remarks:</b> The Department has reported that they have sponsored 5195 applications to various Bank branches during the period from 01/04/2018 to 31.08.2018. Banks have sanctioned 1263 applications and have rejected 229 applications. Thus 3703 applications are still pending with the Bank branches. However, the Department has not provided the scheme wise break for the achievement.				
6.	<b>DR. B.R AMBEDKAR DEV. CORPN</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	Self Employment Programme	8747	2285	26.12	27 (Page No. 138-143)
B	ISB	5567	2526	45.38	
C	Dairy Scheme	1816	695	38.28	
D	Tourist Taxi	1925	785	40.78	
E	Skill Development Scheme (Kaushalya)	1104	112	10.15	
	<b>Total</b>	<b>19159</b>	<b>6403</b>	<b>33.42</b>	
	<b>Remarks:</b> Progress is satisfactory compared to number of applications sponsored.				
7.	<b>ANIMAL HUSBANDRY DEPT SCHEMES</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
	<b>I. RKVY-SC-SCP Scheme</b>	1223			27 (a) (Page No. 144-151)
	II. RKVY- TSP	534			
	<b>Total I &amp; II</b>	<b>1757</b>			
	<b>III. Women Scheme – Dairy Units</b>	685			
	IV. SC-SP dairy	384			
	V. SC-SP Piggery	80			
	VI .TSP-Dairy	159			
	VII. TSP-Piggery	26			
	VIII. RKVY new program 10+1 sheep	1000			
	<b>Total</b>	<b>2334</b>			
	<b>Remarks:</b> The Animal Husbandry Department has communicated the targets for the FY 2018-19 vide their letter dated 27/07/2018. SLBC vide letter dated 31.07.2018 had communicated the district wise targets to LDMs for reallocation of the same among the Bank Branches operating in the district and to review the progress in BLBC and DCC/DLRC meetings.				
8.	<b>PMAY (Housing for All 2022) – CLSS</b>				
	<b>Remarks:</b> MD RGRHCL convened a meeting of Bankers & officials of the Department on 19.09.2018. MD reviewed the progress under RGRHCL program. He made available the guidelines on PMAY, the details of pending applications at Bank wise level as well as District wise. As per the data provided by the Department, 159133 applicants have preferred to avail housing loans under PMAY scheme. He appealed to the Bankers to dispose off these applications appearing in their portal 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 Annexure-3 (A), (page No.73-75), 3 (B) (Page No.76-78) and 3 (C) (Page No.79-86) respectively. The controlling offices of the Banks are requested to instruct their Branches to visit the PMAY portal and contact the applicants coming within their operational area and dispose off the applications at the earliest. He also appealed to the Banks to organise				

	housing loan melas in association with Urban Local Bodies (ULBs) and LDMs, to speed up the process of sanctioning loans under the scheme. He also assured that the department will provide financial support for organising these loan melas.				
9.	<b>D. DEVARAJ URS BC DEV. CORPN.</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
	Chaitanya Subsidy Scheme	2772			28 Page No. 152-156
	Tourist Taxi / Goods Vehicle Purchase for BC Youths	0			
	Vehicle Purchase for the youths belonging to Nomadic / Semi-Nomadic Tribes	0			
	Vehicle purchase for the youths belonging to Madival Samaja	0			
	<b>Total</b>	<b>2772</b>			
<b>Remarks:</b> The D. Devaraj Urs Back Ward Classes Development Corporation has communicated the target for the FY 2018-19 vide their letter dated 28/08/2018. SLBC vide letter dated 6.09.2018 has already communicated the district wise targets to LDMs for reallocation of the same among the Bank Branches operating in the district and to review the progress in BLBC and DCC/DLRC meetings.					
10.	<b>WEAVERS CREDIT CARD (MUDRA Scheme)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
		<b>2395</b>			29 (Page No. 157-159)
The Department of Handlooms and Textiles have communicated district wise targets for financing handloom weavers under MUDRA Scheme vide their mail dated 12.09.2018. SLBC vide letter dated 14.09.2018 has already communicated the district wise targets to LDMs for reallocation of the same among the Bank Branches operating in the reach of clusters/pockets of Handloom weavers in the district and to review the progress in BLBC and DCC/DLRC meetings.					
11.	<b>CMEGP</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	DIC	1800			30 (Page No. 160-163)
B	KVIB	1200			
	<b>Total</b>	<b>3000</b>			
<b>Remarks:</b> The Industries and Commerce Department, GoK has reported that they have already forwarded 1500 applications from DIC and 676 applications from KVIB as on 27.08.2018. The Department has commenced convening the task force committee meetings. Banks are requested to accord priority in processing of the proposals under the scheme to ensure achievement of targets well in time.					
12.	<b>NATIONAL URBAN LIVELIHOOD MISSION (NULM)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
A	Self-Employment				31 (Page No. 164)
	a) Individual	2800			
	b) Groups	320			
B	SHG Bank Credit Linkage	2000			
	<b>Total</b>	<b>5120</b>			
<b>Remarks:</b> The Dept. of Municipal Administration, GoK has communicated the target for the FY 2018-19 vide their letter dated 31.07.2018. SLBC vide letter dated 09.08.2018 has already communicated the district wise targets to LDMs for reallocation of the same among the Bank Branches operating in the district and to					

	review the progress in BLBC and DCC/DLRC meetings.				
13.	<b>KARNATAKA MINORITY DEV. CORPN. (KMDC)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
	a) SEP Scheme	3599			32 (Page No. 165-169)
	c) Minorities Taxi Welfare Scheme	633			
	d) Automobile Training & Loan	64			
	e) Bidari Craft Loan (for Bidar District)	40			
	<b>Total</b>	<b>4336</b>			
	<b>Remarks:</b> SLBC has already communicated the district wise targets to LDMs to reallocate the same among the Bank Branches in the district. So far no progress under the scheme.				
14.	<b>RAJIV GANDHI LOANS SCHOLARSHIP*</b>	<b>Scheme discontinued</b>			
15.	<b>KARNATAKA STATE WOMEN DEV. CORP. (as on MARCH 2018)</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
	Udyogini				
Remarks: The Department has reported that there are some changes in the guidelines of the scheme. Therefore, the targets are yet to be finalized.					
16.	<b>KARNATAKA BHOVI DEV. CORPORATION</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
	<b>SEP Scheme – Unit Cost</b>				
	a) Up to Rs. 1.00 lac				
	b) from Rs.1.00 lac up to Rs.5.00 lac				
	c) from Rs.5.00 lac up to Rs.10.00 lac				
	d) from Rs.10.00 lac up to Rs.20.00 lac				
	<b>Total</b>				
<b>Remarks:</b> The Dept. The Dept. has not communicated any targets under the scheme.					
17.	<b>Establishment of Rural Farm Machinery Service Centres</b>	<b>Target</b>	<b>Achievement</b>	<b>% of Ach.</b>	<b>Annexure (Page No.)</b>
		<b>Scheme discontinued</b>			

#### 5 (c): CREDIT FLOW TO MINORITY COMMUNITIES

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 30.06.2019 constituting 14.14% of total PSA. The level of advances to minority sector is steadily increasing and will reach mandatory level of 15% soon. The Bank wise advances to Minority Communities as on June 2018 vis-à-vis March 2018 and Bank wise disbursement and balance outstanding to Minority Communities as on 30.06.2018 are furnished in Annexure-33 (Page No.170) and 34 (a) (Page No.171-172) and 34 (b) (Page No.s 173-174) respectively

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

The outstanding level of credit to minority communities in the identified districts as at June 2018 is as follows –

[Rs. in Cr.]

<b>Name of the District</b>	<b>Bidar</b>	<b>Kalburgi</b>	<b>Dakshina Kannada</b>
Total Priority Sector Advances	4388	5405	12976
Lending to Minority Community	937	1537	5299
% of Minority Community Lending to PSA	21.35	28.44	40.84

Mandatory level of advances to Minority Communities out of total PSA	15%
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The flow of credit to minority communities in all the three Districts has surpassed the mandatory level of 15% of total priority sector advances of respective Districts. While SBI is the Lead Bank in Bidar and Kalburgi Districts, SyndicateBank is the Lead Bank in Dakshina Kannada District.

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

##### KCC Loans:

- From the data, it is observed that 11,78,564 cards are issued during the first quarter of FY 2018-19 amounting to Rs.8853.12 Crore. The cumulative outstanding number of KCCs is 49,96,682 with an outstanding amount of Rs.54,476 Crore. Bank wise and District wise data under KCC/Crop loan for the Financial Year 2018-19 is provided in the Annexure-35(a) (Page No.175) and 35(b) (Page No.176) respectively Bank wise data on Pledge loans to farmers against National Warehouse Receipts is provided in Annexure 35 (c) (Page No.177)

#### 5(e): Crop insurance under PMFBY:

##### Issues regarding adjustment of Crop insurance claim proceeds to Crop loan accounts:

- **UCO Bank, Aminbavi Branch** suffered due to farmers' agitation in front of the Branch on 20.06.2018. A group of farmers went to the extent of locking of branch staff inside the branch and threatened them not to transfer the Crop insurance proceeds to their crop loan accounts. They have demanded that the crop insurance claims have been received as they have incurred crop loss and the Crop loss is much more than the crop loan amount and hence the branch should allow them to draw the claim amount. However, with the intervention of LDM and the SP of the District the issue came to an end on that day. UCO Bank once again reported vide their letter dated 20.09.2018 that the incident was again repeated on 19.09.2018 and the farmers have manhandled the Branch Manager and also thrown slippers on the branch staff.
- **LDM, Hassan** vide their mail dated 11.07.2018 has also reported that farmers' Association have staged dharana against KGB Bank branches demanding not to appropriate crop insurance claim proceeds to their crop loan accounts.
- **AGM from State Bank of India** has informed SLBC that their Bukkapatna branch in Sira Taluk has received threat from farmers' association against appropriation of crop insurance claim proceeds to crop loans.
- **LDM, Dharwad has reported** to SLBC on 20.06.2017 that State Bank of India, Navalgunda Branch suffered from agitations of farmers association. CEO, Zilla Panchayat Dharwad and other elected members insisted LDM, Dharwad to write to all Bank branches not to appropriate crop insurance proceeds to crop loans and allow the farmers to with draw the same.
- **LDM, Dharwad** has also reported vide mail dated 14.09.2018 that in KDP meeting dated 11.09.2018, the Minister of Primary and Secondary Education

Department and District Administration Gadag has strictly warned not to adjust the insurance claim proceeds to the Crop Loan accounts.

- **LDM, Belagavi** vide letter dated 05.09.2018 has informed that the farmers of SBI, Saundatti branch and SyndicateBank, Deshnur branch have demanded the Branches to re-credit the crop insurance claim proceeds adjusted to their crop loan accounts to SB accounts and allow them to withdraw the same. The LDM has also reported that the farmers have staged agitation in front of SyndicateBank, RO, Belagavi. A paper clipping was also sent to SLBC.
- **Kaveri Gramin Bank** vide letter dated 14.09.2018 has informed that the Insurance companies are releasing Crop Insurance claim proceeds through AePS. In some of the cases, though their Branches have sanctioned crop loans and enrolled for Crop Insurance by debiting crop loan accounts, the insurance companies are releasing the claim proceeds to Aadhaar enabled accounts of farmers maintained in some other Bank Branches, thus their branches, who have sanctioned crop loans and enrolled for crop insurance are facing problems.

**Issue related to delay in release of claim proceeds:**

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

The Crop Insurance claims of farmers of Hanagal taluk in Haveri district are not settled due to “Major to Minor” and “Minor to Major” crop issue. It is known fact that there is no fault at the Branches as the portal was not stabilized and no controls were in place. As per the Samrakshane portal user manual “Major crop (notified at GP level) should not appear in the pick list of other (Minor) crops and vice versa.

Applications have been rejected by the insurance companies (Universal Sompo GIC and TATA AIG GIC) after one year and also companies have not permitted the Bank branches to modify the applications. The farmers’ Associations are continuously demanding and staging Dharana in front of the bank branches to settle the claims immediately and are also threatening the Bank staff that they will make them house arrest by locking them inside the Branch if the claims are not settled within a specific period.

LDM Haveri has informed that the concerned Banks are in the process of obtaining permission from their controlling offices to file suit against the Department and the insurance companies as there is no other alternative questioning the inordinate delay in settlement of the claims by the Insurance companies.

**5 (f): The Bank wise details of Major to Minor, Minor to Major cases pending for claim settlement is as below.**

Sl. No	Name of the Banks	Major to Minor		Minor to Major	
		No.	Claim Amt	No.	Claim Amt
1	ICICI	01	29483	0	0
2	KVG Bank	328	9992758	818	22087766
3	State Bank of Mysore	16	505614	42	1139331



4	Syndicate Bank	47	889264	568	15885616
5	Union Bank of India	01	21444	126	3839887
6	Bank of Baroda			07	63386
7	Canara Bank			182	4314509
8	Corporation Bank			23	672690
9	Indian Overseas Bank			12	343720
10	Karnataka Bank			81	2899056
11	KCC			1570	37345960
12	State Bank of India			182	6110554
13	Universal Sompo Co. (Direct)			04	156995
14	Vijaya Bank			378	8871763
	<b>TOTAL</b>	<b>393</b>	<b>11438563</b>	<b>3993</b>	<b>103731233</b>

This issue was discussed in the meeting held under the Chairmanship of Joint Secretary (Credit), Gol on 21.07.2018 and it was accepted in principal 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 Chairman assured 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.

SLBC requests the house to deliberate on the above issue and the concerned Department and insurance companies to resolve the matter early as the frequent agitations are affecting normal functioning of Bank branches.

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

Amount Rs. In Crore:

Scheme	Kharif 2018		
	Loanee (No.)	Non-Loanee (No.)	Total (No.)
PMFBY	532659	689929	1222588
WBCIS	87280	12857	100137
<b>Total</b>	<b>619939</b>	<b>702786</b>	<b>1322725</b>
		1. Farmers share	154.58 Cr
		2. State Govt. Share	499.18 Cr
		3. Central Govt. Share	499.18 Cr
		<b>Total Premium</b>	<b>1152.94 Cr</b>

(Source: Samrakshane portal)

Apart from the above enrolments under the season, there are certain pending cases for enrolment as detailed below:

- Some of the Bank branches have debited the premium to the farmers' accounts within the cut-off date but they could not approve and make the payment of premium within 15 days of the cut off date due to various reasons. These cases have been discussed in the meetings of the Banks and insurance companies held under the chairmanship of the Joint Director, Agriculture Crop insurance and the matter has been resolved with the acceptance of the insurance companies to consider these cases provided the concerned Branches provide proof of debit of the premium to the farmers' accounts within the cut-off date. SLBC has co-

ordinated to collect proofs from the concerned Bank Branches and submission of the same to the department.

- In Ranebennur Branch of Union Bank of India, in 1713 cases which includes 1224 loanee and 489 non-loanee farmers involving a total premium of Rs.32,33,836, the branch has submitted a representation that they have received the proposals from individual farmers within the cut off-date and entered data in the portal within 15 days of cut-off as per the provisions of the scheme but they could not approve and forward the proposals to the Insurance company due to connectivity issues. SLBC requests the concerned Insurance Company to consider this as a special case because the Branch has debited the premium after the cut-off date. However, the branch has confirmed that sufficient balance was available in farmers' accounts as on cut-off date. In this regard, the Branch has submitted copies of the proposals along with their representation to SLBC.
- SBI, Gandasi Branch could not provide proof for having debited the premium within cut-off date in 93 cases but they have entered the data in the portal and approved and the premium was debited within the time available for date entry presuming that premium can be debited by such time. SLBC requests the Department and the Insurance companies to consider these as a special case.

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

Amount Rs. In Crore:

Name of the company	Claim initiated (no. farmers)	Claim initiated	Claim settled (no. of farmers)	Claim settled	Claim pending as on 24.08.2018	Claim pending as on 5.07.2018
<b>USGIC</b>	342814	485.24	321368	442.41	43.22	45.15
<b>TATA AIG</b>	332678	495.80	302906	462.23	33.57	48.87
<b>Total</b>	675492	981.04	624274	904.64	76.79	94.02
Premium amount				1. Farmers share		149.67
				2. State Govt. Share		320.09
				3. Central Govt. Share		320.09
				<b>Total Premium</b>		<b>789.85</b>

The above claim settlement 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. This issue still remain unresolved. SLBC requests the Department and the insurance companies to settle the claims at the earliest as the farmers lost their patience and staging Dharanas in front of the Branches and disturbing normal functioning of the Bank Branches.

#### 5 (i) PMFBY-Rabi 2016-17 Claim Initiation/pendency:

Amount Rs. In Crore:

Name of the company	Claim initiated (no. farmers)	Claim initiated	Claim settled (no. of farmers)	Claim settled	Claim pending as on 18.09.2018	Claim pending as on 5.07.2018
<b>Shriram-GIC</b>	260890	167.57	224218	143.89	23.68	61.93
<b>AIC</b>	470628	434.89	412191	424.47	10.42	87.77
<b>UIIC</b>	123068	72.43	114175	68.03	4.40	72.45
<b>TOTAL</b>	854586	674.90	750584	636.39	38.50	222.15
Premium amount				1. Farmers share		65.63
				2. State Govt. Share		280.15

	3. Central Govt. Share	280.15
	<b>Total Premium</b>	<b>625.93</b>

The pending claim amount has been considerably reduced from 222.15 Cr. as at 05.07.2018 to 38.50 Cr. as at 18.09.2018. SLBC requests the Department and the insurance companies to settle the remaining claims at the earliest.

**5 (j) Kharif 2017 Claim Initiation/pendency:**

**Amount Rs. In Crore:**

Name of the company	Claim initiated (no. farmers)	Claim initiated	Claim settled (no. of farmers)	Claim settled	Claim pending as on 18.09.2018	Claim pending as on 5.07.2018
AIC	234799	268.74	101457	154.05	114.68	263.28
Bharthi AXA	48817	36.06	43948	31.90	4.15	13.64
UIIC	98622	128.36	70559	88.48	39.91	99.52
USGIC	170933	173.25	143910	171.16	2.08	55.02
<b>TOTAL</b>	<b>553171</b>	<b>606.41</b>	<b>359874</b>	<b>445.59</b>	<b>160.82</b>	<b>431.46</b>
Premium amount				1. Farmers share	203.03	
				2. State Govt. Share	752.94	
				3. Central Govt. Share	752.94	
				<b>Total Premium</b>	<b>1708.91</b>	

The pending claim amount has been considerably reduced from 431.46 Cr. as at 05.07.2018 to 160.82 Cr. as at 18.09.2018. SLBC requests the Department and the insurance companies to settle the remaining claims at the earliest.

**5 (k) Grant of Education Loans:**

During the first quarter of FY 2018-19, various Banks in the state of Karnataka 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.

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

**5 (l) 1: SELF HELP GROUPS:**

**(Rs. in Cr)**

Agency	Direct Credit Linkage		Indirect Credit Linkage		Total Credit linkage	
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
Commercial Banks	34738	373.91	154	7.23	34892	381.14
RRBs	64732	90.35	--	--	64732	90.35
Cooperatives	4642	44.09	--	--	4642	44.09
<b>Total</b>	<b>104112</b>	<b>508.35</b>	<b>154</b>	<b>7.23</b>	<b>104266</b>	<b>515.58</b>

As against the annual target for 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.

Consolidated progress by Banks under SHG Bank linkage program as at June 2018 is given in Annexure-36 (Page No.178). Bank wise and District wise progress under SHGs is provided in Annexure 36 (a) (Page No.179) and 36 (b) (Page No.180).

## 5(I) 2: JOINT LIABILITY GROUPS:

Annual target for Credit linking of 90,000 JLGs has been fixed for the State for the FY 2018-19. As per the information submitted by the Banks through SLBC portal, 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.

**Bank wise progress under JLG-Bank linkage program as at March 2018 is given in Annexure- 37 (Page No.181).**

(Note: Majority of the Banks have not entered their targets in the SLBC portal. Hence, total target is shown as 19338 against the actual target of 90000 for the state as a whole for the FY 2018-19. Banks are requested to enter their targets without fail from next quarter on wards.)

## AGENDA 6.0: DOUBLING OF FARMERS' INCOME BY 2022

### NABARD AGENDA NOTES

#### 6.1. GLC in Agriculture – 2018-19:

At the national level, GoI have approved a total GLC target for agriculture at Rs.11 lakh crore for the current year 2018-19. Of this, Karnataka has been allocated a target of Rs.60,506 Cr. However, based on past trends and last year achievement, SLBC has approved the SCP and envisage a target of Rs.98,654 Cr. under agricultural credit for current year as against the PLP projections of Rs.1,14,734 Cr. worked out by NABARD. As per the guidelines laid down by the Government of India, at least 32% of GLC under agriculture should be directed towards term loan investment purposes. **Accordingly, all Banks may make all out efforts to achieve their targets set out in the ACP with focus on financing long term investment activities to facilitate asset creation and thereby capital formation in agriculture sector. RRBs and Cooperatives may plan carefully and have a robust portfolio.**

**Target V/S Achievement as on 30.06.2018 for Coop & RRBs as per the data reported by Banks in ENSURE Portal:**

(Rs. in Cr.)

Banks	Crop Loan		%	Term Loan		%	Total		%
	Target	Ach		Target	Ach		Target	Ach	
KSCAB	12284.31	5133.00	42	824.34	122.00	15	13108.65	5255	40
KSCARDB	487.10	0	0	119.30	1.20	1	606.40	1.20	0.2
<b>Total Co-op</b>	<b>12771.41</b>	<b>5133.00</b>	<b>40</b>	<b>943.64</b>	<b>123.20</b>	<b>13</b>	<b>13715.05</b>	<b>5256.20</b>	<b>38</b>
KGB	2780.87	421.64	15	513.31	170.92	33	3294.18	592.56	18
KVGB	5557.23	619.61	11	267.59	36.56	14	5824.82	656.17	11
PKGB	6540.88	546.48	8	824.94	224.06	27	7365.82	770.54	10
<b>RRBs</b>	<b>14878.98</b>	<b>1587.73</b>	<b>11</b>	<b>1605.84</b>	<b>431.54</b>	<b>27</b>	<b>16484.82</b>	<b>2019.27</b>	<b>12</b>

<b>Total</b>	<b>27650.39</b>	<b>6720.73</b>	<b>24</b>	<b>2549.48</b>	<b>554.74</b>	<b>22</b>	<b>30199.87</b>	<b>7275.47</b>	<b>24</b>
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As seen from above, against allocated target, the achievement position of KSCAB is good but position of RRBs need much improvement. SCARDB disbursement is negligible during the current year, which is a matter of concern.

#### **6. 2: Data on Agri term loan in the SLBC agenda:**

Hitherto SLBC was furnishing disaggregated data on Ground Level Credit to agriculture with break up for crop loans and term loans separately in Annexure IV to the agenda note for SLBC meeting. However, since 132<sup>nd</sup> Meeting, only consolidated data for GLC for agriculture is provided. **This hampers meaningful analysis and discussions on trends in credit flow under term loan and crop loan segment separately which is essential for monitoring of the credit flow and also the extent of bank credit induced capital formation in the agriculture sector in the state.** As such, efforts may be made by SLBC/Banks to compile GLC disbursement data separately on term lending and crop loan.

#### **6. 3: Doubling of Farmers' Income**

Doubling of Farmers' Income by 2022 is one of the important agenda of the GoI to bring about qualitative improvement in the living conditions of farmers. The issues and strategies in this regard require coordinated and multi-pronged action plan covering technological interventions, input support & agriculture extension, scientific storage, value addition and remunerative marketing mechanism. All the stakeholders viz, the state government, NABARD, Banks, Agriculture Universities, KVKs and Civil Society Organizations have to work in tandem. NABARD, KRO, Bengaluru, organized a Regional Conference on doubling of farmers' Income in Oct 2016. The major suggestions emanated from this seminar and a few recommendations of Dalwai Committee are indicated below for action planning by all stakeholders:

- Need for integrated water use policy for judicious usage of water resources and management of water bodies
- 'Integrated Farming' can make agriculture viable. Banks may explore financing such models.
- Promotion of value addition through food processing
- Shift priority focus to post-production management and an agricultural marketing system.
- MSP-linked expenditure on stock of wheat and rice, beyond the buffer norms, to be diverted to other crop types that require production incentives.
- Renewed emphasis on promoting Farmers Producer Organisations (FPOs).
- Diversification into high value produces such as horticulture, livestock and fisheries.
- Promotion of micro/drip and sprinkler irrigation and adoption of alternate, drought-tolerant crops.
- GoK may expedite availing fund under Long Term Irrigation Fund (LTIF) for the 5 identified projects of the state to augment farm productivity & income.

#### **6. 4: Promotion of Producers Organisations in Farm Sector (FPO)**

The main objective of Producers' Organization is to ensure better income for the primary producers/members through adoption of improved technology, skill

upgradation, procurement and supply of raw materials, aggregation and marketing of produce/products.

NABARD has promoted 165 FPOs in the state covering about 46000 small and marginal farmer producers with the support of NGOs roped in as Producer Organization Promoting Institutions (POPI). NABARD has been extending grant assistance to FPOs and POPIs for a wide range of activities including capacity building of farmer producers. NABARD would seek partnerships with all stakeholders for convergence. These FPOs are mostly engaged in bulk input procurement, primary processing and marketing, for which they require financial assistance. Thus Banks may extend the credit support to the FPOs for business activities. NABARD is also digitizing the data of all FPOs for benefit of all stakeholders.

We request concerned Govt. Dept to converge their program to support these FPOs and utilize these organized groups for various Govt. supported schemes/programs.

#### **6.5: Support available for Formation and Development of OFPOs**

Off Farm Producer Organization (OFPO) has the potential to provide a strong platform to rural artisans operating in a scattered manner to take up collective business activities, build capacity and build up a strong market linkage mechanism to ensure better price discovery. This also offers huge employment opportunities in off farm sector.

The sectors that could be identified for promotion of OFPOs are viz., Handloom & Handicrafts, Agri & Allied Activities, Food Processing and small and Micro Enterprises in rural areas. The OFPOs can be formed by NGO (POPI) and other agencies like KVIC, KVIB, Handloom Development Corporation, etc besides NGOs.

NABARD can extend grant support up to Rs.50 lakh for the OFPOs formed by other agencies like KVIC, KVIB, Handloom Development Corporation, etc., over a period of maximum 4 years, for various purposes.

**NABARD seeks partnership with State agencies in promoting this approach for betterment of artisans' livelihoods in Karnataka**

#### **6.6: New Policy on Skill Initiatives:**

In order to broad-base the perspectives towards skill building initiatives, NABARD has developed various grant support models to address the skill/capacity building requirements in the State. Accordingly, NSDC affiliated Training Institutes, Government Agencies viz., ITIs established and managed by State Governments, State Handloom/Handicraft Corporations, State owned Corporations/State Govt. Undertakings/Panchayat Raj Institutions/DIC/KVTs, etc., RUDSETIs/RSETs, CSR Trust and NGOs/VAs are eligible for need based financial support /in the form of supplementary.

**The agencies may approach NABARD through NABSKILL portal created for this purpose.**

#### **6.7: Self-Help Groups: Digitization of SHGs**

NABARD is implementing E-Shakti Project in 6 districts of Karnataka viz., Mysore, Bagalkote, Bidar, Dharwad, Chitradurga and Uttara Kannada. All the banks in these districts are requested to extend cooperation to the Implementing Agencies in

digitisation of SHGs data which will help them in credit linkage in better way by using auto generated credit rating of SHG.

#### **6.8: Village Level Programme:**

During the year 2018-19, NABARD has proposed to conduct 100 Village Level Programmes through rural branches of banks. Bank branches may conduct the programme in the mode of credit camp/linkage meets where activities like sanction, release, recovery campaign, etc. may be conducted. The programmes may also be planned to give the SHG members information about bank linkage, operation of loan accounts (Term loan and CC), prompt payment concept for NRLM subvention, etc. All Banks – Commercial Banks and DCCBs may identify rural branches for conduct of VLP and forward a consolidated proposal indicating number of programmes they would like to conduct in the districts to NABARD for extending the financial support. An amount of Rs.2000/- per programme has been budgeted for the same.

#### **6.9: Financial Inclusion**

##### **6.9 (a) Support for Going Digital:**

Grant Assistance under Financial Inclusion Fund (FIF) for conduct of Financial Literacy Programmes is being extended on need basis to banks as assessed by them in tune with their approved Financial Inclusion Plans vide our circular Ref. Circular No.162/DFIBT-26/2018 dated 02 July 2018. The support will be provided for financial literacy programmes conducted by bank branches for different target groups.

The extent of grant assistance available for conducting the programmes will be 60% of the expenditure incurred per programme or Rs.5000, whichever is less.

Banks who propose to conduct programmes for the current year may submit proposal either to the NABARD Regional office (in case of single state) or NABARD HO (in case of PAN India proposal).

##### **6.9 (b) Support for Setting up of Aadhaar Enrolment Centres (AECs) in banks:**

In order to support the initiative of Banks to open Aadhaar Enrolment and Update centre as advised by UIDAI vide its notification dated 4th July 2018, it has been decided to extend grant assistance for the same under FIF.

All Banks which have set up AECs in their branches on or before 31st March 2018 are eligible for grant support under the scheme. Quantum of support would be:

Sl.	Period of setting up of AEC	Grant assistance available Per AEC under the Scheme
1	Till 30 November 2018	Rs. 1,00,000/-
2	01 December 2017 to 31 March 2018	Rs.75,000/-

Interested Banks may submit the proposal in respect of the AECs set up before 31<sup>st</sup> March 2018, either to NABARD Regional office (in case of single state Proposal) or to NABARD HO (in case of Multi state proposal) by 31<sup>st</sup> March 2019.

##### **6.9 (c) Support for Dual Authentication at BC points for SHG transactions:**

To provide an enabling eco-system for the SHGs to seamlessly operate at BC points with the proposed 'Dual Authentication' feature, the scheme under FIF to support

Scheduled Commercial Banks (SCBs) and Regional Rural Banks (RRBs) for enabling Dual Authentication option in the “microATMs” for SHG transactions is being launched. One time grant assistance is extended towards development of software patch and its installation on “microATMs” for a maximum of three Technical Service Providers (TSPs) of SCBs and a maximum of two TSPs of RRBs.

Sl.	Bank	Extent of Support
1	SCBs	60% of total expenditure or Rs. 7.00 lakh (whichever is lower) per TSP for maximum of 3 TSPs per Bank
2	RRBs	80% of total expenditure or Rs. 7.00 lakh (whichever is lower) per TSP for maximum of 2 TSPs per Bank
Support is limited to the development of software patch and its installation on micro ATM. Other OPEX, if any, will be borne by the Bank		

Interested Banks may submit the proposal either to NABARD Regional office (in case of single state Proposal) or to NABARD HO (in case of Multi state proposal) by 30<sup>th</sup> June 2019

#### **6.9 (d) Deployment of Pos/mPos in Tier 5 and 6 Centres:**

The banks which have not reported in Ensure for Pos/mPos returns are Allahabad bank, Bank of India, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Overseas Bank, Indusind Bank Ltd, Uco Bank. These banks may implement and report the progress through ENSURE portal urgently. Also, the progress of all the Banks regarding deployment of Pos/mPos is “slow”. All the Banks concerned may speed up the process of deployment. Subsequent to the rationalization of MDR for Debit card transactions vide RBI circular Ref.No. DPSS.CO.PD No. 1633/02.14.003/2017-18, banks may encourage small merchants to utilize the PoS/mPoS devices for promoting digital transactions in rural areas.

#### **6.9 (e) Aadhaar Linkage of Crop Loan accounts:**

Aadhaar linkage of Crop Loan accounts of farmers by banks is mandatory for availing Short Term Crop Loans. **Goi has now advised that Interest Subvention (IS) to farmers in respect of ISS claims for the year 2017-18 made in 2018-19 would only be in DBT mode through the Aadhaar Enabled Payment System (AEPS).** To enable flow of IS through AEPS, banks have to ensure that they are on the AEPS platform and the KCC accounts are Aadhaar seeded and authenticated.

**6.9 (f) For ensuring that DBT of ISS** is successful, the first requirement is on-boarding of all banks on the AEPS and Public Financial Management System (PFMS) portals. Though all RRBs are on PFMS there is substantial gap in respect of on-boarding of Rural Coop. Banks (RCBs). There is a concern about the challenge posed by computerization of PACS and Digital Member Registers (DMR) of PACS loan accounts maintained with DCCBs.

Hence, SLBC may review banks, particularly RRBs and RCBs, to become DBT ready.

#### **6.9 (g) Continuation of Comprehensive Financial Inclusion Mission (PMJDY).**

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:

- i. Existing overdraft limit to PMJDY account holders of Rs.5000 has been raised to Rs.10000.
- ii. Age Limit of 18-60 years has been revised to 18-65 years.
- iii. There will not be any conditions attached for OD upto Rs.2000
- iv. 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.

DFS has advised the Banks to ensure opening of maximum number of new PMJDY accounts in a Campaign Mode till 15<sup>th</sup> October, 2018 and accordingly they have allocated the following targets for opening of new PMJDY accounts by the bank branches:

Sl	Branch Category	No of Accounts to be opened per day per branch	Total number of A/cs to be opened by each Branch by 15.10.2018
1	Rural and Semi Urban	2	50
2	Urban / Metro	1	25

SLBC requests all member banks to issue suitable instructions to all their Bank branches and ensure achievement of the targets allotted. Please note that compared to task already accomplished by the Banks in this direction, the above targets is not that big and same shall be accomplished at the earliest without waiting for the cutoff date to enable SLBC to present a good progress before DFS in initial days itself.

In addition to the above, the Secretary, DFS has directed to achieve the following tasks in a timebound manner:

1. For all new PMJDY accounts opened Instant RuPay Card shall be issued and delivered invariably on the same day of opening account.
2. Issue of RuPay Cards to all those PMJDY account holders to where the accounts are already opened but RuPay cards are not yet issued is to be completed by 15.10.2018 and simultaneous activation of these cards
3. Activation of RuPay Cards already issued but not activated till date is to be completed before 15.10.2018.
4. Enlist involvement of all staff members and BCAs in identifying the adults who do not have Bank account in the operational area for opening of new PMJDY accounts.
5. 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.
6. Due publicity is to be given during the Financial Literacy programmes and other meetings conducted by the Branches/Regional Offices.
7. Aadhaar seeding and Aadhaar authentication shall be completed for all the existing as well as new PMJDY accounts.

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

- 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.

As on 31<sup>st</sup> March 2018, though the overall CD ratio of the state as a whole stood at 77%, the CD Ratio in 5 districts viz., Uttar Kannada (37.90%), Udupi (49.74%), Dharwad (56.01%) Dakshina Kannada (57.26%) and Mysore (59.46%) was less than the State average. Similarly, while all the commercial Banks had shown CD ratio of above 60%, Karnataka Bank and Tamil Nadu Merchantile Bank in the State had shown CD Ratio of less than 48%. The SLBC had requested the concerned Banks to advise their Bank Branches in the above 5 districts and also the Executives from Karnataka Bank and Tamil Nadu Merchantile Bank to see that CD ratio improves steadily.

Now it is reported that

- The CD Ratio of Uttara Kannada district has shown improvement from 37.90% in Mar 2018 to 39.48% in June 2018.
- The CD Ratio of Udupi district has shown improvement from 49.74% in Mar 2018 to 51.63% in June 2018.
- The CD Ratio of Dharwad district has shown improvement from 56.01% in Mar 2018 to 64.06% in June 2018.
- The CD Ratio of Dhakshina Kannada district has shown improvement from 57.26% in Mar 2018 to 59.95% in June 2018.
- However, the CD Ratio of Mysore district has declined from 59.46% in Mar 2018 to 57.52% in June 2018. The LDM of Mysore is requested to ensure improvement in CD ratio to cross desirable level of 60%.

In the last one quarter there is improvement in the CD Ratio in four out of 5 districts referred above. However, Mysore district has shown reduction in CD Ratio from March 18 level to June 18 level. LDM Mysore and the Banks operating in Mysore district are requested to concentrate to see that the negative trend is arrested and ensure improvement in the CD Ratio.

Bank wise and District wise CD ratio as on 30.06.2018 is provided in Annexure-4 (a) (Page No. 87) and 4 (b) (Page No.88) respectively.

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

### **8.1 NON-PERFORMING ASSETS POSITION:**

- The number of total NPA accounts has increased from 19,34,929 A/cs as at 31.03.2018 to 24,30,031 accounts as at 30.06.2018.
- The total NPA amount has increased from Rs.36,341.84 Cr as on March 2018 to Rs.48,341.83 Crore as at 30.06.2018.
- The total NPA percentage to total advances has increased from 5.90% as at 31.03.2018 to 7.87% as at 30.06.2018.
- The Farm sector NPA accounts have increased from 9,88,897 A/cs with a balance of Rs.11610.27 Cr to 11,90,479 accounts amounting to Rs.14052.56 Crore as on 30.06.2018. In percentage terms the Agricultural NPA increased from 8.86% as at 31.03.2018 to 11.18% as at 30.06.2018.

Bank wise and segment wise NPA position is provided in Annexure-38 (Page No.182)

Bank wise data on NPAs in Housing and Education loans provided in Annexure-39 (Page No.183)

## 8.2 RECOVERY OF BANK DUES UNDER PMEGP

The summary of scheme-wise NPA position as at June 2018 is furnished here under:

(Amount Rs. in Cr)			
Agency	Balance O/S	NPA Level	% of NPA
KVIC	160.51	54.63	34.04
KVIB	25.43	16.40	64.48
DIC	125.89	20.36	16.17
<b>Total</b>	<b>311.83</b>	<b>102.09</b>	<b>32.74</b>

Bank-wise NPA level under the above schemes is furnished in **Annexure-40** (Page 184).

## 8.3 RECOVERY OF BANK DUES UNDER KPMR & KACOMP Acts:

- Banks have filed 1557 new cases under KPMR & KACOMP Acts involving an amount of Rs.18.71 Cr during June 2018 quarter of FY 2018-19.
- After resolution of 537 cases during the quarter involving an amount of Rs.10.54 Cr, the cumulative pending cases are 28,274 involving an amount of Rs.423.74 Cr.
- The number of cases resolved is very meager compared to number of fresh cases filed and cumulative outstanding carried forward from the previous years.
- The age wise classification is alarming. As many as 1840 cases are pending for more than 3 years and 20372 cases are pending for 1 to 3 years.

SLBC requests the concerned Department to conduct frequent reconciliation meetings and arrange for joint recovery drives to expedite recovery under these acts. The LDMs may coordinate with the Banks and the Department to increase number of joint recovery drives. The Bank wise data on this agenda is provided in Annexure-41 (Page No.185)

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

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 Adalat 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 Adalat is Rs.6.16 Cr only. The Bank wise data on this agenda is provided in Annexure-42 (Page No.186)

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

Govt of Karnataka has not declared Annewari in any part of the state during the first quarter of the financial year 2018-19.

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. A special Agenda is placed for discussion in this 142<sup>nd</sup> SLBC 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**

This agenda is newly incorporated as per the revised SLBC agenda as suggested by RBI. The concerned departments are once again requested to provide the requisite data to SLBC at quarterly intervals in future to have a meaningful discussion and review under this agenda.

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

**11 a): Any large project conceived by the State Government to help improve C-D Ratio**

**11 (b): Explore the scope of state-specific potential growth areas and the way forward – choosing partner banks.**

**11(c): Discussion on findings of region-focused studies, if any, and implementing the suggested solutions**

**11(d): Identification of gaps in rural and Agriculture infrastructure which need financing (rural godowns, solar power, agro processing, horticulture, allied activities, Agri-marketing etc.)**

**11(e): Implementation of Model Land Leasing Act 2016 (exploring possibility)**

This agenda is newly incorporated as per the revised SLBC agenda as suggested by RBI. The concerned departments are requested to provide the requisite data to SLBC at quarterly intervals in future to have a meaningful discussion and review under this agenda.

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

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

- 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

- RUDSETI/RSETI centre wise progress of 33 centres is provided as Annexure-43 (Page No.187)

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

The State Government of Karnataka in its budget speech of financial year 2016-17 has announced setting up of a new Department for Skill Development, Entrepreneurship and livelihood. Accordingly a new Department viz., Skill Development Entrepreneurship and livelihood was created vide GO No. ಸಿಆಸುಇ 164 ಸಲಸೇ2016, Dated: 24.09.2016 with an objective of bringing Skill Development Programmes of various departments of Government of Karnataka under one Department. This Department is under the direct control of the Chief Minister.

- Karnataka State has a very young population which provides a unique 25 years opportunity for demographic dividend by skilling its manpower to enhance their employability, productivity and competitiveness.
- An integrated Ministry with high power Skill Mission Chaired by the Hon'ble Chief Minister with an overarching role of regulating, standardizing, promoting, monitoring, planning and implementing is desirable to converge with the resources, institutional strengths and programmes of various departments for skilling in the State of Karnataka.
- This will also avoid any duplication of programmes, infuse economy of scales with stronger investment in institutional capacities and properly funded schemes for the development of skilling in public and private sector.
- The mission will have industry and market interface to provide best facilities to skill the young ones to ensure youth emerging from the formal education are employable with job or self-employment oriented skills and to ensure people stuck in the low income jobs and in the unorganized sectors can access growth opportunities through up-skilling/ re-skilling and recognition of prior learning.
- This will improve supply and quality of workforce for the industry contributing to increased productivity and make skilling Aspirational for the youth.
- The new mission will strive to conform to the National Skill Qualification Framework (NSQF) and promote mobility between vocational and general education and accelerated Global mobility by standardization and consistency.
- This mission will take up all the roles and responsibilities of various departments on skilling where such departments do not have any comparative advantage. To avoid exclusion and inclusion errors and duplications, the mission will be responsible for selection of beneficiaries and monitoring of all the skilling programmes in the state.

The role of Bankers 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 Bankers 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, SLBC requests (1) the department to provide the list of trained candidates to the Banks as and when training programmes are concluded under a copy to SLBC and (2) 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.

12.3: DFS, MoI, GOI vide their letter dated 27.08.2018 addressed to convenors of SLBC of all states informed that in the review meeting of Skill India Mission held on 06/08/2018 under the Chairmanship of Cabinet Secretary 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. A copy of the letter referred above is provided as Annexure-44 (Page No.188)

SLBC requests all the Banks having Lead Bank responsibilities in the state to issue directions to their LDMs to adhere to the above directions of DFS and effectively train the trainees at PMKK so that they shall commence their self employment ventures at the earliest with the support of Bank finance.

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

Bhoomi a flagship project launched to have an all-inclusive system for land management to monitor land records launched in 2000 to integrate all the land records in the state and to increase efficiency while reducing scope for corruption. Bhoomi Karnataka- Digitization of land records programme has been completed in all respects in the state of Karnataka.

- **GoK has launched an e-governance portal called “Bhoomi app”** to ease the functioning of land registry. In the recent years, Bhoomi mobile application has replaced the software, as it allows people to access information related to their land and receive updates related to land registry, while accessing the application through smart phones.
- The manual Records of Rights (RTCs) were digitized through Bhoomi software to make the RTCs accessible to citizens at kiosk centres. The GoK opened up Bhoomi kiosk centre in all taluks. The kiosks charge Rs.15 for Mutation Extract & Mutation Status reports and Tippani and Rs.10 for RTC across 176 operating Bhoomi kiosks in the state.
- Bhoomi provides online delivery of land record documents on the demand of the citizens and it maintains up-to-date secured data. Bhoomi supports the Kannada language to make it easy for farmers. Since its inception, Bhoomi has been able to computerise more than 20 million land records, while benefitting almost 35000 farmers on a daily basis.
- Even the World Bank has appraised the efforts of Indian and Karnataka government in developing a model of e-governance that can be an example for all the developing and under-developed countries to implement a similar platform to reform the land management system in such states.
- **The Bhoomi-Bank Integration scheme**, designed to simplify the process of giving loans to the farmers. Under this scheme, Bhoomi records are integrated with Bank computers to simplify the application process. Almost all Banks all over

Karnataka state have access to the Bhoomi Bank web application. It has detailed information about agricultural land of Karnataka state viz., (1) Name of the owner, (2) extent of land owned (3) liabilities if any against the said land holding. After the integration of Bhoomi records with the bank's data, it has become easy for pledging/charge creation on lands while sanctioning of loans and for releasing of the properties after closure of loans.

- **Advantages to Bankers:**

- a. Use of Bhoomi database for creation of charge and clearance.
  - b. RTC of the selected owner is exposed to the banker with owners' extents and other liabilities if any;
  - c. If the mutation is in progress on the same land, it is notified to the banker.
  - d. Easy and User friendly software for creation of charge and release of mortgage.
  - e. MIS Report to Bankers as per their needs. Benefits to the Public:
  - f. Single Window Agency System to Citizen. Loan process is faster since Bhoomi bank integration achieved
- Pahani Online is simply getting ORIGINAL RECORD OF RIGHTS on Internet anywhere and anytime. You can pay Rs. 10 online and get your RTC from anywhere. First time in the country, this is a unique initiative by Government of Karnataka.
  - RTC wallet system is allowing any local entrepreneur to open online account with Revenue Department and put up to Rs.1000 in RTC wallet and issue RTCs @ Rs.10 per RTC against the deposit made in wallet. At anytime local entrepreneur can keep topping up to Rs.1000 and thus keep issuing RTCs.
  - Visit :<http://www.landrecords.karnataka.gov.in>

SLBC requests 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.

#### **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**

Few success stories of the candidates trained by RSETI/RUDSETIs are attached as Annexures. 45 (a) (Page No.189), 45 (b) (Page No.190) & 45 (c) (Page No.191)

#### **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**

**As per table given below**

**(b): Banking Related Cyber Frauds, phishing, etc.**

**NIL**

**(c): Instances of usurious activities by lending entities in the area, cases of over Indebtedness**

**NIL**

**(d): Credit related frauds by borrower groups etc.**

RBI vide their letter Ref. No. FIDD (BG) No.131/02.03.020/2018-19 dated 17/09/2018 has furnished the details pertaining to this agenda which is reproduced as under:

Sl.	Name of the entity	Nature of activity	Action taken
01	<b>I Monetary Advisory</b>  <i>Address 1: No 56/4, 2<sup>nd</sup> Floor, Nandi Building Bowring hospital Road Shivajinagar, Bengaluru.</i>	Soliciting deposits from gullible public for higher returns.  An MI visit revealed the existence of unauthorized deposit acceptance under different schemes viz. education plan, marriage plan and monthly income plan and customers were promised of profits instead interests by the said entity.	Under the relevant provisions of Karnataka Protection of Interest of Depositors Act, 2004, Revenue Department, had requested the Deputy Commissioner, Bengaluru City to conduct an enquiry and submit its report at the earliest.
02	<b>Injaz International and associated group, Wilson garden Bengaluru.</b>	It is alleged in the complaints that that the entity and its associated groups, are collecting funds from the public with a promise to pay 5 to 7 percent profit per month on their investments.	”
03	<b>Ambidant Marketing Private Limited. Kanakanagar, Bengaluru</b>  <i>Address – No 9/A, 1<sup>st</sup> Floor, KHB Main road, Kanakanagar, R T Nagar Post Bengaluru 5600032</i>	The company claims to be a marketing company which markets products for various MNCs. Modus Operandi similar to Injaz International. SACHET complaints against the entity have been forwarded to EOW for necessary action.	”
04	<b>Vikram Investments</b>	It is reported in the media that the captioned company has deceived investors, totalling an amount of more than Rs. 350 Crore, in the name of commodity trading and real estate. State police have initiated action to arrest the alleged culprits and filed the FIRs.	”
05	<b>Complaint against Vihaan Direct Selling Private Limited ( QNET)</b> <i>Level 07, Mfar Green heart, Manyata Tech park, Hebbal, Outer ring road, Bengaluru –</i>	RBI received a complaint from Department of Consumer Affairs, New Delhi. It is stated in the complaint that the complainant had lost Rs. 8.5 lakh by investing in the said entity as per their compensation plan. It is further mentioned that	The case was forwarded to EOW and State Police. Recently 65 complaints which were received against the entity with similar nature have been



560045 ii) Level 11, Prestige Khoda tower <u>No.5,</u> <u>Rajbhavan Road,</u> <u>Bengaluru</u>	he could not earn Rs. 4 lakhs from QNET business who had actually assured of earning Rs. 5 Crore by working as per the entity business plan..	forwarded to State Police through SACHET portal.
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We request all the Bankers to take note of the above and to take precautionary measures.

#### **AGENDA 16.0: ISSUES REMAINING UNRESOLVED AT DCC/DLRC MEETING6**

SLBC had called for the details of any unresolved items evolved during DCC/DLRC meetings from LDCMs for its review under this agenda. Accordingly, many LDCMs have submitted the information which is listed below:

**LDCM Gulbarga** has referred the difficulties faced by the Dhall mill owners in the district. He has informed that all Dhall mill loans are becoming overdue and becoming NPA as they are not running the units in view of lower price of imported Dhall. LDM has also sent copies of the various communications as detailed below:

- 16.a. Letter dated 04.01.2018 addressed to the commissioner, Industries and commerce, GoK by the District commissioner, Gulbarga wherein the DC has informed the commissioner, Industries and Commerce to take view on the problems by the Dhall mill owners in the district.
- 16.b. Letter dated 31.05.2018 addressed to the Chief Minister by Chamber of Commerce, Gulbarga representing for providing package for rehabilitation of Dhall mills in the district.
- 16.c. Letter dated 20.07.2018 addressed to SLBC and SLBC received on 26.07.2018, by the Directorate of MSME requesting SLBC to discuss the issue in SLBC meeting as the Dhall mill owners have submitted representation to Chief Minister.

Copies of all the above correspondences are provided as Annexure-48 (Page 199-208)

SLBC requests the member Banks to take a holistic view on the genuine difficulties faced by the Dhall mill owners and extend the benefit of rephasing and rehabilitation within the purview of RBI guidelines.

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

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, all the Banks and Departments are requested to submit the required data/ information in time so as to ensure that the SLBC meetings are convened as per the time schedule. The difficulties faced by the SLBC are enlisted here below with a request to avoid the same in future:

- 17.1: Though SLBC is releasing the portal for entry of data well in advance, the member Banks are not entering data in spite the data being available though their CBS immediately after closure of the quarter. This is causing delay in adhering to the

schedule/ calendar of the meetings already submitted by SLBC to RBI. SLBC requests all member Banks to enter the data in the portal at the earliest.

- 17.2: Mismatch of data is another important aspect to be taken care by the member Banks. Many Banks are submitting the data at the fag-end and the data so submitted is highly miss-matching with the data submitted for the previous quarter. As the portal released by the SLBC for entry of current quarter's data contains earlier quarter's data, we request member Banks to compare the data of current quarter with the previous quarter's data already there so as to avoid such miss matches.
- 17.3: All the Govt. Departments are requested to submit the status of the schemes implemented by them- "Bank wise", so that the "Bank wise" performance can be effectively discussed in the concerned SLBC sub committee meetings and then a compact note can be placed in the regular SLBC meetings. While furnishing the information, the Govt. Departments are requested to provide the Bank wise details as under:
- Target allocated (Physical and financial as applicable)
  - Applications sponsored (No. and amount involved)
  - Applications sanctioned (No. and amount sanctioned)
  - Applications rejected (No.)
  - Applications pending (No.)

The Departments may also provide district wise details so that SLBC can follow-up with LDMs to review the progress in BLBC and DCC/DLRC meetings effectively.

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

##### **18 (a). Recovery of agricultural & Other loans:**

##### **18 (a) 1: Representation of SLBC Cell, Canara Bank, Circle Office, Bangalore:**

**Subject:** Detainment of Bank Employee by Police for serving Reminder Notice to repay overdue in Agricultural Loans availed for Non-crop purpose.

Canara Bank vide their letter dated 17.09.2018 addressed to SLBC states that one of their employee at Telgi branch, Vijayapura district was detained by the police for mere sending of a reminder notice to the borrower requesting him to arrange for repayment of overdue in agricultural loan availed for non-crop purpose. They came to know that one of the borrower at Telagi branch, Vijayapura district committed suicide for reasons unknown.

Canara Bank has also stated that follow up for recovery of loans by issuing demand notices is one of the legitimate responsibilities of the Bankers. In general, the Banks are staring at mounting NPAs and consequent Prompt Corrective Action (PCA), a threat from the regulator. This type of police action on the Bank official will embolden the borrowers and vitiates the recovery atmosphere and further deteriorate the repayment culture among the borrowers.

In the present difficult situation of recovery environment, if bank employees are intimidated by the District Administration for discharging their bounden duty, the morale of the banking staff will be badly affected.

With these details Canara Banks has requested the SLBC to take up this issue in the SLBC meeting for arriving at the measures and guidelines to restore the morale of the bank employees. Hence, the SLBC placed this as one of the agenda.

**18(a) 2: Lead Bank Office Vijayapura:**

LDM Vijayapura vide mail dated 17.09.2018 enclosed with a paper clipping, also informed about the farmer suicide case happened within the operational area of Telgi Branch of CANARA Bank in Vijayapura district and also about the message of the District Commissioner, Vijayapura message for the Bankers to not to attempt for recovery of agricultural loans and otherwise action will be initiated on the Bank officials.

The LDM-Vijayapura in his mail also stated that similar are being faced by KVGB branches also when they went for recovery of General loans as well. Hence, the LDM has requested the SLBC to take up the matter in SLBC meeting to issue proper directions, so that they can communicate to the Bank Branches.

**18 (a) 3: Representation of KVGB:**

KVGB, vide their letter dated 26.09.2018 reported that their Laxmishwara Branch in Dharwad district had sanctioned a KCC loan of Rs.6.10 lakh on 08.09.2015 to Smt. Premalatha Irappa Dhani and others. The present Balance is Rs.9.60 lakh. When the branch approached the parties for AOD, they refused to sign the same. The Branch filed a suit in the Civil Court to protect the validity of the documents in the absence AOD being signed by the parties. Branch has taken decision to file the suit in Civil Court as the ARCS have not accepted the case under KACOMPO act. When the court issued summons to the parties, they have approached the Branch and argued with the Branch Manager stating that though the state Govt. has waived the Crop loans, why the Bank has filed the suit against them. Thereafter, Police took the Manager to the Police station for enquiry. It is also reported that such cases are happening in some other Branches also. As a result Managers of KVGB are afraid of going to villages for obtaining AODs/recovery of loans. Hence, KVGB has requested to take up the matter in SLBC to resolve the issue regarding recovery of Agricultural loans and obtaining AODs.

**18 (b) Suggestions/ Requests from Banks and Farmers on Debt waiver Scheme of GoK – 2018**

**18(b) 1: Regarding Pre-Ponement of beginning cut off date stipulated in the proposed Debt waiver Scheme of GoK.**

Many Banks are representing for pre-ponement of the beginning cut off date in the proposed crop loan debt waiver scheme of GoK as farmers are approaching their branches and representing to pre-pone the beginning cut off date to 01.01.2007 instead of 01.04.2009 due to following reasoning:

As per the earlier debt waiver scheme of GoI:

- a) The loans disbursed on or before 31.03.2007 were eligible.
- b) The same shall be overdue as on 31.12.2007.
- c) The same shall be remained unpaid up to 29.02.2008.

Thus to be eligible for debt waiver in earlier debt waiver scheme of GoI, the account should be overdue as on 31.12.2007 and to become overdue as on 31.12.2007, the loans would have been sanctioned and disbursed before 31.12.2006. That means

the loan sanctioned on or after 01.01.2007 are not covered under earlier debt waiver scheme of GoI as such loans have not become overdue as on 31.12.2007.

Therefore, the farmers who have availed crop loans between 01.01.2007 to 31.03.2009 are neither covered under earlier scheme of GoI nor eligible in the proposed debt waiver scheme of GoK. Therefore, such farmers are demanding to make them eligible under proposed debt waiver scheme of GoK.

The said representation already forwarded to GoK to consider favorably.

**18(b) 2: Representation of State Bank of India:** State Bank of India has sought reply for the following queries:

- In the pilot data called, the borrower's details are to be keyed in a single row only for each borrower. In SBI there is a practice of sanctioning more than one KCC per borrower depending upon the requirement of the farmers within the overall eligibility as per scale of finance as detailed below:
  - a) The borrower is eligible for a KCC of Rs.2 lac based on his land holding, scale of finance, but initially he had applied for Rs.1.0 lac only and SBI has sanctioned the same. However, after some time, the same farmer approaches the Bank for another KCC Rs.1.0 lac and as the same is within the overall eligibility, the Bank sanctions another KCC of Rs.1.00 lac. In such cases there shall be a provision to enter more than one account for the same farmer.
  - b) The farmer avails one KCC for Kharif season crops during May and later approaches for another KCC for Rabi season crops either on the same Agricultural land or on different Agricultural land. In both the cases. In such cases there shall be a provision to enter more than one account for the same farmer.
- In case of Restructured Accounts, many farmers are having more than one restructured crop loan account due to declaration occurrence of natural calamity (droughts) and declaration of Annewari more than once. In such cases there shall be a provision to enter more than one account for the same farmer.
- As per guidelines of RBI on restructuring of loans in case of declaration of natural calamities, there are instances that Banks have sanctioned fresh crop loans after restructuring of existing Crop Loan along with up to date interest. In such cases, the same farmer is having more than one restructured crop loan account along with an overdue crop loan account. In such cases there shall be a provision to enter more than one account for the same farmer.
- When the Account turns NPA, Bank has transferred the outstanding to Recalled Assets and then to 'Advances under Collection Account" (AUCA), which is an off-balance sheet item, keeping in tune with the prudential accounting norms specified by the RBI. The Bank reserves the right to recover the dues from the borrower and continues the legal action against the borrower. However, there is no provision to enter such data in the pilot data. If such accounts are not included in the proposed debt waiver, this will result in lot of unrest amongst the borrowers and there will be commotion at the branches. Hence, suitable modifications shall be made in the pilot data to enter such data.

The said SBI representation already forwarded to GoK to do the needful in this matter.

**18 (b) 3: Krishna Bhima Samruddhi Local Area Bank (KBS Bank):**

Krishna Bhima Samruddhi Local Area Bank (KBS Bank) is carrying on Banking business in the state of Karnataka, Telangana and Andhra Pradesh. RBI has granted license to KBS Bank to carry out Banking business in the year 2000. As on date, the Bank operates in 11 districts in three states. In Karnataka state, it operates in 3 districts viz. Gulburga, Raichur and Yadgir. The KBL Bank has extended finance to farmers under Agriculture sector by way of crop loans and term loans. They have requested to include their crop loan accounts also under the proposed debt waiver scheme of GoK-2018. It may be noted that KBL Bank's farmers were included in the Debt waiver Schemes of Telagana and Andhra Pradesh States. SLBC has already called for data from KBL Bank to provide crop loan data so that same can forward to GoK.

**18 (b) 4: Regarding confirmation on adjustment of Crop insurance claim proceeds to Crop loan accounts:**

There is a stipulation that Bank Branches have to confirm that the crop insurance claim proceeds have been adjusted to the respective loan accounts. However, Bankers are representing that it is not possible to confirm the same due to (1) no data is available to verify the same. (2) there are instances that the farmers have agitated against the adjustment of compensation amount received in the form of crop insurance claim proceeds for crop loss incurred by them as the loss is many times more than the crop loans. (3) The crop insurance claim proceeds have been released towards credit of SB accounts without intimating to branch at the time of credit, So immediately farmers will withdraw amount and Bank branches has no control over the same unless the same is credited towards loan accounts directly.

**18 (b) 5: With regard to excluded categories in Agriculture Debt Waiver Scheme:**

- Excluding the crop Loans availed by the Pensioners who are drawing pension of more than Rs15,000/- pension per month is seems to be unreasonable. The total pension for annum will be Rs.1.80 lakh only where as for others filing of ITR is the criteria for exclusion. A person has to have a minimum income of Rs.2.50 lakh to file ITR. Therefore, fixing Rs.1.80 lakh sealing for pensioners which for below the sealing applicable for others seems to be unreasonable. Hence, GoK may think of increasing pension ceiling to the extent of Rs.25000 pension per month which is little more than the ceiling applicable to others.
- Crop loan given to Small Farmers/ Marginal Farmers/Tenant Farmers/Oral Lessees/Share Croppers as a member of **JLG** as per RBI guidelines. Presently, crop loans given to JLGs are excluded from the purview of the Debt Waiver Scheme of GoK. It may be noted that apart from the landless farmers who have availed loans as Tenant Farmers/Oral Lessees/Share Croppers who have availed crop loans under JLG approach as per guidelines, some small and marginal famers who own land also availed crop loans under JLG approach. Excluding all these JLG crop loans may deprive the people to form JLGs. Hence, GoK may think of considering crop loans under JLG concept for debt waiver scheme.

**18 (b) 6: Representation/Request from Farmers:**

Some of the farmers/ farmers' Associations have submitted their representations to SLBC through respective LDMs. These representations are already forwarded to GoK as and when received. The details of the representations in brief are as under:

	<b>Farmers/Associations</b>	<b>Request/Representation in brief</b>
1.	Akandha Karnataka Rajya Raitha Sanga, Haveri Unit. Shri.Siddana Gouda S Patel & Others, have submitted representations to <ul style="list-style-type: none"><li>• To the Honourable Chief Minister GoK,</li><li>• Through DC and LDM-Haveri .</li></ul>	<ul style="list-style-type: none"><li>• Not to put any condition whether he is SF/MF/OF, consider at least below 10 acres farmers should come under the preview of scheme. <b>(SLBC opines that this is not relevant as there is no such condition in the notification)</b></li><li>• UPA Govt has waived farmers' loans availed during the period from the year 1996 to 2006. Hence, requested to consider farmers' loans from the year 2006 to 2009 as they are not eligible in present GoK Scheme.</li><li>• Consider loan of the farmers who are doing agriculture in traditional manner with cattle and bulls.</li><li>• Consider Gold loans given to farmers for agriculture purpose.</li><li>• Not to consider crop loans extended to government employees.</li><li>• Not to consider Crop loans given to businessman with KST/CST having TIN Numbers.</li><li>• GoK has already waived 50000 loans availed in Co-Op Societies. After waiver, the same farmers availed loans again from societies. Not to consider these farmers who availed loan again from societies.</li></ul>
2.	Shri. K. Narayana Gouda, State vice President Karnataka State Farmers Association & Hasiru Sene - Kolar. -To: LDM-Kolar	<ul style="list-style-type: none"><li>• Not to put any condition for Debt waiver scheme.</li><li>• Middlemen should not be allowed to interfere in this scheme and control intermediaries in the loan waiver process. Display beneficiaries list in front of Banks or by press meet within a week time.</li><li>• Runa Mukta certificate has to be given for Debt waiver farmers.</li><li>• Instruct Banks not to issue notice to the farmers.</li><li>• Banks should not put a condition to gold loan farmers that, we will not give gold ornaments until the other liabilities should be regular.</li><li>• Banks should not credit subsidy amount to loan account.</li></ul>

		<ul style="list-style-type: none"> <li>• Misuse of Debt waiver should not happen.</li> </ul>
3.	Shri. Basavana Gouda Gam Siddappa Goudra (President, JDS Hirekerur) – -To Honourable Chief Minister GoK, -Through District commissioner-Haveri and LDM-Haveri	The president of the Association has represented that the present Debt waiver scheme may be beneficial for only 5 to 10 farmers per village. The farmers who have already paid their crop loans and renewed are not coming under the preview of the scheme and some farmers already lost their life by committing suicide. Hence, he has requested to consider all the farmers to come under debt waiver scheme.
4.	Shri. Veeresh S Padeppanavar, Shaydaguppe Village, Hangal Taluk. -To: District commissioner-Haveri. -To: LDM-Haveri.	The farmer has represented that the cut-off date of Debt waiver scheme of GoK starts from 01.04.2009 and his father who is expired as of now has availed loan in 2007, so his loan is not coming under present Debt Waiver Scheme. Hence, he is requesting to consider his father loan availed in 2007 under Debt waiver scheme of GoK.

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

SLBC has received a mail from DFS, GOI dated 06/09/2018 addressed to SLBC convenors various states. The following directions have been received from DFS, GOI with regard to extending required credit facilities to the people for WASH sector.

**Quote:**

“F. No. 1/14/2015-FI Vol.II (C-72641)  
 Government of India  
 Ministry of Finance  
 Department of Financial Services  
 3<sup>rd</sup> Floor, Jeevan Deep Building, Sansad Marg,  
 New Delhi – 110 001  
 Dated: 6 September 2018

To

Convenor of all State Level Bankers’ Committees

Sub: Credit financing in water and sanitation (WASH) sector – reg.

1. To accelerate the efforts to achieve universal sanitation coverage and to put focus on safe sanitation, the Prime Minister of India launched the Swachh Bharat Mission (SBM) on 2nd October, 2014. The Mission aims to achieve a Swachh Bharat by 2nd October, 2019, as a fitting tribute to Mahatma Gandhi on his 150<sup>th</sup> birth anniversary. Swachh Bharat, in rural areas mean improving the levels of cleanliness through Solid and Liquid Waste Management activities and making Gram Panchayats Open Defecation Free. SBM also envisages adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. Safe water is to be readily and conveniently accessible at all times and in all situations.

2. In view of the above and to further achieve the objectives of SBM, it is requested to sensitize the banks on the credit needs for water and sanitation (WASH) Sector.

Sd/-  
(Anindita SinhaRay)  
Director

**Unquote:**

SLBC requests all the member banks to issue directions to their Branches to consider proposals under WASH sector in tune with the objectives of Swachh Bharat Mission (SBM).

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

The 9<sup>th</sup> State Level Sanctioning & Monitoring Committee Meeting (SLSMC) meeting was held on 01/08/2018 at Room No.222, Vikas Soudha, under the chairmanship of Hon'ble Secretary, Animal Husbandry & Fisheries, GoK. From the proceedings of the meeting, among various Action Points evolved, one of the Action Points pertaining to the SLBC and Banks is as under:

**Quote:**

"Regarding giving importance to all the components of Entrepreneurship Development and Employment Generation (EDEG) and to instruct Bankers to cooperate in effective implementation of this programme"

**Unquote:**

Entrepreneurship Development and Employment Generation (EDEG) is very important scheme implemented by the Department of Animal Husbandry having various components. The scheme details and allocation for 2018-19 are available in the copy of the proceedings provided as Annexure-46. (Page No.192-197) SLBC requests 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 implantation of the scheme in BLBC and DCC/DLRC meetings.

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

SEBI has conducted one day workshop for FLC Counsellors in the state in four batches. They have called 172 FLC counsellors in four batches to train on investment in Mutual funds and shares with special reference to create awareness among the people about operations of Ponzi Schemes, Illegal Activities of Unincorporated Bodies/Firms/ Companies Soliciting Deposits from the Public and to save the public from getting cheated.

In the meeting, the FLCs have submitted a letter dated 10.09.2018 to the Convenor SLBC through SEBI. In the said letter, they have stated that 172 FLC counsellors are working in the state and different Banks are paying honorarium differently which has disappointed them. They have requested SLBC to take up the issue with different Trusts and sponsoring Banks for adopting uniform pay. They have also requested for issue of Identity Cards as they are facing problem to prove their identity while making field visits. The request letter from FLCs is enclosed as Annexure-47 (Page No.198)



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

SLBC has received a letter dated 18.09.2018n from DC and DM of Chickballapura District reporting 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. The state coordinator of Kotak Mahindra Bank is hereby requested to ensure participation of their Branch Managers as well as District coordinator in Chickballapura District to participate in all the meetings regularly.

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

We have been informed by LDM Raichur that they have received a mail from IOB, Regional Office Goa stating that their Kavital Branch will be merged with their Manvi Branch w.e.f. 15.10.2018. It may be noted that Kavital town is having a population of more than 15000 with SBI and IOB having their Bank Branches. Now the customers of IOB Kavital Branch have represented to the District collector to advise IOB not to close down their Branch at Kavital by merging it with their Manvi Branch which is at a distance of 45 KMs from Kavital, which causes lot of inconvenience to travel to Manvi to fulfil their Banking requirements. LDM Raichur has requested SLBC to take up the issue in SLBC Meeting. Looking into the genuine difficulties of customers of Kavital Branch, SLBC requests IOB not to merge their Kavital Branch with their Manvi Branch.

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

Kaveri Grameena Bank vide their letter dated 26.09.2018 informed that an unfortunate incident of burglary took place in their Kyathanahalli Branch, in H D Kote taluk, Mysuru District on 1<sup>st</sup> September 2018, Saturday mid night around 12:30 AM (early morning of Sunday 02.09.2018). The burglary took place and the incident was noticed on 3<sup>rd</sup> September, Monday morning 10.00 A M, when the branch staff opened the branch. 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 informed SLBC that majority of their branches are situated in rural areas and provided with strong room/ safe/ collapsible gate/ shutters etc. in addition to this all the branches are provided with burglar alarm and CCTV. Providing armed guards to all the branches is very difficult and not viable. Hence, request SLBC to place this issue in the ensuing SLBC meeting to be held on 29<sup>th</sup> September 2018 for a discussion. Accordingly this issue incorporated under this Agenda.

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

We have been informed by the Director of Collegiate Education, GoK 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. Hence, the Director of Collegiate Education GoK, has requested SLBC to advise all the member Banks suitably and also to make arrangement to collect fees on-line in tune with the GOI guidelines. In this regard, SLBC requests all

member Banks to instruct their Bank Branches not to restrict the transactions to a few students and adhere to guidelines with regard to collection of fees.

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

We have received a letter 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:

- Make available the forms, Challans and other printed stationary which is used by the customers in Kannada, in addition to English/Hindi.
- Kannada Language should be enabled in all ATMs in the State.
- Non Kannadiga Officers working in Karnataka should learn Kannada within six months after their posting in Karnataka.
- 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. SLBC requests all the member Banks to adhere to the above directives of GoK.

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

The details of SLBC Sub-committee meetings conducted during the Review period are as under:

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	State Director for		

	RSETI & RUDSETI	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 are reproduced hereunder and also taking into consideration the proceedings of DCC of Kodagu District and a letter from Canara Bank, SLBC studied the RBI guidelines and also the proceedings of SLBC Kerala (a copy of the proceedings is provided in page No.s 57-61 as the Kerala State also experienced similar natural calamity covering major parts of the state. The relief measures resolved in the special SLBC meeting of Kerala SLBC are in conformity with the RBI circular No. RBI/FIDD/2017-2018/55 Master Direction FIDD.CO. FSD.BC No.8/05.10.001/2017-18 dated July 03, 2017. A copy of the circular is reproduced in page No.s 62-69

#### **Relevant Para of RBI master circular:**

#### **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 convener 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 convener 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:**

In our state the calamity covers extensively in Kodagu District and some parts of Hassan and Chickmagalur Districts. As such, as per the above RBI guidelines, the respective LDMs shall convene special DCC meetings and in these special DCC meetings, the status 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:**

3.4.1 It is recognized that declaration of a natural calamity is in the domain of the Sovereign (Central/State Governments). The inputs received from the State Governments reveal that there are no uniform procedures being followed for declaration of natural calamity and issue of declarations/certificates. These declarations/certificates are called by different names such as Annewari, Paisewari, Girdawari, etc. in different States. Nevertheless, the common thread to extend relief measures including rescheduling of loans by banks, is that the crop loss assessed

should be 33% or more. For assessing this loss, while some States are conducting crop cutting experiments to determine the loss in crop yield, some others are relying on the eye estimates/visual impressions.

**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:**

In the light of above guidelines, SLBC requests LDMs of Kodagu, Hassan and Chickmagalur Districts to convene special DCC meeting immediately and to ensure that the District Administration takes a holistic view on the loss suffered because of the floods.

**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 completing 3 months period, SLBC requests LDMs of all the three Districts to represent to RBI through the Special DCC proceeding to extend the time for completion of restructuring of existing accounts suitably. Otherwise, the restructured accounts will not be qualified to continue as standard assets.

**19.0: Special Agenda on Floods ravage Karnataka coffee estates:**

- A) The Karnataka Planters' Association has submitted a letter dated 29<sup>th</sup> August 2018 to SLBC, Karnataka. The subject of the letter is that "Convening of SLBC meeting with Coffee Growers' Association, Coffee Growers, Coffee Board, NABARD, State Government Revenue and Statistical Departments to have a detailed discussion on Unprecedented Rains and Floods in Kodagu, Hassan and Chickmagalur Districts".

**Quote:**

The contents of the letter are as under:

**“The unprecedented rains from June to August 2018 in Kodagu district which triggered floods and landslides have completely destroyed large areas of coffee plantations destroying coffee plants, Pepper plants, Shade trees and standing crops beyond cultivation. In some cases growers have lost their entire holdings and residential houses. Rain damage occurred in isolated locations of Hassan and Chickmagalur districts also.**

**The heavy rain has affected the standing Coffee crop in Kodagu, Hassan and Chickmagalur districts and root rot, fruit rot and leaf rot diseases have set in which will have adverse impact.**

It is estimated that there is 40% crop loss in general and 70% to 80% crop loss in severely affected areas. Rs.2500 Crore is estimated to have been lost in Coffee, Pepper, Areca nut and Paddy etc., including Horticultural crops, Shade trees and Plantation infrastructure.

Due to this catastrophe the Coffee growers will not be in a position to repay the term loans and Crop loans within the schedule time.

It is requested that an emergent meeting of the SLBC is convened with the representatives of the Coffee Growers' Association, Coffee Growers, Coffee Board, NABARD, State Government Revenue and Statistical Departments at the earliest to discuss and finalise relief measures that could be offered to the affected growers”.

**Unquote:**

SLBC met the Chief Secretary, GoK on 05.09.2018 in connection with fixing of date for 142<sup>nd</sup> SLBC meeting and the CS has consented to hold the SLBC meeting at 11.00 AM on 25<sup>th</sup> Sept 2018. Accordingly, it has been decided to place a Special agenda on the issues of affected growers in the 142<sup>nd</sup> SLBC meeting scheduled to be held on 29<sup>th</sup> Sept 2018.

In the meantime, the Chairman of the Karnataka Planters' Association Mr. H.T. Pramod along with a team of growers Mr. Bhandari, Mr. Pradeep, Mr. Vishwanath, Mr. Nanda Belliyappa & Mr. Kariyappa visited SLBC on 7<sup>th</sup> Sept 2018 and explained the magnitude of damage caused to Coffee plantations and also the extent crop loss incurred. They have requested General Manager, SLBC to extend relief measures to the growers as they are not in a position to repay the loans. The General Manager, SLBC explained them about the provisions of RBI guidelines on restructuring of loans and assured them to take up the same in the forth coming SLBC meeting scheduled to be held on 29<sup>th</sup> Sept 2018. They have agreed to the same and requested to extend the relief measures to the extent permitted within the purview of guidelines and then they will represent for other relief measures from the concerned departments.

A copy of the letter received from the Karnataka Planters' Association along with a copy of the representation submitted by them to Hon'ble Union Minister for Commerce and Industry is also enclosed as Annexure to this special agenda.

- B) In addition to above SLBC also received a representation dated 09.09.2018 from Karnataka Growers' Federation under the subject Devastating Rain and Floods in Coffee Growing Districts in Karnataka the contents of which are as under

**Quote:**

“With reference to the above, on behalf of the people of Coffee growers, we wish to bring to your kind notice the plight of people in the backdrop of the devastating effect of the recent **rains which has caused havoc on the lives of the people. Unprecedented landslides and floods have swallowed thousands of acres of pristine coffee plantations inter-planted with Pepper and other cash crops such as Areca, Coconut, Avocado etc. Dwelling houses with crop stocks and valuables stored thereon have vanished underneath the mounds of mud and rubble. Valuable tree wealth, machineries, labour lines have all vanished without traces. Totally once the beautiful plantation areas have been ravaged by landslides, flood destructions.** While temporary relief works by the state Government and various other organizations are in progress, we look upon the Union Government to come out with a strong relief package/ loan waiver package. In the current year 2018, we have witnessed highest ever rainfall recorded so far since the Britishers started recording rainfall data.

Sir, we humbly pray your good self to consider and appraise the same with GOI to mitigate the current crises faced by the coffee Industry.

1. In the affected villages, **waive the entire loan exposure** pertaining to all activities of agriculture from all the financial institutions, as they have lost everything.
2. Rest of the coffee in state **waiver of interest till March 2018** on all coffee advances.
3. **Restructuring and rescheduling** of remaining advances @ **6% per annum**.
4. **Fresh loans at reduce rate of interest @ 3% per annum.** This we ask since the crop drop is very heavy as the rainfall has exceeded the previous high.
5. **Relieve Agriculture sector from the ambit of CIBIL.**

Sir Coffee growers in Karnataka are known for hard work and dignified way of life. They are now compelled to stay in relief camps till they get the rehabilitation package.

Please do the needful.

Banking on your support

Yours truly

(SS Jayan) President Karnataka Growers' federation”

**Unquote:**

The growers association has explained about the difficulties and loss incurred by the growers and seeking various relief measures. The same is kept as part of this special agenda to discuss and take a view within the provisions of the applicable guidelines. A copy of the letter submitted by the Karnataka Growers' association is enclosed.

- C) 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.

- D) The SLBC has contacted the LDMs of Kodagu, Chickmagalur and Hassan to collect the first hand information from them with regard to action taken in the district and any special DCC meetings are conducted to take a view on the situation. While, the LDM of Kodagu district informed that they have conducted a special DCC meeting on 07/09/2018 and proceedings of the special DCC meeting have been forwarded to SLBC, the other two LDMs have reported that the crop loss is not to that extent and restricted to very few pockets only.
- E) LDM Kodagu has convened a special DCC meeting on 07.09.2018 and submitted proceedings of the meetings to SLBC vide ref. LBO/MDK/DCC Meeting -2/2018 dated 10.09.2018. A copy of the proceedings is provided in page No.5 & 6) In this meeting the discussions held during DLRC meeting wherein MLA and MP have participated also discussed point wise. DCC has resolved that:
1. Postponement of recovery measures at least for 3 months.
  2. Extending moratorium up to one year.
  3. Conversion of crop loans into term loans for a period of 5 years.
  4. Extending fresh loans
  5. Relief measures are to be extended to all activities including Agriculture.

ಕಾರ್ಪೊರೇಷನ್ ಬ್ಯಾಂಕ್, CORPORATION BANK, ಲೀಡ್ ಬ್ಯಾಂಕ್ ಲೀಡ್ ಬ್ಯಾಂಕ್ LEAD BANK OFFICE, ಮಡಿಕೇರಿ ಮಡಿಕೇರಿ. MADIKERI .		ಕಾರ್ಪೊರೇಷನ್ ಬ್ಯಾಂಕ್ ಕಟ್ಟಡ CORPORATION BANK BUILDING , 1st Floor ,College Road , ಮಡಿಕೇರಿ - 571 201.
( Phone : 08272 225760 ( O ) 223922 ( R ) Fax : 08272 229002 ) E Mail : <a href="mailto:cb972@corpbank.co.in">cb972@corpbank.co.in</a>		
LBO / MDK / DCC MEETING -2/2018		Date : 10-09-2018

**PROCEEDINGS OF DCC MEETING OF BANKERS OF KODAGU DISTRICT  
CONDUCTED ON 07.09.18 AT LBO, MADIKERI**

**Main Agenda point:** Among all agenda points taken up for discussion in DCC meeting, a thorough discussion was conducted on main agenda point - Relief measures to be extended by Banks to their customers in our district in the wake of huge damage happened in Kodagu district consequent to heavy rainfall and landslides during the monsoon season 2018.

**Introduction:** Continuous and heavy rain fall since June 2018 resulted in overflow in all rivers/ river lets and triggered landslides across the district resulted in damages to roads, bridges, community buildings and loss of about hundreds of houses and rendered about thousands of people homeless, thousands of acres of coffee plantation and huge damage to top soil. Many people have lost livelihood means and Hotels/ Restaurants/ tourism industry as a whole incurred a huge loss on account of less / no tourist footfalls. Kodagu district has been isolated from other parts due to damage of roads heavily. Connectivity to the district from rest of the places is totally cut off. Even so many places in the district had lost communication from head quarter due to damage to internal roads and bridges. It might take more than a year to get back to normalcy. Many public had also lost their property including their income generating activity/ units/ shops. They need to set up new establishments to improve their income. It needs much more time to resume their normal activities and get income. Due to this, farmers as well as general public are not in a position to repay their dues to existing liabilities with banks.

**Discussion:** During the meeting, all the delegates discussed this point and also on the points raised by Hon'ble MP, Mysuru Lok Sabha and Hon'ble MLA, Madikeri Legislative Assembly in DLRC meeting.

CEO, ZP, Kodagu Dt informed the forum that district authorities conducted a meeting in DC Office and requested all financial institutions not to demand recovery for next 3 months for all activities since income generation capacity of general public was drastically reduced and it requires many more months to recover. Further, he requested banks to streamline KYC documents collection for opening of accounts or loans since many people have lost documents during landslide. Effort should be made to extend fresh loans to take up income generating activity.

Hon'ble MP, Sri Pratapa Simha suggested that relief measures should be extended to all villages and loan waiver to be recommended to the govt as coffee, pepper and other crops were destroyed completely. Most of the farmers of our district may not be benefited under the proposed Agri Loan waiver scheme of the present government and hence they will coordinate with govt authorities to modify the parameters under the scheme to cover farmers of our district in the wake of huge loss. Existing crop loans should be converted into term loans and fresh crop loans to be given to farmers.



Hon'ble MLA, Sri Appachu Ranjan requested to waive all loans in the severely affected six village panchayats spread over Madikeri and Somvarpet taluks which were fully washed away. If not possible, at least the loans should be restructured for 5 years and interest should be waived. Further fresh loans to be given for the improvement of estates.

DDM, NABARD stated that people should be assisted by providing new units to improve their income through either Mudra or Stand up India.

DGM, Corporation Bank informed the delegates as well as bankers that relief measures were being extended by banks in the affected places/districts/states earlier and it is also possible in our district. Regard to this, LBO had requested the district authorities to arrange for gazette notification (ANNEWARI) at the earliest through its letter dated 24.08.18. Once, gazette notification copy is provided, a wide range of all possible relief measures can be extended by all banks in the district.

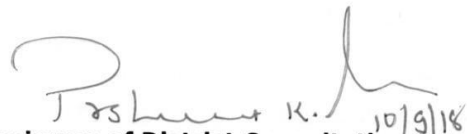
Bankers also agreed to support the public during this distress time by way of extending relief measures to their customers. They have come forward to relax KYC norms by demanding bare minimum documents only to open SB accounts or loan accounts. They have opined that relief measures like extension of repayment holiday, restructuring of loans and postponement of recovery for not more than 6 months is possible generally. We need approvals from respective head office/controlling offices for extending all these relief measures. They in turn require detailed guidelines either from SLBC or Govt authorities as per RBI master circular on relief measures due to natural calamities.

**Resolution:** On detailed discussion on this main agenda point, it has been resolved to recommend to competent authority (SLBC/State Govt) to issue guidelines for extending all possible relief measures by banks in the district as discussed by various dignitaries and elected public representatives –

- 1) Postponement of recovery measures at least for 3 months.
- 2) Extending moratorium up to one year.
- 3) Conversion of crop loans into term loans for a period of 5 years.
- 4) Extending fresh loans.
- 5) Relief measures to be extended to all activities including agriculture.



**[Lead District Manager]  
Kodagu District**



**[Chairman of District Consultative Committee  
& C.E.O, Z.P, Kodagu District]**

SLBC KERALA

Ref. Kerala SLBC Kerala/61/103/GN/2018

Date: 2018 August 21st

All the members of SLBC

Dear Sir,

**Sub: SLBC approved Relief measures for the flood affected areas in Kerala (in the South West Monsoon Season of year 2018)**

**Ref: Decisions of the Special SLBC meeting dated 2018 Aug 20<sup>th</sup>**

1. A special meeting of SLBC Kerala held on 2018 August 20<sup>th</sup> have discussed and adopted the following relief measures to be implemented by Banks with immediate effect.
2. These shall be implemented by all the Scheduled Commercial Banks, Small Finance Banks, Regional Rural Banks And Co operative Banks.
3. The measures adopted for Scheduled Commercial Banks are based on the guidelines contained in the RBI master direction No FIDD.CO.FSD. BC8/58.10.001 /2017-18 dt 2017 July 03<sup>rd</sup>.
4. The measures adopted for the RRB and Co operative Banks are based on the guidelines contained in the NABARD Circular no 72/DOR/18/2018 dt 2018 April 11<sup>th</sup>
5. These measures will be applicable for those Revenue villages notified as flood affected in SW Monsoon by Govt of Kerala till date and also those which may be notified further during the same season.
6. The SLBC forum acknowledged that the crop loss in the affected areas is above 50%
7. The date to be reckoned for eligibility for restructuring and fresh finance will be the date of notification by the State Govt. or 2018 July 31<sup>st</sup> whichever is earlier. (All villages of Alapuzha and Kottayam Districts were notified on 2018 July 26<sup>th</sup> )
8. The restructuring and moratorium permitted under these guidelines shall be made effective from 2018 July 31<sup>st</sup>
9. Specific Request for Restructuring/ Rescheduling must be obtained from the Borrower
10. Application for Fresh/ Additional loans in eligible cases is to be submitted to the Bank Branch within 2018 Dec 31<sup>st</sup>.
11. In the case of crop loans application for fresh loan has to be submitted within the next cropping season. Banks will have to take appropriate credit decisions on the application within one month from the receipt of application.
12. The restructuring process is to be completed within 31<sup>st</sup> October 2018.
13. The instructions are contained in two chapters.
  - a. Credit related relief measures (Table1)
  - b. Other ancillary measures (Table 2)

**Table 1 CREDIT RELATED RELIEF MEASURES**

**A. Short term crop production loans**

1. Conversion to term loan if the account is not overdue as on date of declaration.
2. One year moratorium from the above date or 31<sup>st</sup> July 2018 whichever is earlier.
3. Revised repayment period: 5 years from the above date(5 years including moratorium period)
4. No additional security to be asked for this conversion
5. Fresh Crop Loan based on scale of finance & cultivation area as per extant guidelines

6. No additional security or guarantee to be insisted
7. Margin shall be waived.
8. Rate of Interest shall be as per individual bank's policies
9. No penal interest on current dues and waiver of penal interest in restructured loan
10. No Compounding of interest on the fresh loan till its due date.
11. No compounding of interest on the fresh loan till its due date.
12. The restructured portion of loan shall be treated as Standard asset
13. The fresh loan also shall be standard asset
14. Insurance claim if any should be adjusted to the rescheduled loan

**B. Long term (Investment) Credit to Agriculture:**

1. Where only crop is damaged, but no productive asset damaged
  - I. Moratorium for minimum one year extendable up to 18 months.
  - II. Extending repayment period by one year & rescheduling instalments/ current dues accordingly
  - III. Instalments defaulted wilfully in previous years not eligible for rescheduling
2. Where both crop and productive assets are damaged
  - i. Moratorium for minimum one year extendable upto 18 months on case to case basis.
  - ii. Term loan to be rescheduled
  - iii. Fresh crop loan as per item (A) above
  - iv. Need based term loan for repair/ acquisition of the damaged productive asset
  - v. Rescheduling period based on overall repaying capacity of borrower vis-a-vis his total liability (including fresh loan). (Maximum extension by 5 years)
  - vi. Instalments defaulted wilfully in previous years not eligible for rescheduling
3. No additional security or guarantee to be insisted for fresh loan/ rescheduling
4. Rate of interest shall be as per individual bank's policies.
5. Margin shall be waived.
6. The restructured portion of loan shall be treated as Standard asset
7. The fresh loan also shall be standard asset.
8. Insurance claim if any should be adjusted to the rescheduled loan.

**C. Credit to agri allied activities dairy/fishery/ poultry & other animal husbandry (Both Term loan & Working Capital short term loan)**

1. Where there is no damage to livestock or other productive assets
  - i. Moratorium for minimum one year extendable up to 18 months.
  - ii. Extension of repayment period by one year and rescheduling instalments/ current dues accordingly.
  - iii. Instalments defaulted wilfully in previous years not eligible for rescheduling.
  - iv. Need based working capital loan may be granted as per banks assessment.
2. Where livestock & other productive assets are damaged:
  - i. Moratorium for minimum one year extendable up to 18 months on case to case basis.
  - ii. Loan to be rescheduled.
  - iii. Rescheduling shall be for a period based on overall repaying capacity of borrower vis-a-vis his total liability (including fresh loan). (Maximum extension by 5 years).
  - iv. Need based term loan & working capital limit for repair/acquisition of the damaged productive asset and running cost may be granted based on the viability of the rehabilitated farms as per bank's assessment.

- v. Instalments defaulted wilfully in previous years not eligible for rescheduling.
- vi. No additional security or guarantee to be insisted for fresh loan/rescheduling.
- vii. Rate of interest shall be as per individual bank's policies.
- viii. Margin shall be waived.
- ix. The restructured portion of loan shall be treated as Standard asset.
- x. The fresh loan also shall be standard asset.
- xi. Insurance claim if any should be adjusted to the rescheduled loan.

#### **D. MSME(Including Trade)**

##### **1. Restructuring/ Rescheduling of existing loans**

- i. One year moratorium for loans to Micro & Small enterprises. (may extend up to 18 months on case to case basis)
- ii. Working capital limits, for micro & small enterprises may be restructured to Working Capital Term Loan (WCTL) with duration up to maximum 36 months (including moratorium period) on need basis.
- iii. In term loans extension of repayment period by one year and rescheduling instalments & current dues accordingly for micro & small enterprises.
- iv. For Medium enterprises, a need based moratorium (up to 1 year) & Rescheduling/ Restructuring for a period based on overall repaying capacity of borrower vis-à-vis his total liability.
- v. Instalments defaulted wilfully in previous years not eligible for rescheduling.

##### **2. Fresh loans/additional loan**

- i. Need based fresh loans may be extended based on the case to case assessment of requirement, and repayment capacity of individual borrowers.
- ii. The primary consideration for extending fresh/ additional credit for rehabilitation shall be the viability of the unit after rehabilitation.
- iii. Security & Rate of Interest shall be as per individual banks policies.
- iv. Margin shall be waived for micro and small enterprises.
- v. The Rescheduled/ Restructured loan shall be treated as Standard asset.
- vi. The fresh loan also shall be standard asset.
- vii. Insurance claim if any should be adjusted to the rescheduled loan.

#### **E. HOUSING LOANS**

##### **1. Rescheduling of existing loans**

- i. Need based moratorium up to 1 year & rescheduling instalments accordingly  
Instalments defaulted wilfully in previous years not eligible for rescheduling.

##### **2. Fresh Loans**

- i. Need based Top up loan for House repair/ renovation/refurnishing/ reconstruction.
- ii. Eligibility, Loan amount, Repayment period, Rate of Interest, Repayment Holiday, Security & other conditions as applicable to housing loan scheme of Individual Banks.
- iii. The restructured portion of loan shall be treated as Standard asset.
- iv. The fresh loan also shall be standard asset.
- v. Insurance claim if any should be adjusted to the rescheduled loan.

#### **F. EDUCATION LOANS**

- i. Moratorium of 6 months of loans which are standard assets and whose repayment has commenced & rescheduling instalments accordingly.
- ii. Instalments defaulted wilfully in previous years not eligible for rescheduling.

- iii. The rescheduled loan shall be treated as Standard asset.
- iv. Insurance claim if any should be adjusted to the rescheduled loan.

#### **G. FRESH CONSUMPTION LOANS**

- i. Fresh consumption loans up to Rs. 10,000/- may be granted on need basis to the calamity affected borrowers. Individuals Banks may consider higher limits also.
- ii. Repayable in 30 months.
- iii. Security and Margin may be waived.
- iv. Interest rate at individual bank's rates.

#### **H. GENERAL TERMS**

- 1. In the case of term loans Instalments defaulted wilfully in previous years are not eligible for rescheduling
- 2. In the case of short term loans only current dues are eligible for rescheduling.
- 3. Wherever eligible fresh loans may be granted under DIR scheme.
- 4. Loans granted to Self Help Groups (SHG), Joint Liability Groups (JLG) and Micro credit Groups (MCG) may be extended the relief measures based on the activity for which the loan is availed. Loans granted to SHGs for on lending purpose may be extended benefits detailed for Micro enterprises category.

### **TABLE 2-OTHER ANCILLARY MEASURES**

#### **1. Relaxed KYC Norms**

- a. Needy persons who have lost ID proof may be permitted to open BSBDA accounts with simplified KYC.

#### **2. Providing access to banking service**

- i. Where needed, the bank may operate from temporary premises up to 30 days under intimation to RBI regional office.(beyond 30 days specific approval is required)
- ii. Banks may provide satellite offices, extension counters, mobile banking services etc where needed, under intimation to RBI.
- iii. Restoring ATM services need to be given priority.
- iv. Banks shall not deduct minimum balance penalty or other charges on the distress relief assistance paid by Government through DBT to their account.
- v. Banks shall not collect charges for duplicate pass book, account statement, hot listing Debit cards and issuing fresh debit cards, Cheque book Cancellation and Fresh issuance upto 2018 Oct 31<sup>st</sup>.
- vi. Banks at their discretion may also take other distress alleviation measures like waiver of ATM charges, increasing ATM withdrawal limit, waiving early withdrawal fees on time deposits, conversion of credit card dues, waiving of late fee for card dues and loan instalments, waiver of other charges on farm loans etc.
- vii. Individual Banks at their discretion may also waive the penalty charges for Non maintenance of Minimum balance in CASA accounts till 31<sup>st</sup> October 2018.
- viii. Soiled/Mutilated/Defective notes shall be exchanged at all branches of banks and currency chests as per extant RBI instructions.
- ix. Soggy/ Pulpy notes which are inseparably stuck-up together shall not be accepted by the branches. Instead, the holders may be advised to directly tender these notes to RBI, Issue department (Claim Section), Thiruvananthapuram or send by registered and insured post for adjudication with the name, address, and bank account details of the tenderer.
- x. Wet notes at bank branches/currency chests may be dried to the maximum extent using hot blowers etc. and remitted to RBI for adjudication by the

currency chests.

- xi. New series notes which are exchanged at currency chests may be treated as re-issuable notes for the purpose of accounting, but may be kept separate.
- xii. Banks may anticipate the increase in currency circulation and make available lower denomination notes in adequate quantity in branches and ATMs.
- xiii. Many customers have lost their KYC documents. Banks may issue photo affixed pass books where requested. (no charge shall be collected till 2018 Oct 31<sup>st</sup>)
- xiv. Many areas and branches still inundated. Banks may redeploy the available resources like Mobile ATMs and biometric enabled micro ATM/BCs to the needy areas.

RBI/FIDD/2017-2018/55

Master Direction FIDD.CO.FSD.BC No.8/05.10.001/2017-18

July 03, 2017

The Chairman/Managing Director/Chief Executive Officer

All scheduled commercial banks

(Including Small Finance Banks and excluding Regional Rural Banks)

Madam / Sir,

Master Direction – Reserve Bank of India (Relief Measures by banks in areas affected by Natural Calamities) Directions 2017

Please refer to our '[Master Direction FIDD.No.FSD.BC.2/05.10.001/2016-17 dated July 1, 2016](#)' incorporating guidelines issued to banks in regard to matters relating to relief measures to be provided in areas affected by natural calamity.

This [Master Direction](#) consolidates all the guidelines issued on the subject till date. The list of circulars compiled into this Master Direction is given in the [Appendix](#).

Please acknowledge receipt.

Yours faithfully,

(Ajay Kumar Misra)

Chief General Manager

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Master Direction - Reserve Bank of India (Relief Measures by Banks in Areas Affected by Natural Calamities) Directions, 2017

In exercise of the powers conferred under Sections 21 and 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

CHAPTER I  
PRELIMINARY

1.1 Short Title and Commencement.

- (a) These Directions shall be called the Reserve Bank of India (Relief Measures by Banks in Areas Affected by Natural Calamities) Directions, 2017
- (b) These Directions shall come into effect on the day they are placed on the official website of the Reserve Bank of India

## 1.2. Applicability

The provisions of these Directions shall apply to every Scheduled Commercial Bank {including Small Finance Banks (SFBs) and excluding Regional Rural Banks(RRBs)} licensed to operate in India by Reserve Bank of India.

## CHAPTER II BACKGROUND

2.1 Periodical but frequent occurrence of natural calamity takes a heavy toll on human life and cause wide spread damage to economic pursuits in one or the other part of the country. The devastation caused by natural calamities calls for massive rehabilitation effort from all agencies. The Central, State and local authorities draw programmes on economic rehabilitation for the people affected by natural calamities. The developmental role assigned to the commercial banks including Small Finance Banks warrant their active support in reviving the economic activities of those affected by the occurrence of a natural calamity

2.2 In terms of the National Disaster Management Framework, there are two funds constituted viz. National Disaster Response Fund (NDRF) and State Disaster Response Fund (SDRF) for providing relief in the affected areas. This framework currently recognizes 12 types of natural calamities viz. cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and cold wave/frost. Out of these 12, for 4 calamities i.e. drought, hailstorms, pest attack and cold wave/frost, the Ministry of Agriculture is the nodal point and for the remaining 8, the Ministry of Home Affairs is the nodal ministry to make the necessary administrative arrangements. A slew of measures for relief are undertaken by the Sovereign (Central/State Government) from time to time to provide relief to the affected people including, inter alia, provision for input subsidies, financial assistance to farmers including small and marginal farmers.

2.3 The role of the scheduled commercial banks including Small Finance Banks (SFBs) is to provide relief measure through rescheduling existing loans and sanctioning fresh loans as per the emerging requirement of the borrowers. To enable banks to take uniform and concerted action expeditiously, these directions are issued covering four aspects viz. Institutional Framework ([Chapter III](#)), Restructuring of Existing Loans ([Chapter IV](#)), Providing Fresh Loans ([Chapter V](#)) and Other Ancillary Relief Measures ([Chapter VI](#)).

## CHAPTER III INSTITUTIONAL FRAMEWORK

### 3.1 Establishing Policy/Procedures for dealing with Natural Calamities

The area, time of occurrence and intensity of the natural calamity cannot be anticipated. It is, therefore, imperative that banks have a blueprint of action duly approved by the Board of Directors for such eventualities so that the required relief and assistance is provided with utmost speed and without any loss of time. Further, all Divisional/Zonal Offices and branches of Scheduled Commercial/Small Finance banks should be familiar with these standing instructions. These standing instructions will immediately come to force after the district/state authorities put in place the requisite declaration. It is essential that these instructions should also be made available to the State Government authorities and all the District Collectors so that all concerned are aware about the action that should be taken by the concerned authorities in the affected area.

### 3.2 Discretionary Powers to Divisional / Zonal Manager of banks

The Divisional/Zonal Managers of scheduled commercial/SF banks must be vested with certain discretionary powers to avoid the need to seek fresh approval from their Central Office regarding the line of action decided by the District Consultative Committee/ State Level Bankers' Committee. Some of the areas, among others where such discretionary powers are vital may be the adoption of scale of finance, extension of loan period, margin, security, sanction of new loan keeping in view the total liability of the borrower arising out of the old loan where the asset financed is damaged or lost due to the natural calamity and the new loan financed for creation/repair of such asset (s).

### 3.3 Meeting of State Level Bankers' Committee (SLBC)/District Consultative Committee (DCC)

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 convener 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 convener 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.

3.3.2 In the areas where the calamity is severe, the relief measure(s) implemented should be reviewed periodically through a specially constituted Task Force/Sub-Committee by way of weekly/fortnightly meetings as decided by the SLBC/DCC.

### 3.4 Declaration of Natural Calamity

3.4.1 It is recognised that declaration of a natural calamity is in the domain of the Sovereign (Central / State Governments). The inputs received from the State Governments reveal that there are no uniform procedures being followed for declaration of natural calamity and issue of declarations/certificates. These declarations/certificates are called by different names such as Annewari, Paisewari, Girdawari, etc. in different States. Nevertheless, the common thread to extend relief measures including rescheduling of loans by banks, is that the crop loss assessed should be 33% or more. For assessing this loss, while some States are conducting crop cutting experiments to determine the loss in crop yield, some others are relying on the eye estimates/visual impressions.

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 especially 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.



## CHAPTER IV

### RESTRUCTURING OF EXISTING LOANS

In the event of a natural calamity, the repaying capacity of the people gets severely affected due to the disruption of their economic activities and loss of economic assets. Therefore, relief in loan repayment, by restructuring the existing loan may become necessary.

#### 4.1. Agriculture Loans: Short-term Production Credit (Crop Loans)

4.1.1 All short-term loans, except those which are overdue at the time of occurrence of natural calamity, should be eligible for restructuring. The principal amount of the short-term loan as well as interest due for repayment in the year of occurrence of the natural calamity may be converted into term loan.

4.1.2 The repayment period of the restructured loan may vary depending on the severity of the calamity, the impact on loss of economic assets and distress it caused. A maximum repayment period of up to 2 years (including the moratorium period of 1 year) should be allowed if the loss is between 33% and 50%. If the crop loss is 50% or more, repayment period may be extended up to a maximum of 5 years (including the 1 year moratorium period).

4.1.3 In all restructured loan accounts, moratorium period of at least one year should be considered. Banks should also not insist on additional collateral security for such restructured loans.

#### 4.2 Agriculture Loans: Long term (Investment) Credit

4.2.1 The existing term loan installments should be rescheduled keeping in view the repaying capacity of the borrower and the nature of natural calamity viz.

4.2.1.1 Natural Calamities where only crop for that year is damaged and productive assets are not damaged.

4.2.1.2 Natural Calamities where the productive assets are partially or totally damaged and borrowers are in need of a new loan.

4.2.1.3 In regard to natural calamity under category (4.2.1.1) above, the banks may reschedule the payment of installment during the year of natural calamity and extend the loan period by one year. Under this arrangement the installments defaulted wilfully in earlier years will not be eligible for rescheduling. The banks may also have to postpone payment of interest by borrowers.

4.2.1.4 In regard to category (4.2.1.2) i.e. where the borrower's assets are partially/totally damaged, the rescheduling by way of extension of loan period may be determined on the basis of overall repaying capacity of the borrower vis-a-vis his total liability (old term loan, restructured crop loan, if any and the fresh crop/term loan being given) less the subsidies received from the Government agencies, compensation available under the insurance schemes, etc. While the total repayment period for the restructured/fresh term loan will differ on case-to-case basis, generally it should not exceed a period of 5 years.

#### 4.3 Other Loans

4.3.1 A view needs to be taken by SLBC/DCC depending on the severity of the calamity as to whether a general reschedulement of all other loans (i.e. besides the agriculture loans as indicated above) such as loans granted for allied activities and loans given to rural artisans, traders, micro/small industrial units or in case of extreme situations, medium enterprises is required. If such a decision is taken, while recovery of all the loans are to be postponed by the specified period, banks will have to assess the requirement of the individual borrowers in each such case and depending on the nature of his account, repayment capacity and the need for the fresh loans, appropriate decisions shall be taken by the individual banks

4.3.2 The primary consideration before the banks in extending credit to any unit for its rehabilitation should be based on the viability of the venture after the rehabilitation programme is implemented.

#### 4.4 Asset Classification

The asset classification status of the restructured loans will be as under:

4.4.1 The restructured portion of the short term as well as long-term loans may be treated as current dues and need not be classified as NPA. The asset classification of these term loans would thereafter be governed by the revised terms and conditions. Nevertheless, banks are required to make higher provisions for such restructured standard advances as prescribed by Department of Banking Regulation<sup>1</sup> from time to time.

4.4.2. The asset classification for the remaining dues, which does not form a part of the restructured portion, will continue to be governed by the original terms and conditions of its sanction. Consequently, the dues from the borrower shall be classified by the lending bank under different asset classification categories viz. standard, sub-standard, doubtful and loss.

4.4.3. Additional finance, if any, shall be treated as “standard asset” and its future asset classification will be governed by the terms and conditions of its sanction.

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.

4.4.5 The accounts that are restructured for the second time or more on account of recurrence of natural calamities should retain the same asset classification category on restructuring. Accordingly, for a restructured standard asset, the subsequent restructuring necessitated on account of natural calamity would not be treated as second restructuring, i.e., the standard asset classification will be allowed to be maintained. However, all other restructuring norms will apply.

#### 4.5 Utilization of Insurance Proceeds

4.5.1 While the above measures relating to rescheduling of loans are intended to provide relief to the farmers, the insurance proceeds should, ideally, compensate their losses. In terms of orders issued by the Department of Agriculture, Cooperation and Farmers Welfare, the Pradhan Mantri Fasal Bima Yojana (PMFBY) has, replaced the existing schemes of National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS) with effect from Kharif 2016. Under the scheme all agriculture loans are provided insurance cover for all stages of the crop cycle including post-harvest risks in specified instances. Farmers' details are required to be entered by banks in the unified portal for crop insurance which is available at [www.agri-insurance.gov.in](http://www.agri-insurance.gov.in) in order to facilitate assessment of coverage of crops insured, premiums deducted, etc.

4.5.2 While restructuring the loans in areas affected by a natural calamity, banks should also take into account the insurance proceeds, if any, receivable from the Insurance Company. They should adjust these proceeds to the 'restructured accounts' in cases where they have granted fresh loan to the borrower. However, banks should act with empathy and consider restructuring and granting fresh loans without waiting for the receipt of insurance claim, in cases where there is reasonable certainty of receiving the claim.

## CHAPTER V PROVIDING FRESH LOANS

### 5.1 Sanctioning of Fresh Loans

5.1.1 Once the decision to reschedule loans is taken by SLBC/DCC, pending conversion of short-term loans, banks shall grant fresh crop loan to the affected people based on the scale of finance for the crop and the cultivation area, as per the extant guidelines<sup>2</sup>.

5.1.2 The bank assistance in agriculture and allied activities (poultry, fishery, animal husbandry, etc.) may also be needed for long term loans for a variety of purposes such as repair of existing economic asset(s) and/or acquisition of new asset(s). Similarly, rural artisans, self-employed persons, micro and small industrial units, etc. in the areas affected by a natural calamity may require fresh credit to sustain their livelihood. Banks should assess the need and decide on the quantum of loans to be granted to the affected borrowers taking into consideration, amongst others, their credit requirement and the due procedure for sanctioning loans.

5.1.3. Banks shall also grant consumption loan up to ₹ 10,000/- to existing borrowers without any collateral. The limit may, however, be enhanced beyond ₹ 10,000/- at the bank's discretion.

### 5.2 Terms and Conditions

#### 5.2.1 Guarantee, Security and Margin

5.2.1.1 Credit should not be denied for want of personal guarantees. Where the bank's existing security has been eroded because of damage or destruction by floods, assistance will not be denied merely for want of additional fresh security. The fresh loan shall be granted even if the value of security (existing as well as the asset to be acquired from the new loan) is less than the loan amount. For fresh loans, a sympathetic view will have to be taken.

5.2.1.2 Where the crop loan (which has been converted into term loan) was earlier sanctioned against personal security/hypothecation of crop and the borrower is not able to offer charge/mortgage of land as security for the converted loan, she/he should not be denied conversion facility merely on the ground of his/her inability to furnish land as security. If the borrower has already taken a term loan against mortgage/charge on land, the bank should be content with a second charge for the converted term loan. Banks should not insist on third party guarantee for providing conversion facility.

5.2.1.3 Where land is taken as security, in the absence of original title record, a certificate issued by the Revenue Department officials may be accepted for financing to farmers who have lost proof of their title such as title deed or registration certificate issued to registered share-croppers.

5.2.1.4 Margin requirements may be waived or the grant/subsidy given by the concerned State Government may be considered as margin.

### 5.3 Rate of Interest

The rates of interest will be in accordance with the directives of the Reserve Bank. Within the areas of their discretion, however, banks are expected to take a sympathetic view of the difficulties of the borrowers and extend a concessional treatment to calamity-affected people. In respect of current dues in default, no penal interest will be charged. The banks should also suitably defer the compounding of interest charges. Banks may not levy any penal interest and consider waiving penal interest, if any, already charged in regard to the loans converted/rescheduled. Depending on the nature and severity of natural calamity, the SLBC/ DCC shall take a view on the interest rate concession that could be extended to borrowers so that there is uniformity in approach among banks in providing relief.

## CHAPTER VI OTHER ANCILLARY MEASURES

### 6.1 Relaxation on Know Your Customer (KYC) Norms

It needs to be recognized that many persons displaced or adversely affected by a major calamity may not have access to their normal identification and personal records. In such cases a small account based on the photograph and signature or thumb impression rendered in front of the bank official shall be opened. The above instructions will be applicable to cases where the balance in the account does not exceed ₹ 50,000/- or the amount of relief granted (if higher) and the total credit in the account does not exceed ₹ 1,00,000/- or the amount of relief granted, (if higher) in a year.

### 6.2 Providing access to Banking Service

6.2.1 Banks may operate its natural calamity affected branches from temporary premises under advice to the concerned Regional Office of RBI. For continuing the temporary premise beyond 30 days, banks may obtain specific approval from the concerned Regional Office of RBI. Banks may also make arrangements to render banking services in the affected areas by setting up satellite offices, extension counters or mobile banking facilities etc. under intimation to RBI.

6.2.2 To meet the immediate cash requirement of the affected people, due importance may be given towards restoring the ATMs or other alternate arrangements maybe provided to avail such facilities.

6.2.3 Other measures that banks may initiate at their discretion to alleviate the condition of the affected people could be waiving ATM fees, increasing ATM withdrawal limits; waiving overdraft fees/early withdrawal penalty on time deposits /late fee for credit card/other loan installment payments etc. and giving option to credit card holders to convert their outstanding balance to EMI's repayable in 1-2 years. Besides, all charges debited to the farm loan account other than the normal interest may be waived considering the hardship caused to the affected people.

## CHAPTER VII

### RIOTS AND DISTURBANCES: APPLICABILITY OF THE GUIDELINES

Applicability of the guidelines in case of riots and disturbances

7.1 Whenever RBI advises the banks to extend rehabilitation assistance to the riot/ disturbance affected persons, the aforesaid guidelines may broadly be followed by banks for the purpose. It should, however, be ensured that only genuine persons, duly identified by the State Administration as having been affected by the riots/ disturbances, are provided assistance as per the guidelines.

7.2. The issuance of advice to the banks by Reserve Bank of India on receipt of request/ information from State Government and thereafter issue of instructions by banks to their branches generally results in delay in extending the assistance to riot-affected people. With a view to ensuring quick relief to the affected persons, it has been decided that the District Collector, on occurrence of the riots/ disturbances, may ask the Lead Bank Officer to convene a meeting of the DCC, if necessary and submit a report to the DCC on the extent of damage caused to life and property in the area affected by riots/disturbances. If the DCC is satisfied that there has been extensive loss to life and property on account of the riots/ disturbances, the relief as per the above guidelines may be extended to the people affected by the riots/ disturbances. In certain cases, where there are no District Consultative Committees, the District Collector may request the convener of the State Level Bankers' Committee of the State to convene a meeting of the bankers to consider extension of relief to the affected persons. The report submitted by the Collector and the decision thereon of DCC/ SLBC may be recorded and should form a part of the minutes of the meeting. A copy of the proceedings of the meeting may be forwarded to the concerned Regional Office of the Reserve Bank of India.