

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

MINUTES OF THE 144th MEETING OF SLBC HELD ON 25.02.2019

The 144th SLBC Meeting was held on 25.02.2019 at the Meeting Hall, Vidhana Soudha, Bengaluru under the Chairmanship of Sri T.M. Vijay Bhaskar, Chief Secretary, GoK.

Shri. Mrutyunjay Mahapatra, MD & CEO, SyndicateBank extended hearty welcome to Shri. T.M. Vijay Bhaskar, Chief Secretary, GoK, Smt. Vanditha Sharma, ACS & DC, GoK, Ms. Mudita Mishra, Director, Ministry of Finance, DFS, GoI, Shri. S.S. Sahota, GM, RBI, Shri. P V S Surya Kumar, CGM, NABARD. He also extended cordial welcome to Addl. Chief Secretaries, Principal Secretaries and Secretaries of GoK, Senior Executives from RBI, NABARD and SIDBI, Senior Officers from the State Govt, representing various Line Departments, Corporations and Boards, Senior Executives from Commercial Banks, Co-op. Banks, Chairmen of RRBs, Officials from other Financial Institutions, UIDAI, General Insurance Companies, NGOs & other participants present in the meeting.

Shri. Mrutyunjay Mahapatra, MD & CEO, Syndicate Bank in his key note address touched upon various agenda items slated for discussion in the House.

The aggregate Agricultural advances in the state rose from Rs.1,21,617 Crores as on 31.12.2017 to Rs.1,27,448 Crores as on 31.12.2018 showing an absolute growth of Rs.5831 Crores, representing approximately 5% growth on year on year basis. However, the disbursements so far, under short term crop loan in the first three quarters of FY 2018-19 were subdued. Vis-à-vis the annual targets, the achievement was 41.3%. This is mainly because of non-renewal of short-term crop loans by farmers in anticipation of crop loan waiver scheme of Government of Karnataka. In term loans, the achievement against the annual target was at 71.1%, and was much better. The overall achievement under aggregate agriculture advances as on 31.12.2018 was 51.5% of the annual target. He requested that all banks need to specifically gear up to achieve the annual target in the short period that remains of the current financial year.

In respect of achievements in credit flow under Export Credit, Education, Housing, Social Infrastructure, Renewable Energy and other Priority Sector Advances continued to be disappointing during the third quarter, like the first two quarters of the FY 2018-19, MD observed. He said that, these priority sector loans are good commercial opportunities for banks provided banks energise and re-orient their underwriting and collection processes based on digital power and collaborative partnerships. He requested the banks to have a rethink of their strategies and focus of growth in these important segments by embarking on newer methods of origination, investing in digital on-boarding and appraisal, tech savvy data-based collection and recovery, all of which, due to availability and choice of Fintech Solutions in Karnataka have become faster and cheaper to implement. He also appealed to all the banks to reorient themselves collaboratively and synergistically with government and other ecosystem players to ramp up and risk manage proactively in these sectors.

MD & CEO informed the house that, despite a growth of Rs.23,522 Crore as on December 2018 over December 2017, the priority sector advances as a percentage of total bank advances marginally declined from 40.9% to 40.4% during the period. Nevertheless, it is heartening that Karnataka state continues to be one of the few to stay above the mandatory target of 40% and he complemented the member banks for this.

The CD ratio of the state stood at 78.7% as on 31.12.2018. Majority of the banks have achieved CD ratios of over 60%. However, five Banks viz., Karnataka Bank (54%), Dena Bank (44%), Indian Overseas Bank (57%), Bandhan Bank (59%) and Industrial Coop Bank (52.9%) have shown CD ratios of less than 60% as on December 2018. Karnataka being a progressive and opportune geography for banking, MD & CEO requested these banks with CD ratio below 60% to put in all necessary efforts to catch up with the agreed minimum of 60%.

MD & CEO informed the House that there are 6178 BC locations in the state. All are provided with Micro ATMs. 6004 of these BCs are active and are doing transactions through Micro ATMs. Of the 174 inactive BCs, 17 BCs have resigned. Banking reach and digital adoption is of primary importance and Govt is continuously monitoring the functioning of BCs. He requested the concerned banks to ensure on top priority, activation of the small number inactive BCs and to appoint new BCs in place of those who have resigned.

In the last SLBC meeting, the controlling offices of different banks were advised to take immediate steps for opening of branches in the 8 identified locations of two "Aspirational Districts" viz., Raichur and Yadgir. While Syndicate Bank has already opened the branch in the allotted village, SBI, Canara Bank and PKGB are in the process of opening the branches in the allotted locations. However, Punjab National Bank is yet to start the process. He requested all banks to take all necessary steps to open branches, no later than 31.03.2019 without fail.

Financial Literacy Centres and rural branches of banks in the state continued to play a stellar role in ensuring continuous and increasing effective reach of the banking system to different target groups viz., farmers, Micro and Small Entrepreneurs, School children, SHGs, Senior citizens, etc. Financial literacy programmes were held regularly, particularly on digital financial literacy across the length and breadth of the state. As banking sector is poised to attain the aspirational levels in physical reach, range, quality and speed of delivery of services; importance of financial literacy of consumers especially in the rural areas cannot be over-emphasised, MD & CEO informed the House. He expressed happiness that banks have already conducted 25,129 literacy camps on various themes through FLCs and rural branches benefitting 15,32,147 people in the 9 months ending 31.12.2018. However, he requested banks not to rest on past laurels and advised that financial literacy drives and initiatives must be ramped up, not linearly but exponentially and qualitatively, as a foundational necessity for making social banking initiatives future proof.

Performance of the banks under Atal Pension Yojana during the first three quarters of 2018-19 is noteworthy. The banks in the state have recorded 180.39% growth as on 31.12.2018 over 31.03.2018. However, the performance under PMSBY and PMJJBY remains low. MD & CEO requested all the banks to focus on these social

security schemes so that the benefit of the schemes reaches all the eligible people in the state.

Performance of member banks under all three segments of MUDRA scheme continued to be satisfactory, MD & CEO remarked. He said that Karnataka is the frontrunner under MUDRA scheme at all India level and likely to retain the number one position among states during current financial year too. MD & CEO congratulated the bankers for their splendid performance and he requested them to keep up the same tempo in the days to come. He called upon the banks to help for a social cause while remaining commercially sound and said that prudence and profitability can co-exist. He also expressed his happiness to note that banks have performed well in all the five identified districts in the state under MSME support and outreach programme of GOI. Support from GoK has worked as catalyst for banks and enabled them to achieve 189% of the target allocated by the DFS, GOI. MD & CEO informed all the banks that the MSME support and outreach programme campaign has been extended till 28th Feb 2019 and requested all the member banks to continue to keep up the outstanding work in the MSME segment.

MD & CEO informed the House with regard to the status of implementation of Crop Loan Waiver Scheme (CLWS) of GoK. As against the eligible accounts of 16.73 lakh farmers, banks in collaboration with revenue officials have so far been able to file FSDs (Farmers Self Declarations) of 16.37 lakh farmers. This is almost 98% of the target. He commended the hard work of banks and government officials in the field. Additionally, about 1.88 lakh farmers with overdue and restructured accounts have already received the first installment waiver amount of Rs.50,000 each, totaling Rs.840 crores in respect of commercial banks. Government of Karnataka has announced release of Rs.25,000 per farmer as incentive to eligible farmers whose accounts were regular as on 31.12.2017. He also requested the Chief Secretary and other decision makers of GoK, to consider the offer of sacrifice in NPA accounts submitted by members of the state SLBC and help settlement of the NPA accounts under debt waiver scheme. As is known, this will help the farmers to get fresh credit from commercial banks which are entitled to the benefit of interest subvention. If this could be done before 31/03/2019, this will be a real win-win for Banks and GOK, MD & CEO informed the House.

Continuing his speech, MD & CEO informed the House that SLBC has already had a series of meetings convened by the Chief Electoral Officer, GoK. On behalf of SLBC member banks, he assured the GoK that the requisite support will be extended to the government machinery for smooth conduct of the forthcoming Loka Sabha polls. As was necessary during previous elections, the member banks must be in readiness to submit required data on high-value and suspicious transactions to SLBC daily. Member banks must also comply with SOP on movement of cash, MD & CEO remarked.

Shri. C.B.L. Narasimha Rao, GM, SLBC thanked MD & CEO, SyndicateBank for his key note address and requested Shri. T.M. Vijay Bhaskar, Chief Secretary, GoK to address the House.

Shri. T M Vijay Bhaskar, Chief Secretary in his speech said that it is satisfying to know that Karnataka State is progressing well with the support of banking fraternity and he expressed his happiness that both the deposit and advances growth have crossed the double digits in the previous quarter. He said that CD ratio has also

improved compared to the corresponding quarter of the previous year. He was happy that it is a matter of satisfaction that the progress in many facets of banking is quite encouraging. He said that the priority of Government of Karnataka is to implement the crop loan waiver scheme successfully. He expressed his thanks to the bankers for their excellent response for implementing the scheme with checks & balances by using the technology to ensure that the benefit reaches the eligible beneficiaries in the shortest period and said that it is a model to the entire country. He further said that the progress is encouraging with 98% achievement in uploading self declaration by farmers and sought the co-operation of the banks in uploading the remaining 2% self declarations of farmers. He said that there is mismatch in data of 1.5 to 2.0 lakh farmers and hence he requested the bankers to advise their branches to obtain correct Aadhar numbers and ration cards to upload the data, immediately. He said that initial disbursement of the waiver amount has been completed in the case of 1.88 lakh farmers and the amount disbursed is Rs.844 crores. This is the first installment @ Rs.50,000/- per family, out of the Rs.2.0 lakh amount promised by the Government. Further he said that another 1.0 lakh Green list is pending for approval by the bank branches. He requested the banks to advise their branches to approve the pending list, in a day or two as the model code of conduct for Loka Sabha elections may come into force soon.

With regard to achievement under Annual Credit Plan 2018-19 as at Dec.2018, he said that the overall achievement is only 59.90% which is much lower compared to the performance during the corresponding quarter of the previous year, which is mainly because of the low performance under Agricultural Sector. He observed that the performance under MSME is very impressive and has surpassed the annual target in the third quarter itself. He congratulated the bankers for their splendid performance. He said that the Housing finance has remained as an area of concern, where the performance under the sector has been halved to about 25% compared to 45% in the corresponding period of last year. He requested the banks to give more attention towards this sector as more incentive is available and it is a safe advance to this sector. Similarly, the performance under Education loan sector has come down from 30% to 21% and requested the banks to give more attention to this sector.

On the issue of conducting sub-committee meetings, he pointed out that the sub-committee meeting on retail loans has not been held in the previous quarter and called upon the representative of Vijaya Bank, the convenor of the sub-committee to conduct the meeting within a week and take up the review of performance under Retail loans. He said that, as the process of release of waiver amount under crop loan waiver scheme has commenced, he requested the banks to renew the eligible KCC accounts to improve performance under agricultural sector.

On the issue of CD ratio, he said that there is improvement in the CD ratio of the state as a whole but the CD ratio of Karnataka Bank and Dena Bank is below desired level of 60%. He requested these banks to improve their CD ratio to cross 60%. Similarly the CD ratio in Dharwad, Udupi and Karwar districts have gone below 60% and advised the banks to find avenues for lending to improve the CD ratio in the above districts.

He said that the GOI and RBI are regularly following up the issue concerning opening of branches in the unbanked villages. There are still 56 villages which are to be covered by 15 banks. He requested all these banks to open branches by June

2019 without fail. He also requested the banks to expedite opening of branches in the allotted centres in Aspirational Districts.

Chief Secretary once again reiterated that every Gram Panchayat should have either Brick & Mortar branch or ATM or a BC outlet. He requested SLBC to provide the list of Gram Panchayats which do not have either Brick & Mortar branch or ATM or a BC outlet by next SLBC meeting. He also suggested to SLBC for hosting the details of all the State sponsored poverty alleviation programmes in their website, which will help to increase the outreach to FLC councilors and the banking correspondence. He also suggested for hyper linking the SLBC website with the Government of Karnataka website.

On the issue of performance under Government sponsored schemes, he said that satisfactory performance is observed only in few schemes, viz., NRLM & PMEGP and in all other schemes, the performance is not up to the expected level. Hence he advised the concerned departments and banks to achieve the set targets within next one week as the model code of conduct may come in at any point of time.

Shri. C.B.L. Narasimha Rao, GM, SLBC thanked Sri. T.M. Vijay Bhaskar, Chief Secretary, GoK and assured that his directions will be implemented with all seriousness. Thereafter, he requested Ms. Mudita Mishra, Director, Ministry of Finance, DFS, Government of India to address the House.

Ms. Mudita Mishra, Director, Ministry of Finance, DFS, Government of India, to begin with, informed the House that MD and CEO, Syndicate Bank has covered all the points and CS, GoK, has already flagged the issues in their address to the House and said that she intends to endorse few issues which are as follows:

1. **Saturation of KCC and waiver of charges for loans up to Rs.3.0 lakh.** The Director touched upon the issue pertaining to saturation of KCC loans by extending KCC to all the eligible farmers who are not covered under the scheme as on date. Although all the banks are undertaking these activities, they are requested to sensitize their Branch Managers to bring awareness among the farmers about the scheme by conducting campaigns. She also requested all the banks to waive the processing, service, documentation and other charges as per the advisory of IBA.
2. **Financial Literacy Awareness:** Extensive coverage of banking outreach in rural area and increased digitization, awareness of banking activities and efficient use of debit cards especially Rupay Cards is very important to reduce frauds and suspicious transactions, Director informed the House.
3. **Opening of banking outlets and BC Network:** Director touched upon the issue pertaining to opening of banking outlets and BC Network and said that this issue is long pending as all banks were allotted the targets by DFS during 2014-15 itself. Of late, some of the banks are asking exemption under opening of Brick and Mortar branches, banking outlets and covering villages under BC network which she termed as not appreciable. She agreed that opening of a brick and mortar branches may take time, but opening of banking outlets and covering BC network does not require much time. Hence, she urged upon bankers for expeditious opening of banking outlets and covering all the pending villages under BC network in next 10 days.

4. **PMFBY:** Director touched upon crop insurance scheme and told that crop failures may happen at any time to any farmer. **Gol** is following up with insurance companies for early settlement of crop insurance claims, she remarked. Further, she called upon the private and public insurance companies to settle crop insurance claims immediately so that it helps farmers to a great extent.

Shri. C.B.L. Narasimha Rao, thanked Ms. Mudita Mishra, Director, DFS, Government of India for her address and then requested Shri. S.S. Sahota, GM, RBI to address the House.

GM, RBI Shri Sahota touched upon the following developments which have taken place after the last SLBC meeting.

1. Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM) (FIDD.GSSD.CO.BC.No.11/09.16.03/2018-19 December 06, 2018)

GM, RBI informed the House that the operational guidelines for Deendayal Antyodaya Yojana–National Urban Livelihood Mission (DAY-NULM) have been modified by Ministry of Housing and Urban Affairs. The details of the modified guidelines are:

- Small Finance Banks which are on the Core Banking Solution Platform (CBS) have been made eligible for getting interest subvention under the scheme. Currently, all Scheduled Commercial Banks are eligible for interest subvention under the scheme.
- Under Self- Employment Programme-Group (SEP-G), the eligibility criteria for the minimum number of members in the group has been revised to 3 (Three) as against the earlier minimum prescribed number of 5 (Five) members.
- The project cost for the group under SEP-G has been revised to Rs.2 Lakh per member or Rs.10 Lakh for the group, whichever is lower.

The modifications have been incorporated in the Master Circular on DAY-NULM dated Dec 06, 2018 and placed on the RBI website, GM: RBI informed the House.

(Action: All Banks)

2. Registration with CERSAI: (Circular DBR.Leg.No.BC.15/09.08.020/2018-19 December 27, 2018)

GM, RBI drew the attention of the members to the earlier instructions of RBI advising all banks/ financial institutions (FIs) to register the transactions relating to securitization and reconstruction of financial assets and those relating to mortgage by deposit of title deeds with CERSAI. However, he informed that RBI has observed that the extent of registration on the CERSAI portal is very low, both for current and subsisting records. He therefore advised Banks/FIs to complete filing the charges pertaining to subsisting transactions by March 31, 2019. He also advised Banks/FIs to file the charges relating to all current transactions with CERSAI on an ongoing basis.

(Action: All Banks)

3. Collateral free agricultural loans: (FIDD.CO.FSD.BC.No.13/05.05.010/2018-19 dated February 7, 2019) Keeping in view the overall inflation and rise in agriculture input cost over the years since 2010, it has been decided to raise the limit for collateral free agricultural loans from the existing level of ₹1 lakh to ₹1.6 lakh. Accordingly, banks may waive margin requirements for agricultural loans upto ₹1.6 lakh. GM, RBI informed the House.

(Action: All Banks)

4. Kisan Credit Card (KCC) Scheme: (FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019) GM, RBI informed the House that it has been decided to extend KCC facility to Animal Husbandry farmers and Fisheries for their working capital requirements and requested the banks to implement the scheme as per the guidelines.

(Action: All Banks)

5. Ombudsman Scheme for Digital Transactions: (Circular CEPD. PRS. No. 3370/13.01.010/2018-19 dated January 31, 2019) In exercise of the powers conferred by Section 18 of the Payment and Settlement Systems Act, 2007, it was felt necessary to provide for a mechanism of Ombudsman for redressal of complaints against deficiency in services related to digital transactions by formulating Ombudsman Scheme for Digital Transactions, 2019 scheme. All the System Participants defined under the "Ombudsman Scheme" for Digital Transactions, 2019 shall come within the ambit of the scheme and should comply with the provisions of the Ombudsman scheme for Digital Transactions, 2019 and the scheme has come into force from January 31, 2019, GM, RBI informed the House.

(Action: All Banks)

6. Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit: (DBR.Dir.BC.No.22/04.02.001/2018-19 dated January 11, 2019) It has been decided by the Government of India to include merchant exporters also, w.e.f. January 2, 2019, under the ongoing Interest Equalisation Scheme for Pre and Post Shipment Rupee Export Credit and allow them interest equalisation at the rate of 3% on credit for export of products covered under 416 tariff lines identified under the Scheme and hoped that the move would boost flow of credit to the sector, GM, RBI informed the House.

(Action: All Banks)

7. Micro, Small and Medium Enterprises (MSME) sector–Restructuring of Advances: (DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019): GM, RBI informed the House that with a view to facilitate meaningful restructuring of MSME accounts (MSME as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006) that have become stressed, it has been decided to permit a one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification, subject to certain conditions and requested the banks to make use of the same in a time bound manner.

(Action: All Banks)

8. It is well recognized that financial education should commence at school level. As per our National Strategy on Financial Education (NSFE), basic financial education is required to be included in school curriculum up to Senior Secondary

level. This is based upon the premise that the most effective way to impart financial education is to weave it into the normal content of curriculum. Accordingly, CBSE has developed financial education workbooks for classes 6 to 10 in collaboration with NCFE and all financial sector regulators viz., RBI, SEBI, IRDA and PFRDA. RBI has been in touch with the state machinery since 2016 for implementation of these work books in the state school curriculum which is yet to be implemented. GM, RBI once again urged the House to impress upon this issue and ensure early implementation of these financial education workbooks in the state school curriculum. Intervening in the discussion, ACS & DC, GoK assured that the issue will be resolved early by inviting the officials from Education department & RBI.

(Action: Education department, GoK & RBI)

9. DCC & DLRC are the important coordinating fora among commercial banks, Government agencies and others at district level to review and find solutions to the problems hindering the developmental activities. Therefore, it is necessary that all the members participate and deliberate in the above meetings. On a review of the DCC / DLRC meetings, it was observed that sudden cancellation and postponement of meetings hinder participation of members in these meetings causing avoidable hardship to all. Lead banks have, therefore, been advised to abide by the annual schedule of DCC and DLRC meetings prepared in consultation with the Chairperson of the meetings, lead district officer of RBI and Public Representatives in case of DLRC and requested the Chief Secretary to advise the concerned officials not to resort to last minute change in the date of the meetings. He also requested all the LDMs not to conduct DCC and DLRC meetings simultaneously and advised LDMs to prepare separate agenda and minutes for both DCC & DLRC meetings and to send to the same to all the members.

(Action: Chairmen of DCC & DLRC in all Districts & all LDMs)

10. A study on credit utilisation by SHGs under DAY-NRLM was conducted by RBI in the intensive blocks and districts in 15 States covering 290 SHGs. The study was conducted to ascertain the quantum of loan utilized by SHGs for income generation activities.

The major findings of the study are as below:

1. In most of the states, SHGs extend loans to their members at interest rates in the range of 12-24% per annum.
2. The quantum of loans disbursed by banks to SHGs ranges from ₹50,000 to ₹10,00,000.
3. The amount of loan disbursed by the SHGs to its members ranges from ₹81,000 to ₹6,21,000. In most of the cases, the loans were disbursed among the members based on their need and in few case, SHGs disbursed them equally among members. Loan recovery is usually done on a monthly basis.
4. On an average, 65.5% of the loans disbursed by the SHGs were utilized for taking up livelihood activities by the individual members.
5. The balance credit of 34.5% of the loans were used by members for meeting social needs (12.8%), construction or repair of houses (11.8%), high cost debt swapping (7.2%) and miscellaneous purposes (2.7%).

The SHG model has turned out to be a viable one that has helped the rural poor to come out of abject poverty and from the clutches of the money lenders. The focus for banks should, therefore, continue to be on lending towards income generating productive activities. In order to facilitate use of loans for augmenting livelihoods of SHG members, banks have been advised that at least 50% of loans above ₹ 2 lakhs and 75% of loans above ₹ 4 lakhs be used primarily for income generating productive purposes, GM, RBI informed the House.

(Action: All Banks)

11.GM, RBI informed the House that, it conducts Town Hall Meetings all over the state every quarter to :

- (i) Create awareness on banking facilities amongst the entrepreneurs.
- (ii) Link the unbanked entrepreneurs to the formal banking system and
- (iii) Create a platform for a two way communication amongst the stakeholders.

He further said that the town Hall Meeting at Bellary was held on December 14, 2018. He urged all the bankers to continue their efforts for better credit flow to this sector.

Shri. C.B.L. Narasimha Rao thanked Shri. S.S. Sahota for his address to the House and requested Shri. P V S Surya Kumar CGM: NABARD to address the House.

CGM NABARD, in his speech touched upon a specific issue pertaining to the State of Karnataka in respect of total number of SHGs existing. He said that four triangulation are tried to come out of actual total number of SHGs that are functioning in the state of Karnataka.

- First triangulation was a research and survey of SHGs during 1992 conducted by NABARD and MYRADA. From the survey, it was arrived that the total number of saving linked SHGs is to the tune of 10.95 lakhs. Out of this 10.95 lakhs, credit linked were 5.56 lakh and the gap stood at 5.39 lakhs SHGs which are remaining to be credit linked. This number of SHGs continues on perpetual basis to be credit linked.
- Second triangulation was on the basis of Tandulkar report on poverty submitted during 2015. Considering five members in a household, the total number of possible potential SHGs comes to just 5.18 lakhs, (after considering rural BPL SHGs, Men SHGs and 25% of APL SHGs). Out of the total 10.95 lakhs SHGs, the remaining are about 5.77 lakhs SHGs which are to be ascertained and he named these as ghost SHGs or non-existent SHGs or double counted SHGs.
- Third triangulation was on the basis of BC model. Karnataka is most evolved state in respect of SHG movement and the estimated number of SHGs is to the tune of 5.56 lakhs. While one BC of Karnataka, which is the bigger organization in the state has credit linked around 4.23 lakhs SHGs, the remaining SHGs are credit linked by other MFIs. Only 25000 SHGs are credit linked by banking fraternity, he informed the House and was surprised to observe that all banks

put together have credit linked just 25000 SHGs, which he felt that it may not be correct.

- The fourth triangulation was of Micro Finance Institutions. He said that the MFIs play important role as large number of SHGs in the state of Karnataka are credit linked by MFIs. The MFIs charge higher rate of interest to SHGs. The bankers extend credit facilities to these MFIs as it forms the part of their Priority Sector Advances. Though NABARD is trying to find out the correct picture through its staff and SLBC sub-committee, but 5.5 lakhs ghost number of SHGs remained unidentified. He earnestly requested all the stakeholders to pay attention to this issue and to arrive at a correct number of SHGs so that proper review at all fora like BLBC/DCC/DLRC/SLBC can be taken up. Intervening in the discussion, ACS & DC requested all the stakeholders to arrive at correct number of SHGs that are functioning in the state of Karnataka.

(Action: NABARD and all banks/MFIs having SHG accounts)

Shri. C.B.L. Narasimha Rao, GM, SLBC thanked Sri. P V S Surya Kumar CGM: NABARD for his address to the House. Thereafter, regular Agenda was taken up for the deliberations by C.B.L. Narasimha Rao, Convenor- SLBC & GM, SyndicateBank.

GM informed the House that, as per the revised RBI guidelines, the SLBC convened the Steering Sub-committee Meeting on 12.02.2019 at the Conference Hall, Devanga Towers, SyndicateBank, KG Road, Bengaluru under the Chairmanship of Shri C.B.L. Narasimha Rao, General Manager, SLBC and the suggestions of the members are incorporated in the final Agenda of the 144th SLBC meeting.

AGENDA 1.0: CONFIRMATION OF THE MINUTES OF 143rd SLBC MEETING HELD ON 25.02.2019

The Minutes of 143rd SLBC Meeting held on 07th December 2018 were circulated vide letter No. 706/2018/2944/SLBC/101-143 dated 18.12.2018. The house approved the Minutes of 143rd SLBC Meeting as no suggestions for amendment were received.

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

The action taken on the various action points evolved during the 143rd SLBC meeting were taken note by the House, the details of which are as shown below:

- On the issue of Financial education to commence at school level, as per National Strategy on Financial Education (NSFE) to include basic financial education in school curriculum up to Senior Secondary level, CBSE has developed financial education workbooks for classes 6th to 10th in collaboration with NCFE and all financial sector regulators viz., RBI, SEBI, IRDA and PFRDA. RBI has been in touch with the state machinery since 2016 for implementation of these work books in the state school curriculum which is yet to be implemented. GM, RBI once again urged officials of GoK

for early implementation of these financial education workbooks in the state school curriculum. Intervening in the discussion, ACS & DC assured GM, RBI that the issue will be resolved at the earliest by inviting the officials from RBI & Education Department.

(Action: RBI & Education department)

- As per the decision taken in the 143rd SLBC, a Sub-committee consisting of the executives from the banks having lead bank roles, some prominent private banks and Executives from RBI and NABARD was formed to discuss the issue on development of standardized system for direct flow of data from CBS of the member banks to the portals of SLBC and LDMs. The first meeting of the sub-committee was held on 12.2.2019, wherein the Executives from the banks having lead bank roles along with their IT officers took part. The members discussed the issue in detail and finally they requested SLBC to provide them the standard data templates for BLBC at block level, DCC/DLRC at district level and SLBC at state level so that they can have thorough discussions with IT teams and come out with suggestions. GM, SLBC assured the members that the standard data formats will be circulated among the member banks soon, so as to enable them to study and offer their suggestions in the next sub-committee meeting to take forward the same and to implement the system at the earliest.

(Action: SLBC)

- With regard to Flow of Credit to CLSS Pradhan Mantri Awas Yojana (PMAY-Housing for All 2022), detailed discussion took place. ACS & DC wanted to know the reasons for slow progress under PMAY. Replying to ACS & DC, representatives from major banks expressed that the list in the portal is only the survey list and many people are not showing interest when the Branch Managers approach them to get the proposals. There is no provision in the portal to update this type of information so that the actual status can be reflected from time to time. ACS & DC thanked the banks for bringing out the facts and assured the House that she will advise Secretary, Housing to convene the meeting of bankers to sort out this issue at the earliest.

(Action: Secretary, Housing)

- With regard to the status of opening of banking outlets in unbanked villages, CBS-enabled banking outlets at the unbanked rural centres (URCs), GM informed the House that the No. of unbanked villages has reduced from 28 to 6. Of these 6 pending unbanked villages, 4 belong to Kotak Mahindra Bank and 2 belong to Union Bank of India. Both these banks have not at all responded till date in this regard, GM remarked. Intervening in the discussion, Director, DFS, GoI advised the executives of these two banks to open the banking outlets immediately in their allotted centres without further loss of time. In this regard, GM, RBI informed the Director, DFS that he has called the executives of Kotak Mahindra Bank and Union Bank of India to RBI and he said that he is confident of resolving the issue early.

(Action: GM, RBI, Kotak Mahindra Bank and Union Bank of India)

- With regard to the functioning of BCs from the place provided in the GPs, GM: SLBC informed the House that the department of e-governance, GoK has reported that out of 6027 GPs in the state, as on date in 1443 GPs, BCs

are operating from Gram Panchayat offices. Intervening in the discussion, ACS & DC wanted to know the reasons as to why the other BCs have not moved to GPs head quarters though the Government is ready to provide the logistics for the BCs to function from GPs head quarters. Intervening in the discussion, MD & CEO, SyndicateBank informed ACS & DC that functioning of a BC from a particular place depends on the business he can canvas. He appealed to all the banks to issue instructions to all their BCs to start functioning from GP head quarters as Government has come forward to provide the requisite logistics for the smooth functioning of the BCs. At this juncture, DGM, SBI requested the department officials to provide the list of GPs where BCs are not functioning at present so that they can immediately instruct the BCs to function from the GP head quarters. Immediately, ACS & DC advised the RDPR Officials to make available the list of GPs where BCs are not available to SLBC so that SLBC can circulate the list among the banks for complying with the Government guidelines. MD & CEO, SyndicateBank requested the banks to ensure minimum of 50% coverage of GP head quarters with BCs functioning in next 3 months and advised SLBC and the concerned department to co-ordinate in this regard.

(Action: SLBC ,RDPR and all banks having BCs in the state)

- With regard to the issue of Opening of Branches in "Aspirational Districts" (Yadgir and Raichur districts), GM: SLBC, informed the House that, SyndicateBank has already opened Brick and Mortar branch in one centre allotted to them. SBI has informed that they are in search of suitable premises for opening of branch at Kotha village of Lingsugur block in Raichur district and same will be opened shortly. PKGB has informed that they have commenced the process of opening of branch at Yelheri of Yadgir District and the branch will be opened soon.
- However, PKGB is yet to respond with regard to opening of branches in other two allotted villages viz., Idapanuru of Raichur district and Honagera of Yadgir district, GM: SLBC, remarked. The Chairman, PKGB, intervening in the discussion, informed the House that they are in the process of searching for suitable premises and assured the House that the branches will be opened at an early date. Continuing with his presentation, GM, SLBC informed the House that Canara Bank will be opening their branch at Kannekallur before 31.03.2019. However, PNB is yet to respond regarding opening of their branch at Kurkunda village of Yadgir district, GM: SLBC remarked.
- Intervening in the discussion, MD & CEO, SyndicateBank wanted to know the latest position from the executive of the PNB in this regard. Answering to the MD & CEO, executive from PNB informed the House that they have taken up the issue with their Head Office and are waiting for the reply. Not satisfied with the reply, MD & CEO informed the PNB executive that obtaining permission from the Head Office is an internal issue and any decision in the SLBC forum is binding on banks and other government departments for its compliance and advised PNB executive to comply with the instructions without further loss of time.

(Action: SBI, PKGB, Canara Bank and PNB)

2.1 Discussion on instructions issued by the Election Commission of India to banks:

With the permission of the chair, GM, SLBC invited Dr. K G Jagadeesha, IAS, Additional Chief Electoral Officer and Sri. Balakrishna, IRS, Additional Director (investigation) from Income tax department to address the House with regard to the guidelines issued by the Election Commission of India to banks in view of the ensuing general election to Loka Sabha 2019.

The Officers briefed the bankers and the Department officials present in the meeting on the following circulars issued by the Election commission of India:

SL	ECI instruction No. & Date	Briefed on
1	61/complaints/A-LS/2012/EEPS dated 19.07.2012	Collection of information from banks regarding suspicious transactions during the electioneering under Article - 324 of the constitution
2.	76/instructions/2013/EEPS/Vol. IV dated. 15.10.2013	Opening of separate bank Account for expenditure by the candidates.
3.	The Ministry of finance Letter No. F.No.60(2)/ 2008 – BO. II, dated. 20.02.2013 and Indian Banks Association instruction No. Legal/CIR/6708 dated. 04.02.2013	Transportation of clean and genuine cash by banks during elections.

After detailed presentation, the officers requested all the bankers to issue strict instructions to all the Bank Managers of the branches to strictly comply with directions contained in the above circulars on providing information on suspicious transactions, standard operating procedures to be followed during transport of clean cash by banks, opening of separate bank account and to facilitate immediate opening of accounts of the candidates for routing all transactions during the campaign period. GM, SLBC thanked both the officials and assured that the banks will comply with the guidelines issued by the Election Commission of India.

(Action: All Banks)

Once again, GM: SLBC continued with his presentation.

AGENDA-3: BANKING STATISTICS AS OF DEC 2018:

3 (a): BUSINESS FIGURES UNDER VARIOUS PARAMETERS:

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

- There is a Y-o-Y growth of **10.4%** in deposits and **11.3%** in Advances as on Dec. 2018 thereby the CD ratio has shown an improvement from **78.1%** as on Dec 2017 to **78.7%** as on Dec. 2018.
- There is a positive growth of **5.56%** in Deposits and **8.06%** in Advances as on Dec. 2018 over March 2018. The CD ratio has also shown an improvement from **77%** as on March 2018 to **78.7%** as on Dec. 2018.

- The level of PSA in the State has increased from **Rs.2,44,985 Crore as on 31.12.2017** to **Rs.2,68,507 Cr. as on 31.12.2018**. Similarly, there is a growth of **Rs.6,836 Crore as on Dec 2018 over March 2018**.
- The Agricultural advances have improved from **Rs.1,21,617 Crore as on 31.12.2017** to **Rs.1,27,448 Crore as on 31.12.2018**, showing a **y-o-y growth of Rs.5831 Crore (4.8%)**. However, there is a **decline to the extent of Rs.3,589 Crore as on Dec 2018 over March 2018**. This is mainly due to considerable decline in disbursement of Agricultural loans particularly the 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 CLWS of the GoK, GM informed the House.

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

4(a): Branch Network: GM informed the House that the number of bank branches has increased by 100 branches from 10954 as on 30.09.2018 to 11054 as on 31.12.2018. Similarly, the number of bank branches increased by 147 from 10807 as on 31.03.2018 to 11054 as on 31.12.2018.

4 (b): ATM Network: GM informed the House that there is an increase in number of ATMs by 128 from 16664 as on Sept. 2018 to 16792 as on Dec 2018. Similarly, there is an increase in number of ATMs by 169 from 16623 as on 31.03.2018 to 16792 as on 31.12.2018. However, there is a net reduction of 34 ATMs in rural area over Sept. 2018 mainly because of closure of non profitable ATMs in Rural area by Canara bank (28), Union Bank of India (8), Karnataka Bank Ltd (6), Central Bank of India (4), Vijaya bank (2), SyndicateBank (2) and Axis Bank (1), GM remarked.

4(c): Issues concerning providing 24x7 security guards to ATMs/ Branches: GM, SLBC informed the House with regard to a representation received from SyndicateBank, RO, Hubballi regarding the Issues concerning providing 24x7 security guards to ATMs/ Branches wherein, the Commissioner of Police, Hubballi-Dharwad has instructed the banks operating in the district with regard to managing ATMs and bank branches which are coming in the way of smooth functioning of the bank branches, which are as under:

- All Branches and ATMs are to be guarded 24 x 7.
- All ATMs are to be fitted with high resolution CC TV cameras covering inside and outside the ATMs.
- All ATMs are to be fitted with standalone ATM burglar alarms.
- Banks are advised to empty the cash in ATMs, if they are kept closed.
- While banks have confirmed that all ATMs are already fitted with high resolution CC TV cameras covering inside and outside the ATMs, they have expressed that posting of 24x7 guarding to all ATMs will force the banks to shut down the ATMs in view of exorbitant increase in cost of guarding on one hand and very few number of hits on the other hand which is not economically viable.

- Even if the ATMs are closed in night hours when there will not be any hits, Commissioner of Police are insisting to take out the cash in the ATMs at the time of closure and load back again when they are opened. This instruction is straining the Branch functioning because of the fact that lot of work and time is involved in unloading and loading the cash every day which has security implications also.
- This type of instruction may also pressurize the banks to close down some of the rural ATMs where the numbers of hits are negligible.
- Immediately on receipt of the above representation, GM-SLBC wrote to the CS, GoK to intervene in the matter. Immediately, the CS, GoK advised SLBC officials to meet ACS, Home Dept. GoK. Accordingly, SLBC officials met ACS and explained the above issue in detail. Listening to the details of the issue, ACS immediately responded and assured SLBC officials that necessary instructions will be passed on to all the police commissioners/SPs not to insist the banks to post guards at ATMs 24X7 and leave the issue to the banks based on the risk categorization guidelines of RBI, GM, SLBC informed the House.
- Now, SLBC is happy to inform the member banks that, the ACS, Home department has sent a directive to DG & IGP, GoK, to advise all the commissioners of police and SPs to allow banks to manage their ATMs as per RBI/IBA guidelines. A copy of the letter is enclosed for the information of the members as Annexure-2.

SLBC, on behalf of all the member banks in the state thanks the CS, GoK and ACS, Home Department, GoK for their quick decision in addressing the bankers' issue.

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

GM informed the House that, as per the latest information, only 6 centres remain as uncovered villages in the state as against 609 villages originally identified and allocated to various banks. He requested the concerned banks to ensure opening of banking outlets immediately under information to SLBC. Further, he informed the House that the 6 pending villages belong to two banks, the details of which are as under:

- Out of 6 villages which are pending for opening of banking outlets, 4 belong to Kotak Mahindra Bank. Kotak Mahindra Bank has requested SLBC to exempt them from opening of BC outlets in these 4 pending centres. However, GM, SLBC informed the executives from Kotak Mahindra bank that their request cannot be considered and requested them to engage BCs in all the 4 pending locations viz., (1) Alagumole of Kollegal taluk of Chamarajanagar District, (2) Karya village of Nanjanagud taluk of Mysore district, (3) Kamankeri of Basavana Bagevadi taluk, (4) Gornal village Indi taluk both of Vijayapura district.
- The remaining 2 centres belongs to Union Bank of India, GM, SLBC informed the House and said that the Union Bank of India has not responded to the various mails from SLBC with regard to the opening of BCs in these

two villages. He once again requested them to engage BCs in these 2 villages viz., (1) Jambal Dinni of Devadurga Taluka of Raichur district, (2) Halasangi village of Indi Taluka of Vijayapura district immediately.

Intervening in the discussion, Director, DFS, GoI advised the executives from Kotak Mahindra & Union Bank of India to open banking outlets in their allotted villages without further loss of time.

(Action: Kotak Mahindra Bank & Union Bank of India)

4 (e): Status of opening of Brick and mortar branches in villages having Population of 5000 and more:

GM, SLBC informed the House that, from time to time, SLBC has been pursuing the member banks to open Brick and Mortar branches in all the villages having population of 5000 and more. However, still 56 villages having population of 5000 and more are pending for opening of bank branches. He also mentioned that as per RBI guidelines, opening of Brick and Mortar branches in all the villages with "5000 and above population" is mandatory. This point is repeatedly discussed in the SLBC meetings without any progress till date, GM remarked and requested the bankers to comply with the GoI guidelines without further delay.

(Action: SBI, Karnataka Bank, Vijaya Bank, Canara Bank, IOB, Corporation Bank, PNB, UBI, Kotak Mahindra, BOB, BOM, Indian Bank, UCO Bank, Federal and Axis Bank)

4 (f): Review of operations of business correspondents—hurdles / issues Involved:

GM informed the House that the total number of BCs increased by 23 from 6155 as at 30.09.2018 to 6178 as at 31.12.2018 in the state and all are provided with Micro ATMs, Of these 6178 BCs, 6004 BCs are active and doing transactions through Micro ATMs. There are 174 BCs who are inactive of which 17 BCs have resigned. GM, SLBC requested the concerned banks to activate the inactive BCs and engage new BCs immediately in the locations where the existing BCs have resigned.

(Action- SBI, KGB, Canara, KVGB, PKGB, BOB, IOB, Union Bank, Kotak Mahindra, BOM, Karnataka Bank, Indian Bank, PNB, CBI banks)

4 (g) Issues in providing space in GPs for functioning of BCs:

GM informed the House that KVGB vide their mail dated 01.01.2019 has informed that, their 35 BCs have not been provided the space for functioning in the GPs. Officials from e-Governance department, informed the House that the issue has already been taken up with the concerned department and have assured that the same will be resolved early.

(Action: e-Governance department GoK)

4 (h): Opening of branches in "Aspirational Districts":

This issue has been dealt in detail in the Action Taken Report under Agenda-2.

4 (i) Issues related to connectivity:

GM informed the House that the department of Telecommunications has confirmed that connectivity issues have been resolved in all the BC locations in the state. However, they have requested SLBC to refer to them the list of BC locations where connectivity issues are noticed so as to resolve the same at the earliest.

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

4 (j) 1: MGNREGA:

GM informed the House that as per the information provided by the dept, there are 66,39,568 **MGNREGA** workers' accounts in the state of which, 36,91,953 accounts have been converted into Aadhaar Based Payment which works out to 55.61% as on 11.02.2019. GM, SLBC requested banks and the concerned govt. officials to ensure that the remaining 29,47,615 accounts are also converted into Aadhaar Based Payment accounts at the earliest.

4 (j) 2: Social Security Pensions:

GM informed the House that the dept. has informed that there are 60.77 lakh Social Security Pension beneficiaries in the State who receive pension through banks and post offices of which, 42.56 lakh beneficiaries are seeded with Aadhaar numbers. However, only 13.12 lakh beneficiaries are having bank accounts and drawing pensions through banks of which only 5.67 lakh accounts are mapped with NPCI as on 31.12.2018. The GoK has taken a decision to release the pensions only through DBT towards credit of Aadhaar seeded accounts. Hence, GM, SLBC requested all the member banks in the state to direct their branches to ensure opening of accounts of all the beneficiaries and to map with NPCI at the earliest.

4 (k) 2: Status of Aadhaar enrolment centres in banks in the state:

UIDAI, Bangalore has informed that against the targeted number of 927 centres for Aadhaar enrolment, 597 centres are active for the last 30 days. GM, SLBC requested concerned banks to ensure activation of remaining centres.

4 (l) 1: Review of inclusion of Financial Education in the School Curriculum, Financial literacy initiatives by banks (particularly digital financial literacy)

GM informed the House that as per the RBI guidelines issued vide circular 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 tailor 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. He requested all the member banks to oversee the functioning of their sponsored FLCs and ensure that correct reports are submitted to SLBC.

GM, SLBC continuing his discussions on the functioning of FLCs, informed the members of the House on observations made by the DFS, GOI on the functioning of FLCs in the review held on 17.01.2019 with Banks, which are as under:

1. Limited outreach of FLCCs (Financial Literacy and Credit Counseling Centres) / FLCs (Financial Literacy Centres).

- The FLCCs are not present at all levels i.e. district, block, town, city etc., mostly only one FLC counsellor at the district thus limiting the efforts to rural areas.
- Limited coverage of banks by the FLC Counsellors. The FLC counsellors are conducting FL camps predominantly at their respective bank branches only
- It was observed that the FLC counsellors do not have access to dedicated vehicle facilities for transport. This poses a challenge for them to reach to remote areas.

2. FLC/FLCC counsellor mobility and remuneration:

- Restricted mobility of the counsellor at the FLCC/FLC as majority of them are retired bank personnel.
- The perception of FLCC/FLC counsellor is that the remuneration for the job and allowances to conduct a camp in remote areas is not commensurate with the efforts they put in. Hence, they are not motivated to conduct camps.

3. The literacy material available with the FLCC/FLCs is limited:

All banks do not have printed leaflets in vernacular language, in most cases only RRBs (supported by NABARD) has such material.

4. Lack of proper planning of FL camps and coordination between Line departments (NRLM, NABARD, KVK etc.) and the FLCC/FLC counselor results in overlapping of FL efforts at some places and absence in some.

5. Record keeping/ Data management is a major challenge. Data relating to details of participants, topics covered are missing in most of the districts. Information on programmes coordinated/ conducted by other line departments is also not available with FLCs.

GM, SLBC requested all member banks that have sponsored FLCs in the state to keep the above aspects in mind while preparing plan of action for FLCs and also requested LDMs to visit FLCs to ensure quality and effective functioning.

(Action: All Banks, LDMs & FLCs)

4(m) Seeding of student Aadhaar to bank accounts:

GM, SLBC informed the House that SLBC has received a letter from Additional Chief Secretary and Development Commissioner, GoK dated 31.01.2019 informing that the bank branches are not immediately Seeding Aadhaar to the students' bank accounts which is coming in the way of disbursements of scholarships to all eligible students. SLBC has already forwarded the above letter to all the member banks to direct their branches to give top most priority to ensure seeding of Aadhaar to all students' accounts immediately. He informed the House that as expected progress was not seen in seeding of Aadhaar, SLBC once again received a letter dated 20.02.2019 from ACS & DC addressed to MD & CEO of SyndicateBank informing that 10.67 lakh request forms for student Aadhaar submitted to various bank branches are pending with them. Hence, GM, SLBC requested the member banks once again to issue strict instructions to their branches to complete the Aadhaar seeding process on top priority. Intervening in the discussions, the ACS & DC, GoK informed the House that the e-governance department has already made available the bank/branch wise and district wise student Aadhaar seeding request forms pending in the URL given below:

https://ssp.karnataka.gov.in:8080/aadhaarseedingstatistics_for_banks.aspx.

The ACS & DC advised all the banks to complete the exercise of Seeding/Mapping of Student Accounts with NPCI immediately. Thereafter, she advised the DBT in charge official to make a presentation in this regard. The DBT official made a presentation and explained pros and cons of seeding/mapping of students accounts with NPCI to enable the GoK to release the scholarship amounts to the accounts of the students through DBT.

(Action: All banks, LDMs & e-governance dept.)

4(n) Special Agenda: Implementation of PM-Kissan Samman Nidhi Scheme (PM-KISSAN)

GM, SLBC informed the House that GOI, has launched PM-KISSAN to provide an assured income to Small & Marginal farmers having cultivable land up to 2.0 hectares. These farmers will be provided direct income support @ Rs.6000 per annum in three equal installments of Rs.2000 each. He also brought to the notice of member banks on the directions of the GOI issued vide their letter No.3/9/2019-AC dated 10.02.2019 for strict implementation, which are as under:

- Under no circumstances, the money transferred from PM-KISSAN should be adjusted against any outstanding loan. This money is meant for specified purpose and cannot be made available for loan adjustment.
- Farmers might have unqualified right to withdraw this amount after it has been transferred to this account. There should not be denial from withdrawal on account of any outstanding adjustment.

(Action: All banks and LDMs)

4(o) Issues regarding Crop Loan waiver scheme of GoK-2019

- GM, SLBC informed the House that the Commissioner SS & LR has requested banks to refund the waiver amount released to ineligible crop loans accounts due to wrong approval of green-listed accounts. Still some of the

banks have not attended the same. Hence, GM, SLBC requested the concerned banks to refund the same immediately.

(Action: All banks)

- GM, SLBC informed the House that in Bank of Baroda and Federal Bank, as per their CBS platform, the debit balances in the crop loan accounts are reflected as "balance" and hence, requested the department to consider the "balance" as debit balance and release the waiver amount along with other banks to avoid visiting the branches for waiver of the amount again.

(Action: Finance and SS & LR departments)

- GM, SLBC informed the House that, in majority of the banks, the waiver amount released to eligible crop loan accounts reversed back due to closure of the accounts after the cutoff date due to various reasons viz., (1) farmers have closed and availed fresh loans with different account numbers (2) accounts were rephased due to announcement of natural calamity with different account number (3) accounts closed by the farmer and fresh crop loans yet to be availed. GM requested the department officials to look in to the matter and address the issue immediately.

(Action: Finance and SS & LR departments)

- 4 (p): Request of Jnana Jyothi FLCC Trust for providing rent free premises for housing the FLC at Hanagal of Haveri district:

GM, SLBC informed the House that Jnana Jyothi FLCC trust which is running 45 FLCs in the state of Karnataka have identified 2 vacant rooms kept locked outside the building of the Hanagal taluk Panchayat office and requested to allot the same to house their FLC, Hanagal which is presently functioning from a rented premises. GM, SLBC requested the RDPR to advise ZP Haveri to allot the rooms to house the FLC, Hanagal. The official from RDPR assured that necessary instructions will be issued to ZP: Haveri in this regard.

(Action: RDPR. GoK and ZP, Haveri)

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

GM, SLBC informed the House that in BLBC meetings, LDCMs are creating awareness on various schemes among all the member banks and they in turn give wide publicity for various govt. schemes, subsidy schemes and crop insurance benefits among the customers. The BCs and FLCs are playing a vital role in dissemination of information among the villagers on these schemes. GM, SLBC requested member banks to conduct extension programmes through their branches to give wide publicity to various schemes.

(Action: All banks)

- 4 (r) **Carrying out public awareness campaign on State Road Transport buses:**

GM: SLBC brought to the notice of the House with regard to the decision taken in the quarterly State Level Coordination Committee (SLCC) meeting

held during October 2015 which was Chaired by the Chief Secretary, GoK wherein it was decided to educate the investors/ public and cautioning them of fraudulent/illicit schemes through advertisements in the vernacular language by displaying on BMTC/ KSRTC Buses and in Bus shelters across the State. The Chief Secretary, GoK vide their letter No.CS.653.CHS.2015 dated 3.10.2015 addressed to SLBC has advised to coordinate with all the banks in the State to support the public awareness initiative through financial assistance from member banks as a part of CSR activity. The developments took place after this are as under:

- In response to this call, the banks totally contributed Rs 69.50 lakh @ Rs. 6.80 lakh each by SyndicateBank, Canara Bank, Corporation Bank, SBH, SBI, SBM, Vijaya Bank, Bank of Baroda, Bank of India and KVGB and Rs.1.50 lakh by PKGB.
- As per the decision taken in the 136th SLBC meeting as above, SLBC issued work order vide Note No. 011/2017/2944/SLBC/F-107 dated 04.01.2017 to M/s. Sai Advertisers and to M/s Pruthvi Outdoor Publicity LLP for BMTC. Both of them successfully accomplished the task.
- Out of Rs.69.50 lakh contributed by various banks as discussed above, Rs.33.16 lakh was incurred for first stage campaign in four districts and the balance amount Rs.36.34 lakh (Rs.69.5 minus Rs.33.16) is remaining in CO: GAD admin account 0400.114.34.
- This issue once again came up for discussion in the 140th SLBC held on 14.02.2018 and a decision was taken to go for second phase of publicity in 4 districts viz., Mangaluru, Shivamogga, Haveri & Vijayapura districts by making use of the remaining amount of Rs.36.34 lakh. The House deliberated the issue and after studying the quotes of M/s. Sai Advertisers and M/s. Padmashree Advertisers, a decision was taken to give work order in favour of M/s Sai Advertisers as they are the only approved Advertising agency from the Directorate of Advertising and Visual Publicity (DAVP), Gov. New Delhi for the purpose advertisements on BMTC/KSRTC in the state of Karnataka.
- As per the above decision, SLBC approved a note No. 034/2018/2944/SLBC dated 10.04.2018 to place work order to M/s. Sai Advertisers and M/s. Padmashree Advertisers to give publicity initially in two districts viz., Mangaluru and Haveri by making use of 36 KSRTC buses each in these two districts with an expenditure of Rs.17.84 lakh including GST.
- In the meantime, there were directions from RBI and GoK to SLBC that it has to ensure inclusion of "I-Viveka" website details in the publicity material to be advertised on the KSRTC buses under this campaign.
- In view of the above and also due to some other technical issues at the vendor level, there was delay in placing the work order to the vendor. Now the vendor has expressed his willingness to carry out the work with the same terms and conditions and at the same cost quoted earlier. Hence, SLBC has to issue work order to the vendor as per the decision already taken in the 140th SLBC.
- With the above background GM, SLBC sought the approval of the House for issuing work order to M/s Sai Advertisers to carryout publicity campaign by putting publicity material on 36 KSRTC buses each in four districts viz. Mangaluru, Haveri, Shimoga and Vijayapura for three months period with a

cost of Rs.35.68 lakh (including GST). After detailed discussion, the House permitted SLBC to issue work orders, in this regard.

- At this juncture, the ACS & DC, GoK advised the GM, SLBC to find out whether any royalty has to be paid by the service provider to KSRTC and if so, she assured to take up with KSRTC officials for waiver of the same.

(Action: SLBC)

4 (s): Progress under Social Security Schemes:

GM informed the House that the performance of banks in all the three social security schemes during the first three quarters of FY 2018-19 is satisfactory. However, keeping in view the potential available, GM, SLBC requested 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 on a campaign mode.

4 (t): Progress under PMJDY:

GM informed the House that there is a reduction in the total number of RuPay cards activated from 64.50 Lakh as on 31/03/2018 to 57.85 Lakh as on 31/12/2018. The reduction is mainly because of the decision of Canara Bank to deactivate the duplicate Rupay cards, GM remarked.

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

GM informed the House that the number of entrepreneurs financed and also the amount financed under MUDRA scheme in all the 3 segments have shown good improvement during first three quarters of FY 2018-19 over first three quarters of FY 2017-18. As members are aware, *the Karnataka state has been the forerunner in implementation of MUDRA scheme at all India level* and expecting the number one position during current financial year also, GM remarked. GM, SLBC thanked all member banks and the departments for this splendid achievement.

4(v): Providing add-on services through Toll Free Desk for addressing Public Grievances Redressal of Flag ship programmes like PMJDY, PMJJBY, PMSBY, APY, MUDRA and PMFBY:

GM brought to the notice of the House regarding the earlier directions of the DFS, MoF, GOI to SLBC Karnataka, for setting up of "Toll Free Desk" for addressing Public Grievances Redressal of Flag ship programmes like PMJDY, PMJJBY, PMSBY, APY, MUDRA and PMFBY which came up for detailed discussion in the SLBC sub-committee meeting held on 12.02.2019 as a special agenda. Among the participants, the IT officials from major banks also participated. The issue was deliberated at length and finally, to begin with, it was agreed to initiate the process of establishing the toll-free centre by appointing the staff to answer the queries of the public and later on to work out the modalities that are required to address the grievances of the public. The IT officials requested GM, SLBC to provide them the flow chart so as to arrive at consensus. Accordingly, the flow chart was made available to all the member banks and finally, the House agreed to setting up of the Toll Free Number, with the following terms and conditions:

- To begin with, Toll free centre will appoint staff who will answer queries of the public and later on to work on modalities that are required to address the grievances of the public.
- The contribution towards one-time capital expenditure and reserve for monthly revenue expenditure shall be equally shared by the following major banks. All the banks having more than 100 branches in the state are selected which are (1) SBI, (2) Canara Bank, (3) Syndicate Bank, (4) Corporation Bank, (5) Vijaya Bank, (6) Andhra Bank, (7) BOB, (8) BOI, (9) CBI, (10) IOB, (11) OBC, (12) UBI, (13) Karnataka Bank, Ltd., (14) Kothak Mahendra Bank, (15) Federal Bank, (16) HDFC Bank Ltd, (17) Axis Bank Ltd, (18) ICICI Bank Ltd, (19) KGB, (20) PKGB and (21) KVGB. All these 21 Banks shall contribute totally Rs.43.00 lakh @ Rs.2.05 lakh each and transfer the amount to the account to be opened by the SLBC. The details of the account so opened will be communicated by the SLBC to the member banks separately.
- Quarterly report covering (1) the functioning of the centre, (2) the expenditure incurred on call centre and (3) the operations in the account shall be placed as one of the agenda in the quarterly SLBC meetings for the information of the members.
- SLBC will circulate the details of the monthly expenditure incurred and paid to the vendor towards call centre operators, net and telephone bills and other misc expenditure, if any, immediately after payment of the same out of the funds contributed by 21 banks listed above and request them to remit their contribution to the same account so that the "revenue expenditure reserve" will remain in the account at all times to ensure timely payment of monthly bills.

(Action: SLBC & major banks)

AGENDA 5.0: REVIEW OF CREDIT DISBURSEMENT BY BANKS

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

GM presented a comparative analysis of disbursement up to the quarter ending Dec 2018 of FY 2018-19 vis-à-vis disbursements up to the quarter ending Dec 2017 of FY-2017-18.

- The banks have disbursed Rs.26824 Crore under Short Term loans registering 41.3% achievement to the Annual target. This needs improvement as by December quarter, banks were expected to achieve 75% over the Annual target. As such, banks are requested to ensure higher credit flow both under fresh and renewals of KCCs, GM remarked.
- The banks have disbursed Rs.23931 Crore under Agricultural Term loans registering 71.10% achievement to the Annual target. However, compared to the same period of previous financial year, the term loan disbursements are less by Rs.12111 crore in absolute terms and 33.60% in percentage terms.
- The banks have disbursed Rs.59732 Crore under MSME registering 101.70% achievement to the Annual target. The higher level disbursements compared to same period of previous year is partially because of change in definition of MSME by RBI during the current financial year.

- Banks have shown poor performance under all other components of PSA viz., Export Credit, Education, Housing, Social Infrastructure and Renewable energy.
- SLBC verified the number of crop loan accounts and amount rephased during the first 3 quarters of the FY 2018-19. It is found that 1,12,326 crop loan accounts amounting to Rs.2641.42 Crore have been rephased which might have been reflected as term loan disbursements under agriculture, GM informed the House.

5 (b): Preparation of ACP for 2019-2020:

GM, SLBC informed the House that LDMs have already initiated steps for preparation of ACP for the FY 2019-2020. In this regard, SLBC has already advised all the LDMs and banks to ensure that the ACP is prepared considering the formation of new taluks and taking into account the deletion and addition of taluks if any into the particular district, GM remarked.

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

GM informed the House that as per RBI guidelines, performance under Govt. sponsored schemes shall be discussed in the subcommittee meetings and the major observations shall be brought to the main SLBC besides circulating the proceedings of sub-committee meeting along with Action points to all member banks and line departments. He observed that, still in many of the schemes, sponsoring of applications is not upto the expected level and requested the line departments to sponsor the applications immediately to avoid bunching of applications in the last quarter of the FY 2018-19. Intervening in the discussion, the Chief Secretary, GoK once again advised all the departments to sponsor the applications immediately as the model code of conduct may come into force anytime, which comes in the way of further sponsoring of applications.

(Action: All line departments)

5 (d): CREDIT FLOW TO MINORITY COMMUNITIES

- GM informed the House that there is a growth of Rs.4023 Crore (11.42%) in advances to minority communities as at Dec 2018 over March 2018. The share of advances to minority communities in total PSA has increased from 13.45% as at March 2018 to 14.61% as at 31.12.2018, GM remarked. He hoped that with the same trend, the share of minority community advances in the state will surpass the mandatory level of 15% soon.

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

GM informed the House that the flow of credit to minority communities in all the three minority community concentrated districts has surpassed the mandatory level of 15% of total Priority Sector Advances of respective Districts.

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

KCC Loans:

- GM informed the House that 22,60,385 cards are issued up to Dec 2018 quarter of FY 2018-19 amounting to Rs.18,630.16 Crore (including renewals). The cumulative outstanding number of KCCs stood at 50,04,193 with an outstanding amount of Rs.55,708.55 Crore.
- In addition to Crop loans, banks have also extended pledge loans to the 2092 farmers in the state involving an amount of Rs.230.22 Crore up to Dec 2018 quarter of financial year 2018-19. The cumulative outstanding number of pledge loans stood at 4970 with an outstanding amount of Rs.516.47 Crore, GM remarked.

5. (g) Special Drive to saturate farmers in extending KCCs in a campaign mode:

GM, informed the House that the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW), GOI has decided to launch a special drive on campaign mode with an objective to saturate the farmers under the KCC scheme. In this context, the DAC&FW is separately requesting state governments to organize camps village-wise or bank branch-wise to facilitate farmers in completing KCC application forms with supporting documents including land records and hand them over to respective bank branches.

Keeping in view the importance of the campaign to saturate farmers under KCC, GM, SLBC requested the member banks to see that the timely issue of KCCs under this drive shall be closely monitored at the level of an Executive Director to be nominated as Nodal Officer.

(Action: All banks & Department of Agriculture)

5 (h): PMFBY

5 (h).1: The enrolment under PMFBY Rabi & summer 2018-19 as on 09/01/2019 is as under:

GM informed the House that GoK has issued the notification dated 01/10/2018 on PMFBY for Rabi and Summer 2018-19 seasons. This notification has been communicated to all member banks by SLBC with a request to advise their branches to cover all notified crops of loanee farmers and also non-loanee farmers whenever they approach the branches. All cut off dates of Rabi season are over and in case of summer, only one cut off date is remaining which will be due on 28/02/2019, GM remarked.

5(h).2: PMFBY-Kharif 2016 Claim Initiation/pendency:

GM informed the House that the claim pendency has reduced only by a nominal amount of Rs.3.35 Crore from Rs.109.93 Crore as on 30.11.2018 to Rs.105.98 Crore as on 25/11/2019. The major issue for pendency is Paddy-Rice issue, Minor to Major” and “Major to Minor” Crop categorization issue, newly formed IUs issue.

Further, GM, SLBC observed that, in view of long pendency in settling the claims on many occasions, the farmers lost their patience and staged dharanas and agitations in front of the branches and disturbed normal functioning of branches. Hence, GM, SLBC requested the department officials and the insurance companies to settle the above claims at the earliest.

5 (h).3: PMFBY-Rabi 2016-17 Claim Initiation/pendency:

GM informed the House that the pending claim amount has marginally reduced from Rs.201.72 Crore as at 30.11.2018 to Rs.200.69 Crore as at 21.02.2019. The major issue for the pendency is "Higher to Higher unit" issue due to non-conduct of sufficient number of crop cutting experiments. GM, SLBC requested the department and the insurance companies to settle the above remaining claims at the earliest.

5 (h).4: Summer 2016-17 Claim Initiation/pendency:

GM, informed the House that the department officials have reported that the settlement of claims are under process. He informed that while Shriram GIC have settled all pending claims after last SLBC, there is no response from other two companies viz., AIC & UIIC. GM, SLBC requested AIC & UIIC to settle the claims early.

5(h).5: Kharif 2017 Claim Initiation/pendency:

The pending claim amount has considerably reduced from Rs.20.46 Cr. as at 30.11.2018 to Rs.8.16 Cr. as at 02.01.2019. The major reason for the pending claims is because of NEFT rejections due to discrepancies in "Account numbers" and "Threshold Yield issues". GM, SLBC requested the department and the insurance companies to settle the remaining claims at the earliest.

(Action: Department of Agriculture and crop insurance companies)

5 (h) 6: PMFBY Claim issue of Tumkur District:

GM, SLBC, brought to the notice of the House regarding the letter received from the CEO, ZP of Tumkur district vide their letter dated 20.12.2018 wherein it is reported that claims in respect of 9551 farmers of Tumkur district have been rejected by the insurance companies for various reasons under PMFBY Kharif 2017. The CEO has informed that the farmers have not received the claims due to not providing proof of debit of premium/ debiting of premium after cutoff date and other reasons.

The CEO, ZP has attributed the non settlement of claims in above cases to negligence on the part of bank branches and requested SLBC to conduct an enquiry into the matter and take up with the concerned banks to make good the losses incurred by the farmers. SLBC contacted some of the field level functionaries/branches and discussed about the reasons for the lapses. They informed that all the above claims are in respect of Non-Loanee farmers who turned up at the branches at the fag-end/ last day of the cutoff date and credited the premium to their SB accounts up to late hours. Thereby, the branches could not debit the premium to SB accounts on the same day due to late hours and

closure of CBS services. Further, there was pressure on the branches to accept the applications even in late hours as non-acceptance would have led to law and order problem. SLBC also contacted the AIC who have also confirmed that more than 97% of the farmers in the above referred 9551 cases where claims have been rejected are non-loanee farmers.

In view of the genuine problems faced by the bank branches, GM, SLBC requested the department to take a sympathetic view and pursue the insurance companies to settle the claims as a special case. Intervening in the discussion, the Secretary, Agriculture, GoK assured GM, SLBC that he will take up the issue with the concerned insurance companies and try to settle the issue at the earliest.

Further, in order to avoid last minute rush at the branches, GM, SLBC requested the Secretary, Agriculture, GoK to:

- Activate all CSCs to enroll the crop insurance proposals of Non-Loanees and exempt the banks to enroll the non-loanees so that they can only enroll the loanee farmers in a better manner.
- Alternatively, bank branches shall be given a minimum 10 days to debit premium from the accounts of the non-loanee farmers from each cutoff date. The Secretary, Agriculture, GoK assured GM, SLBC to look into the request of the SLBC.

(Action: Secretary, Agriculture)

5 (i) Education Loans:

GM, SLBC informed the House that, during the review period of the FY 2018-19, various banks in the state of Karnataka have sanctioned Education loans to the tune of Rs.1645 Crore covering 83529 students as against the annual financial target of Rs.6027 Crore under both priority and non-priority segments. 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 28.8% only, GM remarked. Thus, GM requested all the banks to organise Education Loan campaigns in collaboration with Universities/ Colleges. Focussed attention by bank branches is required for this programme so that the targets are achieved well before the closure the FY 2018-19.

5 (j) Progress under SHG-Bank linkage/ Joint Liability Groups:

5 (j) 1: SELF HELP GROUPS:

As against the annual target for Credit linking of 2,50,000 SHGs for the FY 2018-19, banks have Credit linked 233947 SHGs up to the quarter ending Dec.2018. The performance of banks under Credit linkage of SHGs stood at 93.58%. However, the average finance per group works out to Rs.0.98 lakh during the year and Rs.1.27 lakh since inception which needs to be improved to achieve the financial target, GM, informed the House.

(Action: All banks and NRLM)

5 (j).2: JOINT LIABILITY GROUPS:

As against the annual target for Credit linking of 90,000 JLGs for the State for the FY 2018-19, banks have Credit linked 349501 JLGs with a Credit limit of Rs.2910.22 Crore up to Dec 2018. The performance of Banks under Credit linkage of JLGs stood at 388%. The good work done by banks may be continued so as to cover all eligible JLGs in the state, GM remarked.

AGENDA 6.0: DOUBLING OF FARMERS' INCOME BY 2022

6.1: Doubling of Farmers' Income (DFI) by 2022

GM, SLBC requested the DGM, NABARD to make presentation on various agenda notes of NABARD. The DGM, NABARD made detailed presentation on the agenda notes pertaining to NABARD in general and in particular with regard to "Doubling of Farmers' Income". He touched upon major recommendations of the committee pertaining to production credit, which are as follows:

1. Diversification into high value produce like; horticulture, livestock, and fisheries.
2. 'Har khet ko pani'
3. Promotion of water saving drip and sprinkler irrigation systems
4. Choosing drought-tolerant crops.
5. Institutional credit to all farmers, as about 50 to 60% farmers only is currently under the institutional credit.
6. Post-production management and agricultural markets are crucial for doubling farmers' income.

Further, NABARD has prepared Potential Linked Credit Plans (PLPs) for the year 2019-20 for all the 30 districts and due care has been taken to assess the Agriculture Credit Potential on realistic basis, to ensure adequate credit is made available to the agriculture sector, which will enhance farmers income, DGM, NABARD remarked. He also presented the **projections under the State Focus Paper vis-à-vis the achievements of the Annual Credit Plan.**

7.0: CD RATIO, REVIEW OF DISTRICTS WITH CD RATIO BELOW 60% AND WORKING OF SPECIAL SUB-COMMITTEES OF DCC (SCC)

The CD Ratio of the state as a whole as on 31.12.2018 has witnessed an increase of 1.8% from **76.9% as on 31.03.2018 to 78.7% as on 31.12.2018.**

However, the CD ratio of the following banks viz., Dena Bank, IOB, Karnataka Bank & Bhandan Bank are still below 60%. Similarly, Uttara Kannada, Udupi & Dharwad districts have shown the CD Ratio of less than 60% as on 31.12.2018. GM, SLBC requested the executives from Dena Bank, IOB, Karnataka Bank & Bhandan Bank as well as LDMs of Uttara Kannada, Udupi & Dharwad districts to ensure increased lending to reach the bench mark level of 60% CD ratio at an early date.

**(Action: Dena Bank, IOB, Karnataka Bank & Bhandan Bank & LDMs
Banks operating in Uttar Kannada, Udupi & Dharwad districts)**

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

8.1 NON-PERFORMING ASSETS POSITION:

GM informed the House that:

- NPAs in all sectors excepting MSME have shown an increasing trend.
- NPAs under total advances have increased from 5.9% as at 31/03/2018 to 8.1% as at 31/12/2018.
- NPAs under Agri advances have increased from 8.9% as at 31/03/2018 to 12.7% as at 31/12/2018.
- NPAs under total PSA have increased from 7.5% as at 31/03/2018 to 12.7% as at 31/12/2018.

GM, SLBC informed the House that increasing trend in NPAs is a matter of concern for the banks & requested for the intervention from the GoK in improving recovery by creating awareness and organizing recovery drives.

(Action: Govt. departments)

8.2 RECOVERY OF BANK DUES UNDER PMEGP

GM informed the House that, after the deliberations in the 142nd & 143rd SLBC meetings, officials from KVIC/KVIB/DIC have organized joint recovery drives and this has resulted in bringing down the NPA level to a considerable extent and thanked the department officials for their support in organizing joint recovery drives and requested the officials to continue to organize joint recovery drives involving banks on a continuous basis.

(Action: KVIC/KVIB/DIC & banks)

8.3 RECOVERY OF BANK DUES UNDER KPMR & KACOMP Acts:

GM, SLBC informed the House that:

- Banks have filed very few cases under KPMR & KACOMP Acts during all the three quarters of the FY 2018-19. Banks have expressed that the concerned authorities are not accepting RC applications in view of the prevailing CLWS.
- Just 1186 RC cases have been recovered during FY 2018-19 up to Dec 2018 as against 29226 RC cases pending as at the beginning of Dec. 2018.

GM, SLBC, requested the departments and the banks to arrange more and more joint recovery drives in association with Revenue Officials to improve recovery in RC filed cases. He also requested LDMs to coordinate the joint recovery drives in a big way.

(Action: LDMs, revenue officials & concerned Govt. departments)

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

8.4 (a): Recovery during first three quarters of the FY 2018-19:

GM informed the House that the amount recovered compared to the amount involved is nominal at 12.73% under SARFAESI, 5.59% under DRT and 4.83% under LOK Adaalat.

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

The above agenda was discussed at length and finally, GM, SLBC requested all member banks and LDMs to take immediate steps for extending relief measures as per the extant guidelines of RBI. He also requested the banks and LDMs to refer the latest RBI master circular on relief measures i.e., 8/05.10.001/2017-18 dated 3rd July 2017.

(Action: LDMs and all banks)

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

10.1: Performance under MSME support programme in the state of Karnataka:

GM: SLBC presented a detailed note on the performance under MSME support programme in the state of Karnataka and informed the House that the performance of all the five districts in the state of Karnataka under MSME outreach programme was very good and it was appreciated by the DFS, GOI in the VC held on 06.02.19. GM thanked all the banks and officials from the Govt department for this excellent performance and requested to put up the same zeal and enthusiasm in extending credit to needy MSME units on priority on continuous basis.

(Action: All banks & related Govt. departments)

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

With regard to 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).

No discussions were held in the House as there is no data/information for discussions 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 (a): Functioning and performance of RUDSETI/RSETIs in Karnataka state:

GM informed the House that:

- 33 RUDSETI/ RSETIs are functional in the state of Karnataka.
- These 33 RUDSETI/ RSETIs have trained 18658 candidates in 715 training programmes during the quarter ending December of FY 2018-19 i.e. from

01.04.2018 to 31.12.2018 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 75.35% and in terms of number of programmes, it is 79.26%. The performance is good and in the remaining one quarter of the financial year 2018-19, RSETIs shall not only achieve the target but surpass the same with good margin.
- 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 eligible RUDSETI/ RSETIs trained candidates to increase the reach. Banks are also requested to sponsor more and more candidates to the RSETIs for training so that the quality of lending especially under MUDRA scheme can be improved to a considerable extent, GM remarked.

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

Kaveri online Services:

GM: SLBC informed the House that SLBC has already communicated to the controlling offices of all member Banks that the Department of Stamps and Registration, Govt. of Karnataka have developed "Kaveri Online Services" which is a web based application and requested the bankers to make use of the same for filing (1) Declarations in Form-3 and (2) Discharge Deeds under KACO&MP Act.1974 through Kaveri Online Services and help the farmers in saving their time and energy by avoiding their multiple visits to office of the Sub Registrar for these purposes.

Further, GM, SLBC informed the House that, SLBC received a letter from the CS, GoK requesting the banks not to make the farmers to visit Sub Registrar office to file Form-3 to create charge in favour of the bank at the time of availing loan and again for cancellation of charge after closure of the account. SLBC has circulated the message of the CS, GoK among all the member banks and LDMs with a request to make use of the above online services launched by the GoK so as to ensure that farmers are not made to visit Sub-Registrar's office frequently, GM remarked.

(Action: All banks and LDMs)

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

GM shared few success stories of the candidates trained by RSETIs /RUDSETIs and requested the member banks to send success stories of their RSETIs to SLBC regularly.

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

With regard to various agenda items under this viz., (a): Ponzi Schemes / Illegal Activities of Unincorporated Bodies / Firms / Companies Soliciting Deposits from the Public (b): Banking Related Cyber Frauds, phishing, etc. (c): Instances of usurious activities by lending entities in the area, cases of over Indebtedness with regard to Credit related frauds by borrower groups etc. GM, SLBC informed the House about the latest details of the units with nature of activities with whom banks should exercise caution to avoid possible frauds and financial loss.

(Action: All banks and LDMs)

AGENDA 16.0: ISSUES REMAINING UNRESOLVED AT DCC/DLRC MEETING

This time, none of the LDMs have submitted the information under this agenda and hence no discussion took place.

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

GM informed the House that this agenda is repeatedly being discussed in all the meetings and observed that neither the banks nor the Govt. departments are adhering to time schedules for submitting the requisite data to SLBC from time to time which is coming in the way of timely consolidation of statistics/information which helps SLBC & Govt to have a detailed discussion and to arrive at decisions which will help the stake holders for smooth implementation of the various govt schemes. He once again appealed all the banks and Govt. departments to submit the data to SLBC in time in future.

(Action: All banks and line departments)

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

18.1: GM, SLBC brought to the notice of the House with regard to the letter received from the Vijaya Bank, Head Office, Bangalore wherein it is reported that the Karnataka Solar Power Development Corporation, Bangalore has taken Agriculture lands of the farmers on lease basis for setting up of Solar Park who have already availed loans against the mortgage of their lands to the bank. The Corporation is taking the lands on lease in Pavagada Taluk of Tumkur district without taking NOC from the bank and without clearing the loans availed by the farmers. This has lead to large number of agricultural loans becoming NPA. GM, SLBC requested the House to direct the corporation to clear the dues of the banks before taking the land on lease basis. Intervening in the discussion, ACS & DC, GoK assured the House that she will convene a meeting of officials from Solar Power Development Corporation, Bangalore to resolve the issue at an early date.

(Action: Solar Power Development Corporation, Bangalore)

18.2: Representations for opening of bank branches:

18.2 (a): GM, SLBC informed the House that a representation received from Dr. K. Annadani, Hon'ble, MLA of Malavalli Constituency requesting for opening of a KGB Branch at Mikkeri GP of Mandya district was forwarded to the Chairman, KGB and also to LDM, Mandya with a request to examine the feasibility of

opening a bank branch at Mikkeri GP. LDM, Mandya replied that there is already a branch of KGB functioning within a radius of 2 Kms and hence opening of a bank branch in Mikkeri village is not feasible. SLBC has already communicated this aspect vide our letter No.55 dated 25.01.2019 to the Special Officer, Finance Department, GoK to inform the Hon'ble MLA accordingly, GM informed the House for the information of members.

18.2 (b): The CS, GoK has forwarded the representation of Sri. A.S. Jayram, Hon'ble MLA of Turuvekere constituency recommending for re-opening of State Bank of India branch operating at Chandrashekarapura, Gubbi Taluka of Tumkur district which was closed three months back due to fire accident. The public are facing lot of difficulties to travel for about 9 KMs for carrying out their routine financial transactions at SBI, Kallur branch. Chennakeshava Pura is the Hobli head quarters having population of more than ten thousand and also having a Police Station, First grade College, Marriage hall and coconut Mandis. This is also linked with about 15 villages. The MLA has also represented that as there is lot of potential in this Hobli Head quarters and also in the villages linked to it, one branch is not sufficient to extend good banking service to all customers. Hence, the Hon'ble MLA has requested to open a new bank branch of any nationalized bank in addition to ensure functioning of existing SBI branch at the earliest. Intervening in the discussion, MD & CEO, SyndicateBank advised the executive from SBI to ensure functioning of the branch immediately and requested other banks to examine whether one more bank branch can be opened in the said village. The official from SBI and other member banks agreed to do the needful in the matter at the earliest.

(Action: SBI & Other banks)

18.2 (c): GM, SLBC brought to the notice of the House regarding the representation received from the Citizens' forum, Shishuvanahalli, Navalagund Taluk, Dharwad district requesting for opening of a bank branch in Shishuvanahalli village. GM, SLBC requested the chairman, KVGB to look into the matter and do the needful at the earliest for which the chairman, KVGB assured to examine the request and to inform the outcome to SLBC immediately.

(Action: Chairman, KVGB)

18.2 (d): GM, SLBC brought to the notice of the House with regard to the letter received from RBI, Mumbai office along with the representation of the villagers of Kodicheruvu of Kolar district for opening of a bank branch in Kodicheruvu Village. GM, SLBC requested LDM: Kolar to examine the request of the villagers for opening a branch and to update the status on the issue to SLBC immediately.

(Action: LDM, Kolar)

18.3 (a): Non participation of Branch Managers in BLBC meetings:

Detailed discussion took place with regard to the issue of non participation of Branch Managers in BLBC meetings. In spite of the clear cut instructions from RBI which have been reiterated vide latest master circular on Lead Bank Scheme No. RBI/2018-19/5 FIDD.CO.LBS. BC.No.2/02.01.001/2018-19 dated July 2, 2018, SLBC often receive letters and emails from LDMs, DCs/DMs of various districts informing that the Branch Managers are very casual in attending

the BLBC meetings and many times the attendance is very poor, GM informed the House.

In this regard, GM, SLBC requested controlling office of all the banks to reiterate the RBI guidelines and to direct their branches strictly to attend the BLBC meetings compulsorily. He also requested all LDMs to send a report on attendance of Branch Heads in BLBC meetings to SLBC so as to review in SLBC meetings effectively.

(Action: All banks & LDMs)

18. 3 (b): Non participation of District Coordinators of the Banks in DLRC meetings:

SLBC is receiving mails and letters from the LDMs, DCs/DMs of various districts that the District Coordinators of various banks are not regularly attending the DLRC meetings. Reiterating the importance of DLRC meetings and participation of district co-ordinators in the DLRC/DCC meetings, GM, SLBC requested all the member banks to direct their district coordinators to attend the DLRC/DCC meetings regularly without fail.

(Action: All banks)

AGENDA-19: SUB COMMITTEE MEETINGS HELD DURING THE REVIEW PERIOD:

19. SLBC Sub-committee meetings conducted during the Review period:

19.1: GM, SLBC brought to the notice of the House that some of the Sub-committee meetings are not being convened regularly because of the following reasons:

- Non availability of dates from the Chairmen of the Sub-Committees.
- Cancellation and/or postponement of the sub-committee meetings on many occasions.

In this regard, GM, SLBC requested the ACS & DC, GoK to advise the Chairmen of the Sub-Committees to give dates for conducting Sub-Committees meetings as and when the convenors of the committees approach for the same. Once the date is given, if for any reason, if the Chairmen are not available on that particular date, instead of postponing the meeting, the Chairmen shall be advised to depute his immediate next official to chair the meeting. Intervening in the discussion, ACS & DC, GoK assured GM, SLBC that necessary instructions will be issued immediately in this regard to the concerned officials.

Further, GM, SLBC requested the member banks and the departments to submit the data in time so as to have meaningful discussions in the sub-committee meetings at quarterly intervals and to place a compact note in the regular SLBC meetings. Further, the convenors of the committees are requested to send the proceedings of the meetings with action points to SLBC immediately so as to circulate the same among all the members, GM, informed the House.

(Action: Chairmen & Convenors of all Sub-committees)

21.0: REFUND OF WRONG INPUT SUBSIDY PAYMENTS:

G M, SLBC brought to the notice of the House with regard to the letter received from the Commissioner, SS & LR, GoK vide their mail dated 16.02.2019 wherein he has brought to the notice of the banks that an amount of Rs.3,46,562,947 was wrongly credited to 2375 SB accounts of farmers in branches of 31 banks in Kodagu District. In this regard, GM, SLBC requested the concerned banks to refund the amount to the account mentioned in the mail i.e. CALAMITY RELIEF FUND A/c No.54001150679 in SBI Vidhana Soudha Branch without further loss of time.

(Action: Concerned bank branches)

22.0: COMPLIANTS RECEIVED FROM PUBLIC THROUGH DFS, GOI AND GOK:

GM, SLBC informed the House that SLBC receives complaints from public through DFS, GoI and GoK and the complaints received at SLBC are forwarded to various banks for resolution. However, it is observed, that many a times, there will be no response from the banks and SLBC will not know whether such grievances are addressed or not. In this regard, GM, SLBC requested all the banks to inform the latest position with regard to complaint forwarded to them by SLBC and to dispose of the complaints within 15 days of the receipt of the same under information to SLBC in future.

(Action: All banks)

At the end, summing up the meeting, ACS & DC, GoK observed that there were many absentees, especially from Government departments and requested GM, SLBC to provide the list of participants along with list of invitees so as to enable her to send letters seeking the reasons for absence in the SLBC meeting. She expressed her displeasure for the poor attendance and reiterated the importance of participation by all the members of SLBC so as to arrive at proper decisions to take the things forward.

(Action: SLBC)

The meeting came to an end with vote of thanks from Smt. Vijayalakshmi, DGM, Canara Bank to the House.



(C B L Narasimha Rao)
SLBC Convenor and
GM-SyndicateBank

SLBC – KARNATAKA

LIST OF PARTICIPANTS

144th SLBC Meeting held on 25.02.2019

Sl. No.	Name Shriyuths -	Designation	Organization
1	T M Vijay Bhaskar	Chief Secretary	Govt of Karnataka
2	Mrs. Vandita sharma	Addl. Chief Sec. & Dev. Com.	Govt of Karnataka
3	Ms. Mudita Mishra	Director	DFS, Government of India
4	Sri. Mrutyunjay Mahapatra	Managing Director & CEO	Syndicate Bank
5	Sri. S.S. Sahota	General Manager	Reserve Bank of India
6	Sri. C B L Narasimha Rao	Convenor-SLBC & GM	Syndicate Bank
7	P V S Surya Kumar	Chief General Manager	NABARD
STATE GOVERNMENT DEPARTMENTS			
8	H.L. Prabhakara	Project Director	Department of (e-Governance)
9	K. Annapurna	Project director (DBT)	DPAr (e – Governance)
10	Maheshwar rao	Secretary for Agriculture	Agriculture Department
11	H.B. Shobha	Deputy Director of Agriculture	Agriculture Department
12	B. Shivaraju	Addl Director of Agriculture	Agriculture Department
13	H.S. Jay Kumar	Joint director (TC)	Commerce & Industries
14	Anil Kumar Jha	Principal Secretary	Finance Department
15	Sunil Kurtkoti	Advisor	Finance Department (GoK)
16	M.K. Aiyappa	Secretary	RDPR
17	M. Kanagavalli	Commissioner	RDPR
18	B.R. Nagabhushana	Jt Reg of Co-op Societies	Sericulture Department
19	S. Malleswarappa	Director	Dept of Collegiate Education
20	H.M. Srinivasa	Addl. Director	MSME - Gok
21	D. Nataraja	Assistant Director	MSME - GOI
22	B.S. Nandini	Joint Director (RI & SEP)	MSME Directorate
23	U.P. Singh	Commissioner	AH & VS
24	Dr. M.S. Palegar	Joint Director	AH & VS
25	Ramakrishna	Director	Dept of Fisheries
26	Rohith S	Project Engineer	RDPR
27	Amith Prakash	Assistant manager	NHB
28	Manjunath	ADCL	NHB
29	Ramakrishna B Mane	State Director for RSETIS	NACER
30	K.S. Naveen	Additional director	Co-operative Department
31	G. Brahmaiah	Director	Dept of telecommunication - Gol
32	K.S. Govindaraj	Addl. Director	Dept of Telecommunications
33	M. Nagendrappa	JTO	Dept of Telecommunications
34	Dr. M.R. Ravi	Commissioner	Textiles
35	Dinesh K Hebbar	Deputy director	Textiles
36	Dr. Sadashiva	Joint Director	Karnataka Milk Federation (KMF)
37	Shivaswamy C P	General Manager	Bhovi
38	B. Balakrishna	Addl Director (IT)	Income Tax
39	Dr. K.G. jagdeesha	Addl Chief Electoral Officer	Chief electrol office
40	K.M. Pranesh	Addl Chief Electoral Officer	Chief electrol office
41	Suresh Sagar	Kassia – Jt. Secretary	KASSIA
42	Eranna	Under Secretary	Skill Development
43	B.N. Nagaraja	State Mission Manager	Commissionerate of E & L DAY NULM
44	Sunitha .F. kalasurmath	SMM – MIS Expert	Commissionerate of E & L DAY NULM
45	Shyam Sunder	Executive – Financial Inclusion	Sanjeevini - KSRLM

RESERVE BANK OF INDIA			
46	Sanjeev Singh	General manager	RBI
47	N B Dattatreya	Asst. General Manager	RBI
APEX INSTITUTION			
48	A K Sarangi	Dy. General Manager	NABARD
CONVENOR – SYNDICATE BANK			
49	K S Karunakara	Deputy General Manager	Syndicate Bank - SLBC
50	K.N. Janardhana	Asst General Manager	Syndicate Bank – SLBC
51	Y A Vajanthree	Chief Manager	Syndicate Bank – SLBC
52	Chandrashekarappa K	Sr Manager	Syndicate Bank – SLBC
53	K. Ramachandra Bhat	Deouty General Manager	Syndicate Bank – ZO – Bengaluru
54	Yetish M D	Sr Manager	Syndicate Bank – ZO – Bengaluru
55	Ananda Nayaka K N	Senior Manager	Syndicate Bank – SLBC
56	Ravi Kumara	Senior Manager	Syndicate Bank – SLBC
57	B Nagaraja	Senior manager	Syndicate Bank – SLBC
58	Ankur	Asst. Manager	Syndicate Bank – SLBC
STATE BANK OF INDIA			
59	Sesh Kumar Adiraju	Dy. General Manager	State Bank of India
60	S V Srinivasa	Chief Manager	State Bank of India
NATIONALISED BANKS			
61	M.V. Balasubramanyam	General Manager	Corporation Bank
62	I.V. Shashidhara	Chief Manager	Corporation Bank
63	T.S. Sadanandan	Asst. General Manager	UCO Bank
64	Amudha S	Manager	UCO Bank
65	C.S. Vijayalakshmi	Deputay general Manager	Canara Bank
66	Tulsiram	Senior Manager	Canara Bank
67	Amit Kumar	Senior Manager	Canara Bank
68	C.G. Thakre	Chief Manager	Bank of Baroda
69	R. Kiran Phulekar	Manager	Allahabad Bank
70	B. Kumaran	Chief Manager	Allahabad Bank
71	Amith Thomas Zacharia	Asst. Gen Manager	Andhra Bank
72	Sandeep Kumar Guptha	Zonal Manager	Indian Bank
73	T. Rudrappa	Chief Manager	Indian Bank
74	K Srinivas Prabhu	Chief Manager	Indian Overseas Bank
75	K. Shivanand	Deputy General Manager	Central Bank of India
76	Md. Imtiaz Ahsar	Senior Manager	Central Bank of India
78	Sandeep Satpathy	Senior Manager	Central Bank of India
79	Ramdas Hegde	Deputy Gen Manager	Punjab National Bank
80	Amol P	Manager	Punjab National Bank
81	Anju C	Asst. Manager	Oriental Bank of Commerce
82	S. Eswarappa	DGM, ZM	Bank of India
83	Suhas B	Assistant General Manager	Union Bank of India
84	Yuvaraj Kedar	Deputy Manager	Bank of Maharashtra
85	Chitra Dayar	Deputy Gen manager	Bank of Maharashtra
86	Smartin K Cherian	Manager	Vijaya Bank
87	M. Sreedhar Murthy	Deputy Gen Manager	Vijaya bank
88	Niranjana Kumar	Chief Manager	Vijaya bank
89	Mohan C	Asst. Gen Manager	Dena Bank
90	Amit Kumar	Manager	Dena Bank
91	M. Vidya Shankar	Officer	Punjab & Sind Bank
92	Sanjeev Agarwal	Executive	J & k Bank
93	S. Basheer Wani	Associate Executive	J & k Bank
94	N C Venkatesh	Assistant General Manager	IDBI

REGIONAL RURAL BANKS			
95	Shreenath Joshi	Chairman	Pragati Krishna Grameena Bank
96	Bhuvanendra Takoor	Chairman	Kaveri Grameena Bank
97	Sreedhara N	Chief manager	Karnataka Vikas Grameena Bank
PRIVATE BANKS			
98	K.P. Manjunath	Vice President	YES Bank
99	Mahesh V	Cluster Head	HDFC Bank
100	Shareef M k	Nodal Manager Karnataka	Axis Bank
101	A. Nagaraja Rao	Senior Manager	Karnataka bank
102	Gracy V V	RO, Manager	South Indian Bank
103	Shivalingappa	DVP – Area head	Equitas Small Finance Bank
104	Sachin K B	Deputy Manager	Ujjivan Small Finance Bank
105	Manoj Kumar M	Senior Manager	Federal Bank
106	A. Sudheer	Area credit Manager	DCB Bank Ltd
107	G.V. Harish Babu	Portfolio Manager	DCB Bank Ltd
108	Praveen C V	Officer	Lakshmi Vilas Bank
109	P.V. Subhash	Asst. Vice president	Lakshmi Vilas Bank, RO, Bengaluru
110	S.M. Sundaram	Regional Development Manager	City Union Bank
111	Suman Guptha	Asst. Vice President	Kotak Mahindra
112	R. Raghunath	Regional head	Dhanalakshmi Bank
113	Pinto A P	Assistant Manager - Credit	Catholic Syrian Bank
114	Armugaraj S	Asst. Manager	Tamilnad Mercantile Bank Ltd
115	G.T. Bharath	Technical officer	KSCARD Bank
CO OPERATIVE BANKS/ OTHER BANKS/INSTITUTIONS			
116	N.S. Krishna Murthy	Deputy General Manager	Apex Bank
BOARDS/CORPORATIONS/GOVT. OF INDIA			
117	E. Rajanna	Developmental officer	K V I B
118	K.P. Venugopal	Assistant Director	K V I C
119	K. Revanappa	Managing Director	D.D. Urs. B.C. Dev Corporation
120	Surendra babu G	ADG	UIDAI
121	Rohini G Hiremath	General Manager - I	K S W D C
122	K. Krishnaraj	Asst. General Manager	DR. BR A D C Ltd
123	ShivaKumar S M	Joint General Manager	HUDCO Ltd
124	S.S. Nagesh	Senior Manager	K.M.V.S.T. Dev. Corporation
125	Islauddin G	Managing Director	KMDC
126	V D Nishchith	AMD	KSRLPS - NRLM
INSURANCE COMPANIES			
127	M Arjunan	SBM (P&GS)	LIC of India
128	Vinay Kumar M	Executive	Universal sompu InsCo
129	R. Smitha	Asst. manager	Ull Ins co ltd
130	Annu Naik	Manager	Ull Ins co ltd
131	Avinash singh	State head	Future General India Ins Co ltd
132	Nalini Rao	Manager	Oriental Insurance Co ltd
133	Revathi chandra	Manager	Oriental Insurance Co ltd
134	Vasanth Kumar	Chief Manager	TATA AIG Gen Ins co Ltd
LEAD DISTRICT MANAGERS			
135	C Basavaraju	Lead District Chief Manager	LDO, Hassan
136	D.C. Rudresh	Lead District Chief Manager	LDO, Udupi
137	Somana Gowda Ainapura	Lead District Chief Manager	LDO, Vijayapura
138	P.M. Pinjar	Lead District Chief Manager	LDO, Uttara kannada
