STATE LEVEL BANKERS’ COMMITTEE - KARNATAKA

**Convenor – SYNDICATE BANK, CORPORATE OFFICE, BANGALORE**

MINUTES OF THE 123rd SLBC MEETING HELD ON 31.12.2012

The 123rd SLBC Meeting was held on 31st December 2012 at the Conference Hall, III Floor, Vidhana Soudha, Bangalore under the chairmanship of Sri M.G. Sanghvi, Chairman-SLBC & CMD, Syndicate Bank.

The Chairman-SLBC extended New Year Greetings and Hearty welcome to Sri S.V. Ranganath, Chief Secretary, GoK., Sri Kaushik Mukherjee, Addl. Chief Secretary & Dev. Commissioner, GoK, Smt Uma Shankar, Regional Director, RBI & Sri S.N.A. Jinnah, CGM, NABARD. He also extended New Year Greetings and Warm welcome to the Principal Secretaries, Secretaries, Senior Officials from GoK representing different Line Departments and Managing Directors/Heads of State Level Corporations/Boards, Chairmen of RRBs, Executives from RBI, NABARD, Commercial Banks, Co-op. Banks, Micro-finance Institutions, other Financial Institutions, Insurance Companies and representatives from Print and Electronic media who were present to cover the event.

Before highlighting the performance under key thrust areas during the first half-year of current fiscal (2012-13) and other issues, he touched upon the “Direct Benefit Transfer” (DBT) scheme, an ambitious and flagship programme of GoI. He said that the implementation of the scheme is closely monitored by Ministry of Finance, Govt. of India, which indicates the level of significance attached to the scheme. The subsidies, wages, scholarships, social security pensions etc under various Govt funded schemes are to be directly credited to the beneficiaries’ Bank Accounts to avoid delay, plug leakages and attain more transparency. He said that the scheme is going to be rolled out in 3 Districts of Karnataka, viz., Tumkur, Mysore & Dharwad, w.e.f. 1.1.2013 on pilot basis. He also briefed the strategies adopted to accomplish the task in tune with Govt. of India guidelines. Several rounds of meeting were held at various levels chaired by the Chief Secretary, the Chairman-SLBC, the Managing Director-SBM, and Executive Directors of SyndicateBank etc. in which the SLBC Convenor also participated. The DCs, the Bankers, LDMs and other senior Government officials along with the field level functionaries from the Govt. Departments were present and the DBT Scheme was discussed in detail emphasizing the need to complete the process and be ready for the implementation with effect of 01/01/2013 in the said three districts.

He informed about the wide publicity measures taken, engagement of NGOs for conducting survey for opening not only one account per house hold but also beneficiaries’ accounts under various schemes and linking of Aadhaar numbers. The various departments have to provide the digitized and authenticated data base to the bankers along with Aadhaar numbers. He was hopeful that the task would be completed by all the Banks by closing hours of 31st Dec. 2012. For the purpose of opening the accounts, camps have been organized with pre-determined schedule. The banks were advised to ensure that their CBS system can capture the Aadhaar numbers and provide adequate number of different access points (branch/ATM/CD, BCA/CSC etc.) to enable the beneficiary to withdraw the money. On account of the implementation of DBT as per directions of DFS, the coverage in terms of population would no longer be relevant and the entire areas of the districts, as per the roll out plan, would need to be covered with the banking facilities. All the account holders are to be invariably issued with debit cards/smart cards. He said that the connectivity with NPCI plays a significant role in facilitating inter-operability and all Banks are requested to take appropriate steps in this regard. Banks were advised to cover all the villages on Gram Panchayat concept irrespective of the population, under a new approach called Sub Service Area approach as per DFS directions. All Banks were requested to ensure that FI server is integrated with CBS server to facilitate online transaction on real time basis and also to continue with the existing BC arrangement pending finalization of the BC under common RFP so that there is no impediment for carrying forward the FI process.

He informed that the list of villages in the shadow area has already been provided to the LDMs of Tumkur, Mysore and Dharwar where BC facilities are not there within a radius of 2 kms and Bank branches are not available within the radius of 5 kms based on data uploaded in Geographical Information System (GIS). LDMs have been entrusted with the responsibility of guiding the various Banks and monitoring the process to ensure that BCAs/Branches are in place.

The Chairman said that he visited Tumkur on 19.12.2012 and interacted with the Bankers and Government officials and impressed upon them the need to complete the task in time by planning suitable strategies. The MD, SBM also visited Tumkur to review the progress. The EDs of SyndicateBank visited Mysore and Dharwar to take stock of the progress. The apex level meeting chaired by the Chief Secretary, GoK also gave fillip in taking forward the scheme in right earnest.

He informed that during the meeting of Hon’ble Union Finance Minister with the Chief Ministers of South Zone and CEOs of PSBs and FIs at Bangalore on 20.11.2012, the Hon’ble Union Finance Minister reiterated the need to expand the banking facilities with special focus on segments like the weaker sections, minority communities, micro and small enterprises, housing, education etc. Hon’ble Chief Minister of Karnataka expressed concern on the lower CD ratio of the state when compared with the neighbouring states and the Hon’ble Finance Minister emphasized the need to improve the CD ratio substantially. All Banks were requested to give required attention and take appropriate steps in improving the CD ratio substantially to reach a level of at least 80% during the next one year from the present level of 74.33%.

Thereafter, he placed before the august house, the performance under key business indicators during the first half year as under:

**Drought affected Taluks:** He said that in the State, 157 Taluks spread over 28 Districts have been declared as drought affected by the State Administration. The concerned LDMs had convened special DCC meetings and deliberated on relief measures in terms of RBI guidelines on Natural calamities. So far, the Banks have converted 18,552 Crop Loans into Term Loans involving an amount of Rs. 179.69 crore and rephased 66,434 Term Loan accounts with credit limit of Rs. 807.07 crore. Further, the Banks have also lent fresh Crop Loans to 4,223 farmers with credit limit of Rs. 44.89 crore and extended 1,662 fresh Term Loans involving credit limit of Rs. 59.58 crore. He appealed to all the Banks to expedite implementation of relief measures, if not already done.

**Bhoomi- Bank Integration:**

He said that as on 24.12.2012, the Banks have carried out 22,720 online transactions. He requested all the Banks involved in Agriculture lending, once again, to expedite implementation of the project in toto ensuring 100% coverage of all transaction.

**FINANCIAL INCLUSION & INCLUSIVE GROWTH**

He reiterated that The SLBC theme for the current year is “**Comprehensive Financial Inclusion”.** In the first phase, all the identified 3395 unbanked villages have been provided with banking outlets. Under population group of 1600 to 2000 as per 2001 census, **1562 villages** in the State under **Swabhimaan** Financial Inclusion Plan have been identified and allocated to the Banks based on Gram Panchayat model for providing banking outlets. **As of 20th December 2012, 272 villages are covered by BCs.** The participating Banks have already been advised to make use of existing BCs for providing services in other villages without waiting for common RFP mechanism as it may take some more time to be put in place. All Banks were requested to complete the process of Financial Inclusion in the identified villages by 28.2.2013 without fail. In tune with RBI guidelines on roadmap for providing banking services in villages with population below 2000, the LDMs have allocated 23,481 villages having less than 2000 population in their respective districts. He requested the Banks to proceed in right earnest to ensure compliance on time bound manner as per the road map.

He informed that SLBC had convened the meeting of Nodal Officers of LIC & Non-Life Companies at the State Level and discussed about Micro Insurance (Life) and Non- Life Insurance products available for Rural people.

**Urban Financial Inclusion:**

He said that GoI has been emphasizing the need for transferring of benefits under govt. funded schemes to beneficiaries by direct credit to their Bank accounts. These beneficiaries are not only inhabitants of rural villages but also comprise of urban poor and slum dwellers residing in the Urban / Metro centres. The LDMs have already allocated wards to the Banks in Urban areas and SLBC has allocated wards to Banks in Bangalore Metro. All the Banks were requested to ensure at least one Bank account per family.

**OPENING OF BANK BRANCHES UNDER FINANCIAL INCLUSION**

He informed that the districts of Bidar, Chamarajanagar, Gulbarga, Bangalore Rural, Koppal and Raichur have been identified by RBI as underbanked. 38 villages are identified with population of 5000 & above, out of which branches have been opened in 30 villages, which includes 16 USBs as of 30th Nov 2012 and in habitations of 10000 & above, branch has been in opened in one village by SBM.

As the success of Financial Inclusion depends upon the pace with which financial literacy and financial education are provided to the villagers, he said that major Banks have set up 42 FLCs so far. He requested all the concerned Banks, to ensure effective counseling through the FLCs to achieve Financial Inclusion in a meaningful and holistic manner.

**ANNUAL CREDIT PLAN 2012-13**

While highlighting on Annual Credit plan, he said that the Banks have disbursed **Rs. 27806** crore during the first half year 2012 against annual target of **Rs. 54503** crore recording an achievement level of **51.01%** under Total Priority Sector. The disbursement under Agriculture sector was **Rs. 17782** crore vis-a-vis the annual target of **Rs. 36512** crore, registering **48.70%** achievement. Banks have disbursed Rs. 11945 crore under crop loans against the annual target of Rs. 22223 crore, thereby recording 53.75% achievement. He appealed to all the Banks to boost up the disbursements under agriculture loans to surpass the annual target and also urged for making upward revision in the target under MSE segment as the Banks have already achieved 95% of the annual target under secondary sector. The Sub-Committee on Annual Credit Plan has also suggested to increase the target to Rs. 11930 crore, previous year disbursement level, so that the total target under Priority sector would go up to Rs. 61805 crore for the current fiscal. He said that there was also a suggestion during the meeting of Hon’ble Union Finance Minister on 20.11.2012 to revise the target under Priority Sector.

He informed that the Interest Subsidy claim in respect of 5,66,850 farmers to the tune of Rs. 31.29 crore have been settled by Dept. of Agriculture so far. He appealed to the Bankers to submit all the eligible claims under the scheme immediately. He also requested **GoK to extend Interest Subsidy Scheme to the Private Sector Banks also in view of considerable amount of agriculture finance made by leading Private Sector Banks.**

**HOUSING SCHEMES:**

He informed that Banks have been extending Housing finance to increase the availability of dwelling units and have disbursed Rs. 1888 crore covering 29282 accounts during the first half year. The outstanding level of advances under Housing stood at Rs. 26632 crore spread over 436225 accounts. He said that the 1% interest subvention scheme has been liberalized by extending the limit upto Rs. 15 lakh by GoI and will remain in force upto 31.3.2013. He requested the Bankers to make use of Interest Subvention scheme to the maximum possible extent.

**EDUCATION LOANS:**

He said that that in accordance with modified IBA guidelines to provide financial assistance for deserving and meritorious students to pursue higher studies, Banks have disbursed Rs. 478 crore to 20691 students upto Sep. 2012 and the outstanding level of education loans was Rs. 4249 crore covering 214580 accounts. The SLBC has already allocated the targets to member Banks so as to improve the level of outstanding loans under Education to **Rs. 5125 cr spread over 255293 accounts** by 31.3.2013. RBI has advised that Service Area norms are to be adhered only in the case of Govt sponsored schemes and are not applicable to sanction of education loans.

###### MICRO, SMALL & MEDIUM ENTERPRISES SECTOR:

He informed that the outstanding level of advances under MSME was Rs. 54393 crore as at Sep 2012 registering an increase of Rs. 10448 crore over corresponding Sep 2011 position, thereby, showing Y-o-Y growth of 23.78%. Under MSE, Rs. 4399 crore has been disbursed upto Sep 2012 as against the annual target of Rs. 4628 crore. Under CGTMSE scheme, Banks have cumulatively sanctioned credit to 75160 units aggregating to Rs. 3708 crore. He requested all the Banks to play a proactive role in extending eligible financial support to the eligible units by making full use of CGTMSE scheme.

**Self Help Groups, Joint Liability Groups and Micro Credit :**

Continuing his keynote address, he said that the Govt., through NABARD and Banking Institutions, is emphasizing & encouraging formation of Self Help Groups / Joint Liability Groups of farmers. The target of providing KCCs/GCCs to financially excluded people, particularly tenant farmers, oral lessees, landless labourers and those belonging to weaker section can best be addressed by linking this programme with promotion of JLGs/SHGs. Banks have disbursed loan of Rs. 883 crore to SHGs under direct linkage in the first half year, of which the share of women SHG was Rs. 819 crore.

**Credit to Weaker Sections:**

He informed that the level of advances under Weaker Sections was Rs. 39085 crore as of Sep 2012 against the level of Rs. 26910 crore during the corresponding previous year. Banks have shown Y-O-Y growth of 45.24 % in the level of outstanding advances under weaker sections as at Sep 2012 over the previous year. The % of advances to weaker sections to total credit stood at 12.82% as against the stipulated target of 10%.

**Credit to Minority Communities:**

He informed that the level of advances under Minority Communities was Rs. 13874 crore as of Sep 2012 compared to the level of Rs. 11055 crore during the corresponding previous period, recording an absolute increase of Rs. 2819 crore. Banks have recorded Y-o-Y growth of 25.50% in the level of outstanding advances under minority communities as at Sep 2012. Banks have been able to achieve a level of 11.35% of PSA from 10.11% as of March 2011, against minimum stipulated level of 15% of PSA. He said that Banks are moving in the right direction and appeal to the Banks to boost advances to minority communities to reach the stipulated level of 15%. Credit flow to minority communities, during the year upto Sep 2012 accounts for Rs. 2052 crore covering 172012 beneficiaries. The performance in identified districts viz., Bidar (19%), Dakshina Kannada (26%) & Gulbarga (16%) was satisfactory as the level of advances was more than 15%.

Later on, he highlighted in brief, the data based performance of banking sector relating to deposits, advances, CD Ratio, Priority Sector Credit, Agriculture Credit, Credit to Women segment, etc. as on 30th Sep 2012. Further, he requested the Banks to furnish the information on the Corporates having their units located in Karnataka and availing credit facilities from branches located outside the State so as to arrive at the adjusted C D Ratio.

He requested the State administration to associate with Banks in organising joint recovery drives to reduce the NPA level and to maintain the quality of the assets. Credit needs to be efficiently recycled and hence timely recovery is of utmost importance. He reiterated that though credit is an important input in any developmental activity by itself it may not be adequate unless backed by necessary infrastructure (backward and forward linkage) to make the activity sustainable and viable in the long run.

He was glad to mention that all the Sub-committee meetings of SLBC were held during the quarter. He requested the Convenors of all the Sub-Committees to conduct such meetings on quarterly basis without fail and submit the recommendations of the Committees to SLBC for further deliberations and needful action.

He informed that Cauvery Kalpatharu Grameena Bank, ChiKo Grameena Bank & Vishweshawarayya Grameena Bank were amalgamated into single RRB, named as Kaveri Grameena Bank w.e.f. 1.11.2012.

He once again expressed sincere gratitude and New Year Greetings to the Chief Secretary, Development Commissioner, Principal Secretaries and other Govt. Officials, RD : RBI, CGM : NABARD, and Bankers and all other participants for their participation in the meeting.

**Sri Kaushik Mukherjee, the Addl. Chief Secretary & Development Commissioner** in his address informed that the Chairman-SLBC has covered all the points comprehensively in the key note address. The greatest challenge for Banking and Telecom sector to-day is how to achieve last mile connectivity and serving the last man. The DBT is also aimed at reaching the last man. The speedy growth of NBFCs reflects the need for Banks to be more effective. The NBFCs are levying exorbitant rate of interest and are adopting predatory system. However, they have failed recently in Andhra Pradesh, which ultimately indicate that the Banks have to extend their tentacles to the remote areas and serve the last man. Hence, there is a need for responsive credit system to take over predatory lending system. In case of SHGs, Banks are satisfied with 100% recovery but in reality, the members are availing finance for only consumption activities and real assets are not created. There is a need to impart training for capacity building and to make them entrepreneurs to take up income generating activities. The major Banks in the State can also examine the issue of financing agriculture produce to prevent distress sale by the farmers during post-harvest glut by forming a Small Committee.

As regards growth in business, he informed that by taking into account the prevailing inflation, there is no actual growth or it might be very meager. He expressed concern over mounting NPAs and assured the Chairman-SLBC to extend all possible support in conducting recovery camps with the assistance of Revenue department. He said that initial due diligence and human approach play crucial role in curbing the NPAs. The qualitative target is to be accorded top priority rather than going for mere number / quantitative target approach. The viability of loans is to be meticulously analyzed during incipient stage itself and wherever genuine, nursing programme is to be taken up by extending additional finance. In case of hard nuts, they have to be tackled sternly. The State has witnessed severe drought during the last year and current year, which is unprecedented in the last 30 years. But still, there is no public outcry & indiscipline and the farmers have become resilient in facing the adverse situation / natural calamities at the ground level. The State Govt and the Banks are two sides of the same coin. There is a need to work jointly with the objective of delivering services to the last man.

**Smt Uma Shankar, Regional Director RBI**, in her address, thanked the Addl. Chief Secretary & Development Commissioner, GoK for assuring the required assistance to Banks for recovering hardcore and willful NPAs. But, NPA position shall not compel the Banks to slow down lending to productive sectors. The performance of Banks under govt. sponsored schemes as well as recovery in the State has to be improved to attain parity with the performance level of the Banks in other Southern States. Thereafter, she touched upon the following key parameters.

1. **15% brick & mortar branches**: As advised by the Hon’ble Governor, RBI, during his meeting with the CMDs/CEOs of Karnataka based Banks, they are required to open at least 15% of brick & mortar branches in the unbanked villages having population more than 2000. However, she observed that many Banks have not achieved the target. In view of the liberalized branch licensing policy, she requested the Bankers to bestow their personal attention and open at least 15% brick & mortar branches in these unbanked villages at the earliest.
2. **Disaggregation of FIPs**: She said that Banks are required to ensure Controlling Office-wise disaggregation of their Board approved FIP targets, in the revised format, and to submit a consolidated progress report of all the Controlling Offices in Karnataka to SLBC, Karnataka, under a copy to RBI, Bangalore to enable them to monitor the progress at a granular level. The first such report for the month ended October 31, 2012 shall be submitted by the Banks to SLBC and RBI by November 20, 2012 and subsequently, the same shall be forwarded to RBI by 10th of the succeeding month. Further, to enable RBI to follow up the matter on a regular basis, Nodal Officer/s may be identified for this purpose and the name/s, contact No/s. and e-mail address/es of such Officer/s may also be furnished to RBI. However, she mentioned that only some of the Karnataka based Banks have so far submitted the above information to them for the months of October & November, 2012. She, therefore, requested all the other bankers, including Karnataka based banks, to kindly instruct their officials to submit the required information, in the prescribed format, immediately and also adhere to the time schedule indicated therein for submission of data in future.
3. **UIDAI – Implementation of Aadhaar enabled payments:** She informed that from January 1, 2013 in 51 select districts in the country – 3 districts are chosen from Karnataka viz., Mysore, Tumkur and Dharwad. She requested all the Bankers in these 3 identified districts to gear up their machinery and ensure successful roll out of Aadhaar enabled payments from January 1, 2013.
4. **“One District – Many Banks – One Leader Bank” model**: She recalled that during the 118th SLBC meeting held on September 7, 2011, it was brought to the notice of the House the RBI Circular dated August 12, 2011 on “Operational Guidelines on implementation of EBT and its convergence with FIP, in terms of which “One District – Many Banks – One Leader Bank model” may be adopted henceforth for EBT implementation. However, it has come to their notice that GoK has allotted Koppal District to ICICI Bank on October 28, 2011 for disbursement of wages to the wage seekers through Smart Cards on bio-metric basis under MGNREGA. **She, therefore, requested the Chief Secretary to personally look into the matter in the light of the above RBI guidelines**.

While concluding her address, she extended New Year Greetings to all the participants.

**Sri S.N.A. Jinnah, CGM, NABARD**, Karnataka Regional Office, in his address, concurred with the views expressed by ACS & DC, GoK that the banking business growth in the State is nominal & not real owing to inflation and considering stock position is not a good indicator for measuring growth. He expressed concern that the CD Ratio in the State has been hovering around 74% as compared to 119% of Andhra Pradesh and 105% of Tamil Nadu. He indicated that the Commercial Bank hold the key in improving the CD ratio through increased lending as their CD ratio is only 72% as compared to 88% of RRBs and 119% of Cooperatives as on 30 September 2012.

Referring to level of achievement under Annual Credit Plan-2012-13, he indicated that the achievement for Primary Sector stood at 48% as compared to 92% in Secondary Sector. The Commercial Banks’ achievement under Primary Sector stood at 48% only as compared to 69% of RRBs and Cooperative banks. The State had fallen short of the targets under Primary Sector in the previous year and it has to be ensured that the same does not happen this year.

He highlighted the role of Banks in mitigating drought impact by way of financial services as 157 out of 176 Taluks in the State have been declared as drought affected. The number of KCCs outstanding was 36.08 lakh against 68 lakh farmers and the number of loans converted was only 18552, which is quite low when compared to the number of loan accounts. He exhorted the bankers to do introspection. Speaking on Drought Mitigation Scheme announced by the GOI, he indicated that the Scheme would come to an end on 31 December 2012 and bankers should take advantage of the same. One of the effective ways of mitigating drought and increasing the production and productivity is through credit related activities in watershed areas. NABARD has been implementing Watershed Development programme with an aggregate sanctioned amount of Rs.159.63 crore to 231 projects in Karnataka and Banks should ensure 100% KCC coverage in these areas.

Referring to the areca package of GOI being implemented by NABARD, he indicated that the Hon’ble High Court of Karnataka had passed an order on 25th September 2012 that the scheme has to be implemented within 3 months i.e. by 25th December 2012 and hoped that the Bankers would have ensured proper implementation of the scheme. He requested the bankers to furnish the data to SLBC for onward transmission to NABARD/GOI.

As regards KCC scheme, he indicated that the revised KCCs are required to be issued as per the directions of DFS: GOI. He said that considering the number of KCC accounts outstanding at 36,89,523 and around 12 lakh accounts are expected to come up for renewal annually, however, only 4,48,599 fresh KCCs have been issued till December 2012, there is a need for issue of new KCC cards on campaign mode. Further, Bankers were advised to ensure that KCCs issued are Rupay compliant.

Speaking on Financial Inclusion, CGM informed the House that Cooperatives and RRBs are eligible for NABARD assistance under Financial Inclusion Technology Fund (FITF), the fund managed by NABARD towards publicity, setting up of micro ATMs at Point of Sale (PoS) to the extent of Rs.25,000.

He indicated that the District Comprehensive Financial Services’ plan has not been completed in many districts & requested all LDMs to expedite the preparation and percolation of the Plan to the branch level at the earliest.

He also pointed out that price realization by farmers in the State continued to remain poor and it was essential to introduce/integrate the farmers with the commodity markets and setting up of warehouses in the State. NABARD has conducted a number of training programmes in association with the Forward Markets Commission and Banks should take advantage of this increased awareness in farmers about commodity markets.

He informed that rural bankers are plagued with NPAs and said that wherever Farmers’ Clubs were functioning the NPAs were low. He advised the Bankers to take advantage of NABARD’s Farmers’ Club Programme for formation and maintenance of Farmers’ Clubs.

Speaking on SHGs, he indicated that the Cooperatives are taking the lead in formation of SHGs. He pointed out that Karnataka was the only State where micro finance institutions have covered more number of households as compared to the Banking system and the Banks preferably Commercial Banks and Regional Rural Banks need to take concerted steps to increase their outreach to SHG programme.

He also highlighted about 2-3 important events planned for the year viz., moving of NABARD Regional Office to its own premises at KG Road, holding of the State Credit Seminar with a focus on critical infrastructure for the State as well as Best Performance Awards Function for SHGs and Farmers’ Clubs.

The ACS & DC asked Sri Ajay Seth, Principal Secretary (B&R), GoK to present to the House about the preparedness for rolling out DBT scheme in 3 Districts. The Pr. Secretary informed that the Govt. of India has identified 34 schemes and the State has identified 5 schemes (4 under SSP & 1 under MGNREGS) and the total comes to 39 schemes. A meeting through Video Conference was held under the chairmanship of the Chief Secretary with the DCs and LDMs along with SLBC Convenor to review the current status. Roughly, 14 to 15 schemes will be implemented in the State. The progress in opening of accounts is fairly good in Mysore & Tumkur Districts and the Aadhaar enrolment is around 95%. In respect of Dharwad, the progress is not upto the mark and the Branch Managers are not participating in the camps being organized by the District Administration. The Branch officials have to furnish the account number of the beneficiaries in case of existing account holders and complete the formalities in case of opening the fresh accounts. Wherever the beneficiary has not been enrolled under Aadhaar, the District Administration is making arrangement for enrolment through mobile units. The list of SSP beneficiaries in respect of Mysore & Tumkur Districts was supplied to SLBC and concerned LDMs in e-file in October. The required progress report is yet to be collected by SLBC. Under any scheme, if 95% is not achieved, such schemes cannot be rolled out.

The Convenor-SLBC mentioned that all Banks have been informed to step up their efforts in this regard and requested all the participating Banks to furnish the required information immediately. The Chairman-SLBC informed that Banks are conducting door to door survey for opening the accounts with simplified account opening forms and posted additional manpower. In many places, people are not available and hardly 25% of the beneficiaries have received Aadhaar cards. Lot of cards are pending for delivery at Post Offices and in some cases, correct address is not available for delivery. SyndicateBank has taken the available information / data from UIDAI directly and inactive accounts have been opened. The objective is not only to open the account for the purpose of transferring the benefits but also to build up future business through meeting the other financial needs of the beneficiaries. In many schemes, the digitized and authenticated e-list of beneficiaries was received just 2 days back. The Banks have been putting all out efforts to accomplish the task. The Banks are ready to extend all possible cooperation in successful rolling out of the scheme.

The GM, SBI informed that they have received only the names of the beneficiaries under Janani Suraksha Yojana . There are lots of duplications of names furnished in the list. It is very difficult to open the accounts complying KYC norms by using the list provided by the District Administration. Advance information regarding schedule of camps is required to make adequate arrangements. The GM, SBI further informed that Post Offices are discouraging the beneficiaries for opening the accounts in banks.

Smt Latha Krishna Rao, Pr. Secretary, Revenue Dept., GoK informed that the SSP is a State scheme and a meeting of Bankers along with SLBC convenor was convened to take stock of the situation. There is a need to gear up the machinery to accomplish the task and Aadhaar number has to be linked to the existing account holders. The Banks have given a limit of Rs. 20,000 to Rs. 30,000 for BCs and only Canara Bank has given a limit of Rs. 1 lakh per BC. Hence, she requested the Banks to enhance the limit to adequate level to facilitate BCs for speedy disbursement of benefits.

The Director, NREGS informed that 100% electronic fund transfer is taking place in 7 Districts without Aadhaar number also. Lots of Job-card holders are having Post Office account and they have to open Bank accounts for electronic fund transfer under CBS platform. They have scheduled camps for 10 days from 10th to 20th January 2013. in the remaining 23 districts, out of 40 lacs account holders details furnished in excel sheet, 75% accounts have been reported invalid. Opening of accounts is in progress. The old 4 digits accounts are to be technically mapped with new 14 digits CBS accounts. He requested SLBC convenor to impress upon the banks once again the significance of accounts opening for smooth running of the scheme.

Sri S.V.Ranganath, Chief Secretary, GoK advised the Line Depts to get confirmation from the banks as regards receipt of e-list of scheme beneficiaries & CDs. There is a need for de-duplication & under SSP, frequent follow-up is required as there are huge number of beneficiaries. The State Govt has accorded top priority for SSP & NREGS. Banks & State Govt must be on the same page & work jointly. He suggested for constituting a Sub-committee under the chairmanship of Principal Secretary, Revenue dept and other members shall be Director-SSP, Representative-Finance dept & GMs of Canara Bank, SyndicateBank, SBI, SBM, Vijaya bank and Corporation bank in-charge of Financial Inclusion depts. SLBC convenor will be the convenor of the proposed sub-committee. Bank account seeded with Aadhaar number is very much essential for making payments. The DC has to be in touch with SLBC convenor & LDM with DC on daily basis. Implementation of SSP scheme through Post Office is not satisfactory. The considered view of the public is to migrate to Banks. The same has been discussed in the cabinet meeting also.

The DDG, UIDAI informed that there is substantial progress in Tumkur & Mysore Districts in the State as compared to other States. Over 95% enrollment & 90% Aadhaar cards issue were achieved. The Chief Secretary had convened 4 meetings. District Administration & Banks have done good work. To support the efforts of Banks & State Govt. beneficiaries’ target oriented approach has been adopted. Soon after enrollment, UIDAI is taking up processing & printing of Aadhaar cards on priority. e-Aadhaar base is created to map EID number with Aadhaar number and to generate printed letters. About 21 Banks are APBS compliant and 16 Banks have signed MOU with UIDAI. Other Banks were requested to comply with the same. The Chairman-SLBC informed that the matter regarding certain clauses in the UIDAI agreement format has already been taken up with IBA and DFS.

The ED, SyndicateBank informed that most of the Banks are APBS compliant and for other Banks it may take some more time. 9 Banks have already entered into agreement with NPCI and 2 are on board.

The CERSAI representative made a PowerPoint presentation on Central Registry. It has been set up under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. As such, all Banks and financial institution which are covered under SARFAESI Act are statutorily required to file their charges with CERSAI. All Public & Private Sector Banks and Regional Rural Banks in the country have already registered with CERSAI. They are permitting institutions not covered by CERSAI also to register with CERSAI so that their data base is complete. He explained in brief the types of charges eligible for filing, status of registration, total number of registrations (State-wise & Institution-wise) and requirements of registration. He requested SLBC to review the performance on quarterly basis as per the format provided by them.

The National Housing Bank representative made a Power Point presentation on Credit Risk Guarantee Fund Scheme for Low Income Housing. The broad objectives of the Trust are to (1) provide default guarantee for housing loans upto 5 lakhs sanctioned and disbursed by the lending institutions in urban areas without any collateral security and/or third party guarantees to the new borrowers in the EWS/LIG categories (2) undertake securitisation of the guaranteed loans and to do all other acts or things as may be necessary, either directly or otherwise, in such manner as may be decided by the Board of Trustees (3) do such other acts and things as may be incidental to or consequential to the objectives. He also briefed about the eligible Institutions, expected benefits, eligible loans, guarantee fee, guarantee cover, guarantee claim, invocation of guarantee, returns and inspections.

Thereafter, Agenda was taken up for deliberation by the Convenor Sri K.P. Muralidharan & GM, Syndicate Bank.

**AGENDA 1.0 CONFIRMATION OF THE MINUTES OF 122nd SLBC MEETING**

# The Minutes of 122nd SLBC Meeting held on 5.9.2012 were circulated vide letter No. 551/2944/SLBC/-F-101-122 dated 21.9.2012. The Minutes were approved as no suggestions for amendments received.

**AGENDA: 2.1: Direct Cash Transfer Scheme (DCT) in Tumkur, Mysore & Dharwad districts.**

Govt. of India has decided to introduce Direct Cash Transfer into the Bank account of the beneficiary under various welfare schemes w.e.f 1.1.2013 in 43 pilot districts of 18 States in the first phase and cover other districts in 18 States from 1.04.2013. In Karnataka, Tumkur, Mysore and Dharwad districts are selected for Direct Cash Transfer in the first phase. The scheme name has been rechristened as “Direct Benefit Transfer” (DBT). The stipulated action points and the actions carried out at ground level by the Banks in association with Line Departments of District Administration were presented to the House.

The directions received from DFS: MoF: GoI on DBT in pilot districts vide their letters dated 4.12.2012, 5.12.2012, 20.12.2012 & 21.12.2012 and already incorporated in the agenda notes were also deliberated threadbare in the meeting. All the stakeholders were requested to monitor the progress on daily basis. Besides, Banks can also explore the possibilities of engaging Common Service Centres as BCAs in tune with DFS guidelines.

**(Action : Banks / GoK)**

**Agenda 2.2:** **Minutes of the Meeting of the Hon`ble Finance Minister with Chief Ministers of South Zone States/UTs and CEOs of Public Sector Banks and Financial Institutions at Bengaluru on 20.11.2012.**

A gist of the above meeting with the opening and concluding remarks by the Hon’ble Union Finance Minister, observations of the Chief Minister of Karnataka, response of Deputy Governor of RBI, Chairman NABARD were presented to the House. All Banks were requested to note the observations of Hon’ble Chief Minister of Karnataka and initiate appropriate action on the various issues.

**(Action : Banks )**

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

**2.3: Drought affected Taluks in Karnataka State for the year 2012-13**

The GoK has declared **157 taluks** as drought-hit during the current fiscal 2012-13. The list of drought affected taluks (district-wise) spread over 28 districts was communicated to all the Banks / LDMs and were advised to initiate necessary relief measures. Further, the concerned LDMs had convened special DCC meetings and deliberated upon the relief measures. The issue was also deliberated in the Sub-committee Meetings of SLBC on Annual Credit Plan & Credit Flow to Agriculture held during the quarter. As per the information gathered, the Banks have converted 18,552 Crop Loans into Term Loans involving an amount of Rs. 179.69 crore and rephased 66,434 Term Loan accounts with credit limit of Rs. 807.07 crore. Further, the Banks have also lent fresh Crop Loans to 4,223 farmers with credit limit of Rs. 44.89 crore and extended 1,662 fresh Term Loans involving credit limit of 59.58 crore. All the Banks were requested to expedite implementation of relief measures, if not completed.

**(Action : Banks)**

**Scheme for Drought mitigation in the State of Karnataka**

The GoI has launched a Scheme for mitigating adverse impact of drought on perennial horticultural crops. As per the guidelines, advances granted under the scheme are eligible for interest and incentive subvention and the Scheme will be operational till 31 Dec, 2012.

**(Action : Banks)**

**2.4 : Implementation of Bhoomi-Bank Integration :**

The Govt. of Karnataka has computerized agricultural land records fully under coveted Bhoomi Project, a unique and prototype in the country. It eliminates manual entries & tampering of land records, besides enabling farmers to obtain hassle-free agriculture credit. The usage is made mandatory w.e.f. June 1, 2012 in the entire State. So far, the Banks have carried out 22720 on line transactions. In case of agriculture loans of above Rs. 1.00 lakh, Banks obtain legal opinion. If the opinion recommends for simple mortgage / registered equitable mortgage, invariably mortgage transaction has to take place through Kaveri project, being handled by Registration Department. Under Bhoomi project, charge will be noted in Records of Rights, but the same will not be reflected in Encumbrance Certificate. Hence, there is a need to integrate Kaveri project with Bhoomi project by making necessary amendments, which would facilitate both noting of lien on Records of Rights & Encumbrance Certificate. All the Banks involved in agriculture lending were once again requested to expedite implementation of Bhoomi-Bank integration in toto ensuring 100% coverage of all transactions and inform the progress to SLBC periodically so as to consolidate and submit the progress report to DFS: MoF: GoI. The GoK was requested to integrate Kaveri project with Bhoomi.

**(Action : Banks / GoK)**

**2.5: Providing Banking Outlets in all villages with population above 2000**

All the identified 3395 unbanked villages have been provided with banking outlets by the banks, thereby achieving cent percent coverage. It comprised of BCs-3043 (including BCAs in 904 USBs), B & M branches-326 and Mobile Vans-26, aggregating to 3395 as on September, 2012. The bank wise number of villages covered & progress made were presented to the House. The participating Banks were requested to open more number of Brick & Mortar Branches to achieve the stipulated level of 15% as advised by RBI.

**(Action : Banks)**

**2.6 : Providing Banking outlets to villages with population of 1600 to 2000 as per 2001 census**

SLBC / LDMs have identified **1562 villages** under population group of 1600-2000 (as per 2001 census) under **Swabhimaan** FIP and allocated to the banks based on Gram Panchayat model for providing banking outlets. **As of December 2012, 272 villages have been provided with BC services.** SLBC has been collecting progress report on monthly basis for close monitoring. The participating Banks, in terms of DFS guidelines, have been advised to make use of the existing BCs for providing services in other villages without waiting for Common RFP mechanism as it may take some more time to put in place. Further, in view of implementing DBT in selected districts, all villages in those districts have to be provided with Banking outlets irrespective of population criteria. Bank-wise number of villages allocated was presented to the House. All Banks have been requested to complete the FIP in 1600-2000 population villages by 28th Feb. 2013 by planning properly.

 **(Action : Banks)**

**2.7 : Roadmap for Providing Banking Services in villages with population below 2000**

In tandem with the guidelines of RBI, SLBC had informed all the Banks and LDMs to finalise Roadmap with details of allocated villages (district-wise) as per the formats prescribed by RBI. LDMs were advised to constitute a Sub-Committee of the District Consultative Committee (DCC) to draw up a roadmap for provision of banking services in every village in terms of RBI guidelines. LDMs have allocated the villages to banks having population less than 2000 in their respective districts. There are 23481 villages identified with < 2000 population. Out of this, 353 villages are having a bank branch of Scheduled Commercial Bank and BCAs are operating in 2 villages. A roadmap has been prepared and submitted to RBI, Banks and LDMs.

**(Action : Banks)**

**AGENDA: INTEREST SUBSIDY SCHEME FOR HOUSING TO THE URBAN POOR [ISHUP**], The National Housing Bank has recently informed that the ISHUP scheme will continue for the F Y 2012-13 as per extant guidelines. The low progress was commented during Union Finance Minister’s meeting with Chief Ministers of Southern States and CEOs of Public Sector Banks held on 20.11.2012 and advised Banks and State Govt to evolve suitable strategy to accelerate the credit flow to ISHUP. The tardy progress was attributed to lack of due scrutiny by sponsoring agency. The Chief Secretary, GoK, has advised to convene a separate meeting in the afternoon in the same premises under the chairmanship of the Pr. Secretary, Housing Dept. to resolve the issues amicably.

NHB informed that the Ministry of Housing and Urban Poverty Alleviation has revised income ceilings for EWS & LIG as under:

1. For Economically Weaker Sections (EWS): Rs 1,00,000/- as household income per annum.
2. For Low Income Groups (LIG): Rs 1,00,001 to Rs 2,00,000 as household income per annum.

As the revised income ceilings are applicable with immediate effect, Banks were requested to take above into consideration at the time of sanction of loans & submission of subsidy claims to NHB.

**(Action : Banks / GoK)**

1. **Urban Financial Inclusion – Launch of campaign to ensure at least One Bank Account for Each Family**

In order to provide banking services to entire population residing in Urban and Metro Centres (Urban Financial Inclusion), it has been decided by GoI to organize campaigns to ensure one bank account per family in urban area. The LDMs have allotted Wards in urban areas in the State. Similarly, all Wards in Bruhat Bangalore Mahanagara Palike (BBMP) have been allotted by SLBC to various Banks. The Coordinating Banks were advised to take steps to move forward Urban Financial Inclusion. Banks while opening new bank accounts should ensure capturing of Biometric details of the customer as per the standards notified in the recent RFP for engaging BCs.

**(Action : Banks)**

**3.1 Common Request For Proposal (RFP) for selection of BC services**

DFS: MoF: GoI has nominated Syndicate Bank as a Leader Bank and directed to float a common RFP on behalf of Public Sector Banks to identify the Business Correspondents services for Karnataka & Goa States. In the process, M/s. FINO has emerged as L1 vendor and the majority of the Banks have executed Service Level Agreement. A letter, after incorporating the guidelines of DFS, MoF: GoI, has been issued to M/s. FINO and advised them to comply with the requirements to hand over the pilot district for implementation. In response, FINO has come out with their concern areas which were not accepted by the Committee of Bankers. The matter was taken up during the Hon’ble Union Finance Minister’s visit to Bangalore on 20.11.2012. In the meantime, FINO has replied having taken up the issue with DFS. The cluster leader for Karnataka & Goa, Syndicate Bank has also taken up the matter with DFS for further clarification/guidance. In the meantime, it is informed that a meeting would be held by SBI involving all cluster leaders shortly to take suitable decision.

**3.2 : Uploading Service Area Plan of the District in the district NIC website – Modification of format:**

As directed by DFS, SLBC had communicated to all the LDMs to prepare Service Area Plan as per the modified format and host in the District Website. 15 LDMs have confirmed hosting of revised / modified service area plan of the district in the Website. Ramanagar district has no website at present, but the information has been submitted to the district administration. Other LDMs were requested to do the needful immediately.

**(Action : LDMs)**

**3.3 :** **Strategy and Guidelines on Financial Inclusion- Opening of Bank Branches**

In terms of the RBI report of the group to review the extant Branch Authorisation Policy, in Karnataka, Bidar, Chamarajanagar, Gulbarga, B’lore Rural, Koppal & Raichur are identified as underbanked districts. In those Districts, 38 unbanked villages have been identified with population of 5000 & above, out of which Branches have been opened in 30 villages (16 are USBs) as of 30.11.2012 and in habitations of 10000 & above, SBM has opened a Brick Mortar Branch in Kurekoppa, Bellery District. A Special Meeting with the representatives of SBM, CKGB and Lead Bank Office, Chamarajanagar was convened and decided that SBM shall open branches/ USBs in 6 villages as their BCs are functioning at present under ‘One District-One Bank Model’.

**(Action : SBM)**

**3.4 : Financial Inclusion Plan – Nodal Officers of LIC and non-life PSU Companies**

The DFS informed that the LDM, Officer in charge of NABARD and Nodal Officers of Public Sector Insurance Companies, both life and non life, would prepare a comprehensive District Financial Services Plan. Similarly, at the State Level, SLBC Convenor, NABARD in-charge for the State and State in-charge of Public Sector Insurance Companies, both life and non life, would prepare State Financial Services Plan. The objective of the exercise is to ensure Financial Inclusion by ensuring bank account for every household, Kisan Credit Card to every farmer’s family, General Credit Card to other households and extensive coverage under micro-insurance and micro-pension scheme besides looking at the critical gap in infrastructure in terms of rural warehousing etc.

SLBC had convened the meeting of Nodal Officers of LIC & Non-Life Companies at the State Level on 4.10.2012 and discussed the issues relating to Micro Insurance (Life) products & Non- Life Insurance policies available for rural people to incorporate the insurance scheme in the Financial Inclusion Plan.

SLBC has provided the list of District Nodal Officers of Non –Life Insurance companies to the LDMs and also list of DDMs of NABARD and advised to conduct District Level Meeting under the Chairmanship of CEO and prepare a plan of action to provide Micro-Insurance under Financial Inclusion.

**(Action : LDMs)**

**3.5 : Strategy and Approach for Electronic Benefit Transfer (EBT)**

The DFS in their Strategy & Guidelines for Financial Inclusion has emphasized EBT to bring in greater efficiency in the transfer of benefits. This will reduce pressure on the bank branches for dealing with these transactions, reduce requirement of multiple accounts for various schemes and facilitate the process of Financial Inclusion. There are at least 34 schemes of the Central Government which involve the transfer of benefits to the beneficiaries. In addition, there are many such schemes at the State level. The Controller General of Accounts had advised various Departments/ Banks to use Central Plan Scheme Monitoring System (CPSMS) platform to capture data on flow of funds from various levels and to generate advice for Electronic Benefit Transfers.

The DFS had advised Banks to redefine Service area villages Sub-Service area wise and this exercise has already been carried out by LDMs in the State. Further, all Banks have been advised to ensure at least one bank account per household which could be joint account in the name of the family members. A campaign was also launched to accomplish the task. DFS has also devised procedure for “Opening of bank accounts and mapping the beneficiaries”, “Transfer of benefits”, “Operational responsibilities”. The Lead District Managers were requested to take up the issue in the DCC/ DLRC for coordination with various State Government departments for completion of the exercise of account opening and mapping for each beneficiary for every scheme as per the time frame to be decided by the DCC.

**(Action : Banks / LDMs)**

**3.6: e-FMS (Electronic Fund Management System) under MGNREGS & EBT**

The main objectives of the above scheme are to avoid delay in wage payments and to eliminate unnecessary parking of funds at various levels before it reaches the beneficiary. At present, EBT is being implemented in 7 Districts. The GoK intends to roll out the above scheme in all the remaining Districts. The steps involved in validation and updation of beneficiary accounts were highlighted.

While e-FMS takes care of credit of the amount to the beneficiaries bank accounts, EBT ensures disbursement of the amount to the beneficiary through appropriate ICT based technology through Business Correspondent. Both need to be synchronized for which Bank accounts, appropriate ICT based technology and services of Business Correspondent are essential. The reimbursement of commission of Rs. 80/- per account per annum is made to banks only for active accounts, i.e., where the amounts credited to the beneficiaries’ accounts are actually disbursed to them. The LDMs of EBT Districts were advised to furnish exact information on opening of bank accounts, mapping to service area approach and shifting of accounts from one bank to another as per the requirement under Aadhar enabled service delivery.

**(Action : Banks/LDMs)**

**3.7 : Electronic Wages and Benefit Transfer [EWBT] Scheme**

**One District- Many Banks Model:**

In terms of the MOU signed with the GoK, Banks are implementing EWBT Scheme on a pilot basis in Bellary, Chitradurga, Gulbarga [including Yadgir district] districts under One District-Many Banks Model by adopting Service Area Approach under Lead Bank Scheme. It is implemented under the aegis of SyndicateBank, Canara Bank and SBI, the lead banks in these districts. The DSSP payments are made electronically through Smartcards in Chitradurga District.

**One District – One Bank Model:**

In other three districts, namely – Chamarajanagar [SBM], Mandya [Vijaya Bank] and Dharwad [Axis Bank], EWBT is being implemented under One District-One Bank Model. The summary of the progress under EBT was presented to the House.

The respective Lead Banks were requested to closely monitor the implementation of the scheme. The Bank-wise performance was presented to the House.

In all the seven districts, enrollment / opening of accounts/ issue of smart cards shall be completed immediately so as to enable the state Govt. to route all the benefits like SSP, MGNREGS etc. through the accounts compulsorily.

**(Action : Banks/LDMs)**

**3.8 : ROLLING OUT EBT IN THE REMAINING 23 DISTRICTS**

In terms of DFS guidelines, Common RFP was floated by Syndicate Bank for Karnataka State. M/s. FINO has emerged as L1 vendor. However, the matter was referred to DFS on certain concern areas raised by FINO by the cluster leader. The process of putting in place a BC is yet to be finalized. In the mean time, Banks have been advised to continue with existing BC arrangement for implementing FIP without waiting for Common RFP.

**(Action : Banks)**

**3.9 : EWBT Scheme – MIS and PGRS**

The web based software for MIS PGRS has been developed by NIC and demonstrated live by NIC. Some modifications to the software were suggested by the members, to which NIC representatives agreed to incorporate. SLBC has requested NIC to continue to host the module after final testing at the present server / place in view of proven safety and performance instead of shifting to new hardware and other data centres. NIC has provided the details of service configuration and other cost. SLBC has constituted a Committee of IT officers from SBI, SBM, Canara Bank and Syndicate Bank to float a RFP for this purpose.

**(Action : SLBC)**

**3.10: e-Payment of commercial Taxes**

Some of the Commercial Banks have informed that their customers are requesting their Branches to accept commercial taxes as the Banks are under 100% Core Banking Solution platform and their customers have to approach other Banks for payment of Commercial Taxes. They have already approached Government seeking accreditation. SLBC has taken up the matter with Finance Dept, GoK and requested that all member Banks of SLBC may be included in the approved list of Banks for accepting commercial taxes in the State. The ACS & DC, GoK has assured to do the needful immediately.

**(Action : GoK)**

**3.11 : Implementation of Financial Inclusion Plan (FIP) in Karnataka**

* **Submission of Disaggregated data on Board Approved FIP of Bank- State wise in KARNATAKA & DISTRICT WISE/ Controlling Offices wise/ Brach wise.**

RBI has modified the periodicity of submission of Financial Inclusion Plan Progress – Quantitative Reporting Format to Monthly basis starting from October 2012. As per this, the FIP targets are to be disaggregated to all the Controlling Offices in the State, who in turn should further disaggregate the same to each of the Branches / Districts. Accordingly, a consolidated progress report of all the Controlling Offices of Banks is to be submitted to RBI under copy to SLBC. Further, in order to follow up the matter on regular basis, Nodal Officer/s may be identified for this purpose for this purpose and name/s, contact No/s and e-mail address/es of such Officers to be provided to RBI under copy to SLBC. Participating Banks have been accordingly advised by SLBC. All concerned Banks were requested to submit disaggregated data as per the prescribed format (46 parameters) to RBI by 10th of succeeding month. This has to be closely monitored by the banks to ensure timely submission of data to RBI.

**(Action : Banks)**

**AGENDA 4.0 : FINANCIAL LITERACY CENTRES (FLCs):**

RBI has communicated the guidelines on opening of Financial Literacy Centres (FLCs). In turn SLBC has informed all Banks who sponsored FLCs and other Banks to abide by the guidelines of RBI and submit a quarterly report as per the format stipulated by them. Further, RBI had communicated certain clarifications for establishing FLCs. All LDMs have completed the allocation of Taluks in the State to various Banks for opening FLCs. Banks were requested to open FLCs at Taluka level as per the allocation made at DCC. LDMs were advised to follow up the matter in the DCC/DLRC and pursue the Banks/ Trust to open the FLCs at Taluka level. Grameena Abhyudaya FLC Trust (Sponsored by Corporation Bank) has recently opened 3 FLCs. With this, there are 42 FLCs in Karnataka State in 30 Districts. Banks were requested to submit quarterly report as per the format prescribed by RBI.

**(Action : Banks)**

**4.1 : Field Level Problems in imparting Financial Literacy**

The Gramin Abhyudaya Trust observed certain points during the Block Level Sensitization Programmes organized for Panchayat Development Officers (PDO), Line dept Officials, NGOs and Bank Managers. Accordingly, those points were communicated to the Banks for necessary action.

**(Action : Banks)**

**AGENDA 5.0 : INTEREST SUBSIDY SCHEME ON CROP LOANS TO FARMERS UPTO**

 **Rs. 100000/- THROUGH PSBs/RRB**

Govt. of Karnataka has accorded sanction for the above scheme for providing interest subsidy, so that farmers get loan at 3% for crop production availed through Public Sector Banks and Regional Rural Banks [RRBs]. It has enhanced the maximum limit of crop loans provided to the farmers by **Public Sector Commercial Banks & RRBs** at 3% interest from the existing **Rs.50000 to Rs.100000.**

SLBC has already communicated to all the PSBs/RRBs and LDMs about revised scheme of GoK on Crop Loan Interest Subvention. The Banks and LDMs have been advised to popularize the Scheme of Interest Subsidy of State Govt to short term crop loans to farmers launched by GOK so that maximum farmers can get benefit of interest subsidy and banks can utilize the interest subsidy already released by the GOK in this regard. Interest subsidy claims in respect of 566850 farmers to the tune of Rs. 31.29 crore have been settled by Dept of Agriculture till date. All Banks are requested to lodge claims under the scheme to SLBC for period ended Sep 2012 immediately.

The Chairman –SLBC has requested the Chief Secretary, GoK to extend the scheme to private sector banks also as they are doing considerable agriculture lending in the State.

**(Action: Banks/ LDMs/ GoK)**

**5.1: Interest Subvention Scheme – Monitoring of end-use of Crop Loans**

RBI observed that the Banks, in various regions, have failed to ensure end-use of funds disbursed ostensibly as Crop Loans. As a consequence, the expenditure incurred by the GoI with an intention to assist SF/MF has not, to a considerable extent, reached the intended beneficiaries.

In view of the foregoing, SLBC has advised Banks to ennsure that all Crop loans against which they are claiming Interest Subvention should satisfy the crteria incorporated in the agenda note.

**(Action: Banks)**

**AGENDA 6.0 : CREATION OF CENTRAL REGISTRY FOR MICRO AND SMALL**

**ENTERPRISES [ MSEs]**

With regard to Urban land records, Survey, Settlement and Land Records Dept, GOK has taken steps for creating Urban Property Ownership Records [UPOR] under PPP model in 6 cities [Bellary, Hubli-Dharwad, Mangalore, Mysore, Shimoga and Bangalore Metro]. The UPOR project provides for noting the mortgage charge on the urban properties. The banks have been advised to furnish the data on the existing mortgage particulars and new mortgages created in these cities for inclusion in the registry. Banks are requested to make use of this facility.

The Secretary, (Bhoomi & UPOR), GOK, requested the Banks to furnish the details of the Bank securities in the above mentioned towns to be incorporated in the Securities Section of the UPOR Property Register Cards.

The above subject matter is repeatedly discussed during Empowered Committee Meeting on MSMEs being convened by RBI every quarter on the progress achieved under UPOR system. Banks were requested to confirm that all Branches of respective Banks in the above Centres have completed noting of existing charges as the implementation of the project needs an assessment and bring it to a logical conclusion.

CERSAI representative has already made a power point presentation on Central Registry.

**(Action: Banks)**

**AGENDA 7.0 : REVIVAL, REFORM & RESTRUCTURING PACKAGE FOR**

**HANDLOOM SECTOR**

The above scheme guidelines were circulated to all the Banks soon after conducting the meeting on 6.2.2012. The targets set for current year 2012-13 by Govt. of India under Weavers’ Credit Card for our State is 8000. The Dept. of Handlooms & Textiles, GoK has informed that they have already sponsored 15225 applications to various Bank Branches. The details have already been communicated to the concerned LDMs for close monitoring. The number of cards issued as on 30 September 2012 was 920 by various Banks. The total amount of loan sanctioned was Rs 235.75 lakh and the amount disbursed was Rs 152.91 lakh.

NABARD has informed that the claims under the package have to be consolidated State-wise and submitted to the Regional Office of NABARD in the prescribed format. During the 3rd State Level Implementation Monitoring and Review committee (SIMRC) under the Chairmanship of the Secretary to the Govt. Commerce & Industries Dept held on 12 October 2012, it was decided to settle the claims submitted by Banks, RRBs, SHGs, Apex Weavers’ Cooperative Society and PWCS.

NABARD has informed that claims under the package received from Canara Bank (Rs 3.48 lakh) and Central Bank of India (Rs 46.73 lakh) amounting to Rs 50.22 lakh were released to these banks on 22 November 2012. Claims received from three banks viz Syndicate Bank (Rs 8.40), KVGB (Rs 4.02) and PGB (Rs 13.82) amounting to Rs 26.24 have already been recommended to NIMRC for release. Further, claim received from Syndicate Bank for Rs 8.91 has been sent to SIMRC for approval through circulation.

**AGENDA 8.0 : SETTING UP OF KARNATAKA FARMERS RESOURCE CENTRE [KFRC] AT BAGALKOT**

The activities conducted by KFRC during the last quarter were presented to the house. The Principal Secretary to Government, Agriculture Department, Govt. of Karnataka had entered into MOU among the founder sponsors of KFRC and committed to contribute Rs. 2.00 crore as its share of corpus fund. **The GoK is requested for early release of Corpus Fund to KFRC at an early date.**

**(Action: GoK)**

**AGENDA 9.0 : REPORT OF THE HIGH LEVEL COMMITTEE TO REVIEW LEAD**

**BANK SCHEME - IMPLEMENTATION OF THE**

**RECOMMENDATIONS**

RBI had advised SLBC to implement the recommendations of the High Level Committee on Lead Bank Scheme. In this regard, SLBC has initiated steps on the following:

1) Website for SLBC, Karnataka was launched during 112th SLBC meeting. SLBC has hosted in their website the salient features of various Govt. sponsored schemes, both central and state which are in operation in Karnataka.

2) SLBC has advised Lead banks/Commercial Banks and LDMs to take appropriate steps for implementing the recommendations pertaining to them.

3) Formation of Sub-Committees: SLBC has constituted 12 Sub-Committees for effective implementation of Lead Bank scheme and other developmental programmes in the State. The minutes of the Sub-Committee Meetings of 1) Annual Credit Plan 2) Government Sponsored Schemes 3) MSME 4) R-SETIs 5) Financial Inclusion 6) Credit Flow to Agriculture 7) Education Loan 8) Credit Flow to SC/ ST, Weaker Section and Minority Communities 9) SHG Bank Linkage were presented to the house. The approved minutes of the Meetings of other Sub-Committees are awaited.

**AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF SEP 2012**

The Bank-wise position as of Sep 2012 was reviewed in respect of Branch Net Work, Deposits, Advances and CD ratio.

**Branch Network:**

As at the end of Sep 2012, the total numbers of bank branches in the State were **8060,** Out of which, Commercial Banks-**5760**, RRBs-**1397**, K.S.Co-operative Apex Banks-**40** KASCARD-**178,** DCC Bank-**655,** Karnataka Industrial Coop Bank-**38** and KSFC- **32** Branches.

**ATM :** There were**7927** ATMs in the State. Out of which, 624 were in rural, **1474** were in S. Urban, **1979** were in Urban and **3850** were in Metro areas.

##### Deposits:

The aggregate deposits of Banks was **Rs. 410233** as at the end of Sep 2012, when compared to the level of Rs. **358474** **crore** as on Sep 2011, registering an increase of Rs. **51759 Crore** showing a growth rate of **14.44%.**

**Advances:**

The total outstanding Advances of Banks was **Rs. 304940 Crore** as at the end of Sep 2012whencompared to the level of Rs. **266315 Crore** as at Sep 2011, registering an increase of **Rs. 38625 Crore** showing a growth rate of **14.50%**.

**Credit-Deposit Ratio:**

The Credit Deposit Ratio as of Sep 2012 was **74.33%** vis-à-vis **74.29%** as of Sep 2011 showing a marginal increase**.** The CD ratio was the highest at **104%** in Rural areas as compared to **79%** in Semi-Urban, **67%** in Urban and **72%** in Metro areas.

**During the meeting of Hon’ble Union Finance Minister with the Chief Ministers of Southern States** and the CEOs of Public Sector Banks and financial Institutions held on 20.11.2012, the Hon’ble chief Minister of Karnataka has observed that the Credit to Deposit Ratio in the State has been declining over the years. The CDR of the State was low when compared to the neighboring States.

It was observed that the marginally low C D Ratio during this year might be due to Economic slow down and drought like situation in 28 Districts. The cash rich I T companies based at Bangalore park their funds with the Banks and don’t use credit. Further, few large Corporates having their units located in Karnataka are availing credit facilities from Branches located outside the State. SLBC has requested all the Banks to furnish the required information and the investments made in the State to arrive at the adjusted CD Ratio. All Banks were requested to improve their C D Ratio by accelerating lending to various needy sectors.

**(Action: Banks)**

**Priority Sector Advances:**

The outstanding level of total priority sector advances of Banks stood at Rs. **122253 Crore** as of Sep 2012 as against **Rs. 112346 Crore** as at Sep 2011 showing an increase of Rs. **9907 Crore** recording a **growth of 8.82%.** The percentage of priority sector advances of Banks works out to **40.09%** surpassing the Benchmark level of 40% as stipulated by RBI.

The total **agricultural advances** as at Sep 2012 were to the tune of Rs. **59088 Crore** constituting **19.38%** of the total advances of Banks, out of which direct advances to agriculture stood at Rs. **45877 Crore forming 15.04%** of total advances as against the bench mark level of **13.5**%.

The outstanding Advances to Weaker Sections by Banks was Rs. **39085 Crore** constituting **12.82%** of the total Advances with an increase of Rs. **12175** crore over the previous corresponding year level. The outstanding advances to Small & Marginal farmers was to the tune of Rs. **27418 Crore** covering about **37.25 lakh** accounts, constituting **46.40%** of the total Advances to Agriculture. The outstanding advances to SCs/STs were **Rs. 8818 Crore** constituting **2.89%** of the total advances.

The position of Priority Sector and Weaker Section Advances as at Sep-2012 was presented to the house.

**HOUSING LOANS AND REVERSE MORTGAGE LOAN SCHEME:**

The Banks have been financing construction of houses under different schemes to encourage housing sector and to increase the availability of residential houses to the needy people. The outstanding level of advances under housing as at Sep-2012 stood at Rs. **26632** crore covering **436225** accounts. During half year ended Sep 2012, the Banks have disbursed Rs.  **1888** crore involving **29282** accounts.

Under Reverse Mortgage Scheme the Banks have assisted 628 persons with a loan amount of Rs. **52** crore as at Sep 2012. Bank-wise position of Housing Loans and Reverse Mortgage loans were presented to the house.

**Scheme of 1% Interest Subvention on Housing Loans upto Rs. 15 lacs of Govt. of India**

RBI has advised that:

1. The interest subvention scheme has been liberalized with effect from FY 2011-12 by extending it to Housing Loans upto Rs. 15 lakh where the cost of the house does not exceed Rs. 25 lakh. The Scheme has since been extended by GoI and will remain in force upto March 31, 2013.
2. A budgetary provision of Rs. 400 crore has been made under the scheme for the year 2012-13
3. The NHB is the sole Nodal Agency for implementation of the Scheme for Scheduled Commercial Banks, Regional Rural Banks and Housing Finance Companies.
4. All SCBs were advised to implement the Scheme vigorously, submit their claims to NHB expeditiously and extend the benefits of the Scheme to all eligible borrowers / beneficiaries. SCBs are further requested to give wide publicity to the Scheme.

All Banks/RRBs were requested to extend the benefit of the Scheme to all eligible borrowers / beneficiaries and submit claims to National Housing Bank, the sole Nodal Agency under the Scheme.

**(Action: Banks)**

**EDUCATION LOANS:**

As at Sep-2012, the outstanding level of education loans stood at **Rs. 4249** crore covering **214580** accounts. Banks have disbursed loans to **20691** students amounting to Rs. **478** crore up to the end of Sep 2012. Consolidated position under Education loan was presented to the house.

As directed by DFS, SLBC has informed all the Banks to gear-up the flow of credit to Education Sector. The Indian Banks’ Association has already provided the broad operational guidelines on the modified Model Education Loan scheme. As advised by GoI, SLBC has already allocated Bank wise targets so as to improve the level of outstanding loans under Education from **Rs. 3906 cr (212744 accounts)** as on 31.3.2012 to **Rs. 5125 cr (255293 accounts)** by 31.3.2013. It denotes that the outstanding number of accounts is to be increased by 42549 accounts and amount by Rs. 1219 cr., i.e., the outstanding amount level has to be increased at least by 30% and the number of outstanding accounts by 20%. Accordingly, all the Banks have been requested by SLBC to advise their Branches to consider all the genuine Education Loan proposals sympathetically and on priority and to ensure stipulated growth in outstanding (account-wise and amount-wise) since human capital development is very much essential for sustainable economic growth of the country.

**(Action: Banks)**

**IBA’s Model Loan Scheme for Vocational Education & Training was presented to the house in brief.**

DFS has observed that the progress reported by the Banks has not been satisfactory. Banks need to make their staff members working in Branches aware about loans for vocational courses. Moreover, the scheme under reference needs to be publicized amongst the customers.

During the current year the PSBs/RRBs were advised to fix targets for lending under the said scheme (No. of accounts / amount outstanding) and allocate the same to their respective Branches and monitor regularly. It may also be ensured that any rejection of loan application under the Scheme should be at the level of controlling authority of the respective Branch of the Banks and a proper grievance redressal mechanism, on par with Model Educational Loan Scheme for pursing higher education, may be adopted. As provided in the ‘Guidance Notes on Model Educational Loan Scheme’ a rating mechanism for rating of vocational institutions and students as a tool for targeting student borrowers and improving asset quality may also be explored.

**(Action: Banks)**

**Educational Loan Scheme – Service Area Approach**

RBI has informed that students are denied educational loans as the residence of the borrowers does not fall under the Banks’ service area. In this regard, it has advised that service area norms are to be adhered only in the case of government sponsored schemes and are not applicable to sanction of educational loans.

**(Action: Banks)**

**Credit Flow to Micro, Small & Medium Enterprises [MSME] – Sep- 2012**

In tune with the guidelines issued by GOI/RBI, the Banks have taken steps for increasing the flow of credit to Micro, Small & Medium Enterprises. The outstanding level of credit to Micro Enterprises stood at Rs. **15594 Crore.** The advances to Small Enterprises were at the order of **Rs. 19512 Crore.** The advances toMedium Enterprises stood at Rs. **19287 Crore** as at Sep-2012. The percentage of advances to Micro & Small Enterprises [Rs. **35106 Crore**] was at the order of **64.54%** out of the total advances to MSME Sector [Rs. **54393** **Crore**]. Bank-wise particulars of advances to MSME Sector were presented to the house**.**

The RBI is regularly conducting the meeting of the EC on MSME and SLIIC for Karnataka, every quarter to review the implementation of the recommendations of the working group on rehabilitation of sick MSMEs, flow of credit to MSE sector, collateral free loans to MSEs, flow of credit to MSME clusters and conducting awareness programmes and entrepreneurial camps-CGTMSE etc.

RBI has informed that the extent of **Financial Exclusion in the MSME** Sector is very high, to the tune of 92% as per the observations made in the 4th Census on MSME. Hence, it is imperative for Banks that the excluded units are brought in to the formal banking sector. SLBC has requested all Commercial Banks to advise Branches to play a more pro-active role in the affairs of MSE clients by providing them with financial literacy and consultancy support. The Banks staff would also be trained through customized training programmes to meet the specific needs of the sector.

**(Action: Banks)**

Under guarantee scheme of CGTMSE, Banks have covered 13314 units with an approved amount of **Rs. 63523 lacs** during the first half year of 2012 and cumulative figures were **75160** applications amounting to Rs. **370817** lacs [Source: Credit Guarantee Fund Trust for Micro & Small Enterprises].

**AGENDA 11. 0 : IMPLEMENTATION OF ANNUAL CREDIT PLAN (2012-13)**

**The progress under implementation of ACP up to Sep-2012 was presented to the house. (Bank wise/ Agency wise).** Banks have disbursed **Rs. 27806** crore during the first half year of 2012 under ACP against revised annual target of **Rs. 54503** crore recording an achievement level of **51%** under Total Priority Sector. Achievement under Secondary sector was **95%** and that of Tertiary sector was **42%.** Banks havedisbursed **Rs. 11945** crore under crop loans against the annual target of **Rs. 22223 crore** registering an achievement of **54%** of annual target despite prevailing severe drought condition in 157 Taluks.

**Fixing additional disbursement target under MSE sector for the year 2012-2013.**

The disbursement under secondary sector (MSE) in PSA during 2011-12 was 329% of the set annual target. During Union Finance Minister’s visit Bangalore on 20-11-2012, the low disbursement target under Secondary sector of Priority Sector Advances was observed and suggested to increase the target under SME for the current year at least to the level of disbursement during the previous year. The Chairperson of SLBC Sub–Committee on Annual Credit Plan had also suggested to increase the target under secondary sector. Hence, the Sub-Committee had recommended to fix the target at **Rs 11930 crore** (previous fiscal disbursement) so that the total target under Priority Sector Credit would go up to **Rs 61805 crore.** Bank wise revised target under MSE for the current fiscal has already been communicated.

**(Action: Banks)**

**AGENDA 12.0 : CENTRAL AND STATE SPONSORED SCHEMES**

**12.1: PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME [PMEGP]**

Khadi & Village Industries Commission [KVIC] is the nodal agency for implementing Rural Employment Generation Programme [REGP]. The progress under PMEGP as on **30.11.2012** was presented to the house. KVIC informed that Rs 1859.24 Lakhs received as 1st installment has been utilized for the pending claims of previous years on TOP PRIORITY basis during current year. News Paper publication was made on 25.11.2012 for receiving fresh applications for implementation of PMEGP during current year in all 30 districts with cut-off date as 26.12.2012. Further, it was informed that business/ trading activities for assistance under PMEGP i.e., the Retail outlets backed by manufacturing (including processing)/ service facilities are also approved under PMEGP up to a maximum of Rs. 25.00 lakhs. For **service projects** with sales outlets the maximum project cost should not exceed Rs 10.00 lakhs. The retail outlets backed by manufacturing / service facility can be sanctioned only to new units/ projects being submitted for sanction under PMEGP. It is also clarified that for those States where on account of large pending margin money claims, no fresh sanctions are possible under PMEGP for 2012-13, in such case no business/ trading units should be sanctioned.

The State Director, KVIC requested the State Administration to advise their Dy. Commissioners to conduct the District Level Task Force Committee Meetings at an early date for selection of candidates under PMEGP. The ACS & DC, GoK has suggested to sponsor PMEGP applications to KSFC also.

**(Action: GoK/KVIC)**

**12.2 : SWARNA JAYANTI GRAM SWAROZGAR YOJANA (SGSY) [2012-13]**

Progress under SGSY as of Sep-2012 (district wise) was presented to the house.

The Govt. of India has approved restructuring of SGSY as National Rural Livelihood Mission (NRLM) and accordingly Karnataka has remodeled the Scheme under the banner **‘Sanjeevini’.** The Mission Director is appointed for looking after Karnataka State Rural Livelihood Promotion Society (KSRLPS).

Similarly, the progress during the first half year in respect of SJSRY, Dr. B R Ambedkar Dev Corporation schemes (SEP & ISB), ST Dev Corporation Schemes (SEP & ISB), Minorities Dev Corporation Scheme (Swavalambana), Devaraj Urs Dev Corp Scheme (Chaitanya), KSWDC scheme (Udyogini) and Karnataka Sheep & Wool Dev Corp Scheme were presented to the house.

It was informed that the existing Margin Money Scheme for loans of above Rs One Lakh under SC/ ST Corporation Scheme will be converted into Subsidy and Bank Loans. The Corporation will remit subsidy amount of Rs 1.00 lakh or 33% of the eligible unit cost, whichever is low directly to Banks soon after getting sanction letters.

**The MDs of Corporations requested Banks to expedite sanction / disbursement of loans as the progress is not up to the desired level during the first half year.**

**(Action: Banks)**

**AGENDA 13.0 : SPECIAL FOCUS PROGRAMMES**

**13.1 CREDIT FLOW TO MINORITY COMMUNITIES**

The Banks have extended loans to **172012** beneficiaries amounting to **Rs. 2052 Crore** during first half year of 2012. The outstanding level of advances to Minority Communities as at the end of Sep 2012 was Rs. **13874 crore** constituting **11.35%** of PSA. Bank wise details of credit disbursement upto Sep 2012 & outstanding balance as at Sep 2012 were presented to the house.

The outstanding level of credit to minority communities in the identified districts as at Sep 2012 was above the stipulated level of 15% of PSA.

**13.2 : CREDIT FLOW TO WOMEN**

Banks have disbursed Rs. **3105** crore to **307343** Women Beneficiaries upto Sep 2012. The outstanding level of Advances to Women Beneficiaries was Rs. **23797 crore** as of Sep 2012 constituting **7.80%** oftotalof advances vis-a -vis stipulated target of 5%. The Bank wise details were presented to the house.

**13.3 : KISAN CREDIT CARD**

The Banks have issued **448599 KCC Cards** upto Sep 2012 with credit limit of **Rs. 4731 crore.**  Agency-wise number of Cards issued was presented to the house.

NABARD had informed that KCC scheme to be made a Smart Card cum Debit Card based on the recommendations of the working group set up by the DFS : MoF : GoI. It also informed the need for adequate publicity measures such as distribution of literature/ leaflets containing **“must know features of revised KCC”** to the farmers and display of posters about revised KCC scheme in the branch premises. Both the DFS and RBI have advised all Banks to implement revised KCC scheme from current year for all new accounts as well as accounts which are due for renewals. All Banks were requested to provide wide publicity of the scheme and implement the revised scheme from the current cropping season itself. The withdrawal from KCC should be made through ATM/ Debit Cards. SLBC has also requested the Banks to confirm having advised all their branches on implementation of new KCC scheme and select 1-2 villages in their area of operation for coverage of every eligible household in the village. The subject issue was reviewed by Secretary, DFS, GoI and directed to discuss the matter in SLBC meeting. Banks were requested to submit to SLBC the progress in issue of ATM-cum-Debit card as KCC and coverage of eligible farmers under the Scheme.

**(Action: Banks)**

**AGENDA 14.0 SELF HELP GROUPS**

Progress under SHG Bank Linkage as at Sep 2012 was presented to the house. Commercial Banks (direct) have credit linked 16796 SHGs with an amount of Rs. 419.01 crore and indirectly 8265 groups with a limit of Rs. 108.62 crore. RRBs could credit link 9407 groups with an amount of Rs. 219.27 crore and Co-op. Banks have credit linked 16692 groups with a limit of Rs. 244.48 crore during the first half year of 2012. NABARD has informed that 50,000 new SHGs are to be promoted in districts where the density of SHG is low (Haveri, Bijapur, Belgaum, Bagalkot & Koppal), 1,50,000 new SHGs are to be credit linked and per group finance to be increased to Rs.2.50 lakh to facilitate members of SHGs to take up income generation activities. Further, it has suggested for promoting and linking 40,000 JLGs during the current fiscal. NABARD has also advised to categorise SHG Accounts into ‘Active’ and ‘Inactive’. Such segregation of SHG accounts would help the Banks to initiate appropriate measures such as promoting micro credit enterprises among ‘A’ grade SHGs, arranging training for ‘B’ grade SHGs and initiating rejuvenating ‘C’ grade SHGs. The scheme of GoI of formation of women SHGs is already under implementation in Chitradurga and Gulbarga districts and the status was presented to the house.

**(Action**: **Canara Bank, SBI and Krishna Grameen Bank to expedite savings/ credit linkages.)**

All the Banks were requested to submit district-wise data on SHG formation and credit linkage to NABARD, Regional Office, Karnataka. MIS may include data of Active and Inactive SHG Accounts. Data of JLGs should also form part of MIS by appropriately distinguishing SHGs and JLGs separately.

The Secretary, RDPR, GoK made the following observations:

1. The rate of interest levied by banks varies from 8% to 9%
2. Some banks are charging interest on subsidy portion.
3. 1:3 Subsidy to loan ratio has not been maintained.
4. Commercial Banks to submit data base of SHGs
5. SHG pass book to be issued in local language.

**(Action: Banks)**

**AGENDA 15.0 : LENDING THROUGH MFIs:**

AKMI has informed that the loan outstanding given by various MFIs in Karnataka as on Sep 2012 was Rs 3557 crore covering 4176669 accounts. Out of which, overdue was only 2.96%.AKMI has conducted one day workshop at Ujjivan office, Bangalore in connection with NBFC MFI Registration with RBI and one day workshop on MFIS as Business Correspondents at Bangalore.

**AGENDA 16.0 : STREE SHAKTI PROGRAMME**

The progress under Stree Shakti Programme as furnished by the Women & Child Development Department, Govt. of Karnataka, for Sep 2012 was presented to the house.

During the year, upto Sep-2012, Banks have credit linked 1882 fresh groups vis-a vis the annual target of 20561. All the Banks were requested to expedite credit linkage of eligible SHGs.

**AGENDA 18.0 : IMPLEMENTATION OF SPECIAL SCHEMES**

The progress under special schemes like Agri-Clinics / Agri-Business, Rural Godowns, National Horticulture Board Scheme and DRI were presented to the house as of Sep-2012.

NABARD has informed that advance subsidy claim should be submitted to NABARD Regional Office and DMI within 45 days from the date of sanction of loan by Banks. Final subsidy claim should be submitted to NABARD Regional Office and DMI within 45 days after JMC visits.

The above instructions of GoI would be applicable for all loans sanctioned after 23 Oct. 2012 and all JMC visits conducted after 23 Oct.2012 and the same would be followed strictly by NABARD.

**(Action: Banks)**

A final decision is also required to be taken regarding the claims pending with banks in respect of loans sanctioned before 23 Oct. 2012 and JMC visits conducted before 23 Oct.2012.

The Banks have financed 332 Rural Godowns with credit limit of Rs. 39.45 crore during the half year of 2012. The outstanding amount was Rs. 427.79 crore comprising 3611 accounts.

**AGENDA 19.0 : RECOVERY**

**19.1 : RECOVERY OF BANK DUES UNDER GOVERNMENT SPONSORED SCHEMES**

The scheme-wise NPA position as at Sep- 12, was presented to the house. Nodal agencies [DIC, RDPRD/Zilla Panchayat, KVIC/ KVIB & ULB (municipalities)] were requested to extend assistance to banks for recovery of overdues in co-ordination with Banks. The ACS & DC, GoK has assured to extend all possible help through Revenue Dept for recovery of dues.

**(Action: GoK)**

**19.2 : NON-PERFORMING ASSETS POSITION :**

There were **767792** NPA a/cs involving an amount of **Rs. 14012 crore** as of Sep 2012, accounting for **4.60%** of total advances. The Farm sector accounts for **330497 a**/cs, with a balance of **Rs. 3957 crore** constituting **6.70%** of advances to agriculture**.** Bank wise details were presented to the house.

**19.3 : RECOVERY UNDER SARFAESI / DRT / LOKADALAT**

Banks have recovered **Rs. 952.50** crore against amount involved **Rs. 2805** crore under **SARFAESI Act, Rs. 15.27 crores** against amount involved **Rs. 165** crore under **DRT** and **Rs. 2.44** crore against amount involved **Rs. 44.63** crore through **Lok Adalat** during first half of the year.

**19.4: RECOVERY UNDER KPMR & KACOMP ACTS**

As of Sep 2012, **28589** cases filed by Banks under RR Act were pending before Revenue Authorities involving an amount of **Rs. 221 Crore**. The Banks have filed **2061** applications during the first half year of 2012-13 involving loan amount of **Rs. 11.50 crore.** There are **5390** cases pending for more than 3 years for recovery under RR Acts. Bank wise details were presented to the house.

**AGENDA 20.0: Bankers’ Meeting convened by the Commissioner, Transport Dept., GoK- Financing Auto Rickshaws in Bangalore Metro.**

A meeting of the Bankers was convened by the Commissioner for Transport, Bangalore, GOK on 7.11.2012 to discuss about financing Autorickshaws in Bangalore Metro area and the gist of the deliberations as incorporated in the agenda was presented to the house.

**AGENDA 21.0: RURAL SELF-EMPLOYMENT TRAINING INSTITUTES**

The Second State Level Steering Committee Meeting on R-SETIs was held on 21st November 2012 at Committee Room, III Floor, RDPR Dept., M.S. Building, Bangalore and the minutes have already been circulated to all the participating Banks by SLBC.

**Request for waiver of Rent payable by R-SETI at Bellary:** During the previous SLBC meetings, it was informed by Syndicate Bank (Sponsor Bank) that the DIC, Bellary had raised a demand of Rs 63,91,800 as arrears of rent payable by R-SETI, Bellary as per Audit comment. SLBC had requested the GOK to waive the rent since the State Administration has to provide rent free accommodation / free site for R-SETIs in terms of MORD guidelines. **Now, the Dept. of Industries & Commerce, GoK vide order No. VK 15 KUV 2012 Part 1 Bangalore dated 4-12-2012 has fully waived the rental arrears and also permitted to continue the training programmes without paying any rent till new building is constructed by Synd R-SETI, Bellary.** SLBC would place on record the good gesture shown by the State Administration.

The Secretary, RDPR dept. GoK has requested SBI to open R-SETI at Yadgir as it is the only district HQ without R-SETI.

**(Action: SBI)**

**AGENDA 23.0: Responsibility of LDMs for e-payment, FLCs, account opening etc.– regarding**

The Lead District Managers( LDMs) under the Lead bank Scheme have been playing an important role in carrying forward the objectives of greater financial inclusion and provision of banking services to the citizens. Government of India and RBI have recently taken some important measures towards financial inclusion and it is important that the LDMs play an active role in these activities. The role & responsibilities of LDMs were highlighted during the deliberations.

**AGENDA 24.0: NABARD AGENDA ITEMS**

**1. Credit flow to Weavers Sector.**

**Issue:** In order to address the issues confronting development of weavers sector there is an emerging need to collate the data on the ground level disbursements to weavers sector, more so after the implementation of the RRR package. SLBC was requested to impress upon the Banks to furnish such information to the SLBC Convenor on quarterly basis.

**(Action :Banks)**

**2. Issue of Weavers Credit Card under the Comprehensive Financial Package**

The target for issue of 8000 cards during 2012-13 has been fixed for the state. As on 31 October, 2012, only 936 cards have been issued by various banks. All Banks to initiate necessary steps to issue weavers' credit cards and achieve the targets positively.

**(Action :Banks)**

**3. Watershed Development Programme**

NABARD has been implementing Watershed Development, which is a techno-economic-social programme with an aggregate sanctioned amount of Rs.159.63 crore to 231 projects in Karnataka. With the treatment of land and creation of soil and water conservation structures, the quality of agricultural land under Watershed Projects is improving substantially. However, the farmer community in the Watershed area would be able to derive optimum benefit from the interventions if there is an increase in credit flow from the institutional sources to support adoption of improved agricultural practices, crop diversification, allied agricultural activities, etc. The Banks may advise their branches to provide credit support to farmers in areas covered by Watershed Development Projects.

**4. Farmers’ Club Programme**

NABARD has been supporting the promotion of Farmers Clubs with a grant of Rs.10,000/- per year for a period of three years. NABARD has set a **target for formation of 1650 Farmers’ Clubs** by banks/NGOs during the current year. All Banks are requested to evince keen interest in sponsoring Farmers’ Club. In case, the Bank intend to avail of the services of NGO for promotion of Farmers’ Clubs, NABARD can sanction a grant of Rs 2000 per club to the NGO through banks. The support of Rs 2000 to the NGO will be over and above Rs 10000/- indicated above.

**5. Financial Inclusion**

**i.** **Installation of Cash Accepting & Dispensing Machines (CADMs) at the branch / other locations :** During the meeting of Hon'ble Union Finance Minister with Chief ministers of North Zone States / UTs and CEOs of select PSBs, the issue of 'installation of CADMs’ was raised. Accordingly, the RRBs and the Cooperative Banks may install CADMs at the branches and other locations, if they are going for installation of ATMs.

**ii. Linking KCCs with Aadhaar Cards:** As per the directions of Union Finance Ministry, the Banks may ensure that the KCCs issued by them are Aadhaar enabled, by 31 March 2013.

**iii.** **Support under FITF**: It has been now decided to support RRBs and Co-operative Banks out of FITF for providing RuPay Kisan Credit Cards to their farming clientele, which are operable in ATMs and PoS devices. The new guidelines in this regard have been circulated among the RRBs / Cooperatives.

**iv.** **Aadhar Enabled Payment System:** Kaveri Grameena Bank [erstwhile Cauvery Kalpatharu Grameena Bank (CKGB)] has been identified by Government of India and NABARD for implementation of Aadhaar Enabled Payment System (AEPS) in Karnataka. As decided, State Bank of Mysore would facilitate CKGB in on-boarding to AEPS by creating the necessary technological architecture by opening a dialogue with SBI since SBM participates in NPCI payment system through SBI’s ***switch***. Both SBI / SBM have been requested to enable faster on-boarding of CKGB on AEPS platform.

v. Programmes on Financial Inclusion on Akashavani**: Akashavani had broadcasted a NABARD sponsored series on** ‘Hanathe’ : Financial Inclusion and Financial Literacy’ programme **on Bangalore, Dharwad, Mangalore, Bhadravathi, Gulbarga, Hassan, Karwar, Bijapur, Raichur, Chitradurga, Madikeri, Mysore and Hospet from 8 Oct, 2012 to 29 Oct, 2012 at 8.00 PM to 8.30 PM.**

**6. Swarojgar Credit Card (SCC)**

NABARD is monitoring the progress and implementation of SCC Scheme in its capacity as the nodal agency and programme holder of the Scheme. A target of issuing 40,000 cards, by all banks, has been allocated to the State of Karnataka. As per normal trend, 50% of the target i.e. 20,000 cards have already been allocated by NABARD to DCCBs and RRBs. SLBC vide letter No. 662 dated 19.10.2012 allocated the balance of 20,000 cards amongst 39 commercial Banks. Banks are requested to review the status of flow of credit to SCC and inform the reasons for slow off-take of SCC.

**7. Ground Water Status:** NABARD has informed that 35 Taluks are identified as “Over Exploited” category as far as ground water usage is concerned. The details were furnished in the agenda booklet.

**SUPPLEMENTARY AGENDA**

**1) MAPPING OF GRAM PANCHAYATS FOR COVERAGE THROUGH BRANCH/ BCA/ CSC- SUB SERVICE AREA APPROACH**

The Dept of Financial Services has communicated the guidelines on the above scheme. The gist of the guidelines was presented to the house.

**2) OPERATIONALISING THE COMMON SERVICE CENTRES (CSCs) AS BUSINESS CORRESPONDENT AGENT.**

The DFS has communicated the details on the above. The salient features of the scheme were presented to the house.

**3) ALLOCATION OF MARGIN MONEY SUBSIDY TARGETS UNDER PMEGP FOR**

 **2012-13 :**

The KVIC, Bangalore has communicated agency wise, district wise targets under PMEGP for 2012-13 and the same were communicated to LDMs for needful action.

**(Action: LDMs)**

**5) Direct Cash Transfer Scheme- Review meeting through Video Conference**

A review meeting through video conference was held on 29.12.2012 under the chairmanship of the Chief Secretary, Govt. of Karnataka wherein the Principal Secretaries and other Govt. officials along with Convenor-SLBC, GM-State Bank of Mysore and GM & DGM-Vijaya Bank also participated. During the course of interaction with Dy. Commissioners of Tumkur, Mysore & Dharwad along with concerned LDMs regarding the progress achieved in opening the accounts of beneficiaries under various Govt. funded schemes, it was observed that the progress has not been achieved to the desired extent despite the strenuous efforts put in by the Banks & District Administration. Hence, it was decided to identify the schemes to be implemented from 1.1.2013 after reviewing the progress on 31.12.2012.

**(Action: DCs of Tumkur, Mysore and Dharwad)**

The meeting concluded with Vote of Thanks by Sri K.P. Muralidharan, Convenor-SLBC.

Agency-wise list of participants is enclosed.

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|  | **S.L.B.C. - KARNATAKA** |
|  | **LIST OF PARTICIPANTS** |
|  | **123rd SLBC MEETING HELD ON 31.12.2012** |
|   | **Name Shriyuths -** | **Designation** | **Organization** |
| 1 | M.G. Sanghvi | Chairman-SLBC & CMD | Syndicate Bank |
| 2 | S.V. Ranganath | Chief Secretary | Govt of Karnataka |
| 3 | Smt. Uma Shankar | Regional Director | Reserve Bank of India |
| 4 | S.N.A. Jinnah | Chief General Manager | NABARD |
| 5 | Ravi Chatterjee | Executive Director | Syndicate Bank |
| 6 | Kaushik Mukherjee | Addl Chief Secretary | Govt of Karnataka |
| 7 | K.P. Muralidharan | Convenor-SLBC & GM | Syndicate Bank |
|   |   |   |   |
|   | **STATE GOVERNMENT DEPARTMENTS** |
| 8 | Ajay Seth | Principal Secretary (B & R) | Finance Dept. |
| 9 | Bharatlal Meena | Principal Secretary | Agriculture Dept. |
| 10 | G V krishna Rau | Principal Secretary | Co-operation Dept. |
| 11 | Latha Krishna Rao | Principal Secretary | Revenue Dept. |
| 12 | Ashok Dalwai | DDG | UIDAI Bangalore |
| 13 | G Ramanath | Advisor (FI) | Finance Department |
| 14 | E.V. Ramana Reddy | Secretary | Rural Development and Panchayat Raj |
| 15 | Raju Ranjan | Secretary | Planning Dept. |
| 16 | K R Bhandary | Joint Secretary | Finance Department |
| 17 | M Shivakumara Swamy | Deputy Secretary | Department of Housing |
| 18 | Dr R Ramachandra | Deputy Secretary | Animal Husbandry & Vet. Ser. Dept |
| 19 | M S Ravi Shankar | Commisioner | Directorate of Municipal Administraion |
| 20 | P Hemalatha | Mission Director | National Rural Livelihood Mission |
| 21 | Munish Mondgil | Director NREGA | RDPR Dept MGNREGS |
| 22 | R Muniveere Gowda | Jt Commissioner for Transport | Transport Dept. |
| 23 | S Kathyayani Devi | Dy. Director, DSSP | Revenue Dept. |
| 24 | K K Sharma | Asst Director General | UIDAI |
| 25 | Siraj Ahmed Khalid | JRCS | Sericulture Dept. |
| 26 | M M Bindu | Project Director | Dept of Women & Child Development |
| 27 | P V Raghavendra  | Asst Director | Ministry of MSME GoI |
| 28 | D Ramaiah | Asst Director | Directorate of Econimics |
| 29 | Bhooma Devi Rajan | Rehabilitation Officer | Vocational Rehab Center for Handicaped |
| 30 | K Hanumantha Reddy | Jt Director of Agriculture Dept | Department of Agriculture |
| 31 | Ningappa V H | Community Development Officer | Directorate of Municipal Administration |
| 32 | Kshama Patil | Sr Asst Director  | Department of Horticulture |
| 33 | H B Gangadharappa | Dy Director | Karnataka Minority Commission |
|   |  **RESERVE BANK OF INDIA** |
| 34 | Saraswathi S | General Manager | RBI |
| 35 | G H Rao | Asst. General Manager | RBI |
| 36 | B N Narasimhamurthy Rao | Asst Manager | RBI |
|   |   |   |   |
|   | **APEX INSTITUTIONS** |
| 37 | S Krishnan | General Manager | NABARD |
| 38 | C Saraswathi | Asst. General Manager | NABARD |
| 39 | Nazia N | Asst General Manager | NABARD |
| 40 | K Natarajan | General Manager | SIDBI |
| 41 | Vijaya R Vasu | Dy. General Manager | HUDCO |
| 42 | A K Ralhan | Chief Operating Officer | CERSAI |
| 43 | Hemkumar Gopalakrishna | Regional Resident Rep | NHB |
| 44 | N A Shanbhag | Advisor | NHB |
|   |   |   |   |
|   | **CONVENOR - SYNDICATE BANK** |
| 45 | V K Saigal | General Manager | Syndicate Bank FI Dept. |
| 46 | S Ganeshan | Asst General Manager | Syndicate Bank FI Dept. |
| 47 | Y Srihari | Asst General Manager | Syndicate Bank - PSCD |
| 48 | A D Nagappa | Asst General Manager | Syndicate Bank SLBC |
| 49 | M P Jagadeesh Murthy | Chief Manager | Syndicate Bank SLBC |
| 50 | Uday Kumar Holla | Sr Manager | Syndicate Bank SLBC |
| 51 | Pullaiah Dayapule | Sr Manager IT | Syndicate Bank SLBC |
|   |   |   |   |
|   | **NATIONALISED BANKS** |
| 52 | C Satish Ballal | Dy. General Manager | Vijaya Bank |
| 53 | D M Majumdar | Dy. General Manager | Corporation Bank |
| 54 | Sunil Kurtkoti | Dy. General Manager | Canara Bank |
| 55 | N K Balakrishnan | Dy. General Manager | Central Bank of India |
| 56 | A Y Shedshale | Dy. General Manager | Bank of Maharashtra |
| 57 | V K Sharma | Dy. General Manager | UCO Bank |
| 58 | Sudhir Jade | Dy Zonal Manager | Bank of India |
| 59 | C S Vasantha Kumar | Chief Regional Manager | IOB RO |
| 60 | Divakar P | Asst General Manager | Bank of Baroda |
| 61 | P Prem Kumar Rao | Asst General Manager | Indian Bank ZO |
| 62 | S Hariharan | Asst General Manager | Oriental Bank of Commerce |
| 63 | Padmaja Ravindranath | Asst General Manager | Allahabad Bank |
| 64 | P Srikrishna | Asst General Manager | Andhra Bank |
| 65 | K B Khullar | Asst General Manager | Punjab National Bank |
| 66 | R Chandrashekar | Asst General Manager | IDBI Bank |
| 67 | Surendranath K | Chief Manager | Union Bank of India |
| 68 | C R Radhakrishna | Chief Manager | Dena Bank |
| 69 | G Bhaskara Reddy | Dy Chief Officer (RD) | Central Bank of India |
| 70 | G Sridhar | Sr Manager | BOI Zonal Office Bangalore |
| 71 | L Suryanarayan | Sr Manager | IOB RO Bangalore |
| 72 | V M Shenoy | Sr Manager | Bank of Maharashtra |
| 73 | K C Joseph | Sr Manager | United Bank of India |
| 74 | Satish Salunke | Manager | Vijaya Bank |
| 75 | Dr Rafi Ahmed | Manager (Agri) | Corporation Bank |
| 76 | C Vamshi Mohan | Manager | Oriental Bank of Commerce |
| 77 | Girish Kumar B N  | Agriculture Officer | Dena Bank |
|   |   |   |   |
|   | **STATE BANK GROUP** |
| 78 | K M Trivedi | General Manager | State Bank of India |
| 79 | M K Dutta | Dy. General Manager | State Bank of India |
| 80 | D P G Muni Subba Reddy | Asst General Manager | State Bank of India |
| 81 | B C Ganiger | Chief Manager | State Bank of India |
| 82 | K Lakshmisha | General Manager | State Bank of Mysore |
| 83 | Ganesh Pai | General Manager | State Bank of Hyderabad |
| 84 | P D Sankaranarayanan | Asst General Manager | State Bank of Travancore |
| 85 | N V L Ratan | Dy General Manager (Agri) | SBM Head Office Bangaloree |
| 86 | Dr P Ananda Selvam | Chief Manager | SBM Lead Bank Dept HO Bangalore |
| 87 | Prabhu Kiran T | Asst Manager | State Bank of Patiala |
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|   | **PRIVATE BANKS** |
| 88 | V N Manohar | Dy. General Manager | Karnataka Bank Ltd |
| 89 | Venkata Krishna Bhat | Asst General Manager | Karnataka Bank Ltd Mangalore |
| 90 | Srikumar Nair | Sr Vice President | HDFC Bank |
| 91 | B N Suresh  | Vice President | Axis Bank Ltd |
| 92 | C Dayanand | Asst Vice President | Axis Bank Ltd |
| 93 | K Subburaj | Regional Manager | Tamilnad Mercantile Bank Ltd. |
| 94 | A M Vincent | Chief Manager | Catholic Syrian Bank Ltd |
| 95 | Shibukumar N | Chief Manager | Federal Bank Ltd. |
| 96 | Sunil Kumar Y | Chief Manager | ICICI Bank Ltd. |
| 97 | Mahesh K Davanagere | Chief Manager - GBG | Indusind Bank |
| 98 | Raji Mohanty | Sr Manager | Kotak Mahindra Bank |
| 99 | Pradeep Singh | Product Manager ARB | Ing Vysya Bank Ltd |
| 100 | R Ananda  | Asst Vice President | Ing Vysya Bank Ltd |
| 101 | Yogish Achar K | Sr Manager | Dhanalaxmi Bank Ltd. |
| 102 | Sanjeev Aggarwal | Associate Executive | J & K Bank Ltd. |
| 103 | O M Vageesha | Asst Manager | Lakshmi Vilas Bank Ltd |
| 104 | S Suraj Kumar | Asst Manager | Lakshmi Vilas Bank Ltd |
| 105 | H M Girish Kumar | Asst Manager | Karur Vysya Bank Ltd |
| 106 | Rajesh Kumar | Asst Manager | City Union Bank Ltd |
|   |   |   |   |
|   | **CO OPERATIVE BANKS/ OTHER BANKS/INSTITUTIONS** |
| 107 | K N Ninge Gowda | Chief General Manager | Apex Bank Ltd |
| 108 | R L Chavan | General Manager | KSCARD Ltd HO Blore |
| 109 | D Panduranga | Dy. General Manager | KSFC |
| 110 | K J Morab | Chief Executive Officer | AKMI |
| 111 | M Linganna | S P C N A R | National Academy of RUDSETI |
| 112 | Sudha Suresh | Chief Financial Officer | Ujjivan Financial Services |
| 113 | S P Jagali | Director | KFRC Bagalkot |
| 114 | B R Hiremath | Executive Director | KFRC Bagalkot |
|   | **REGIONAL RURAL BANKS** |
| 115 | M G Bhat | Chairman | Pragati Grameena Bank |
| 116 | C S S Reddy | Chairman | KVGB |
| 117 | Ambujakshi T | Chairperson | Kaveri Grameena Bank |
| 118 | Chellappa Rangachari | Chairman | Krishna Grameena Bank |
|   | **BOARDS/CORPORATIONS** |
| 119 | K S Mruthyunjaya | Managing Director | Dr. B.R. Ambedkar Dev. Corpn Ltd |
| 120 | S Sarfaraz Khan | Managing Director | Karnataka State ST Dev. Corporation |
| 121 | Padmanabha J G | General Manager | D Devaraj Urs Backward Class Dev.Corp |
| 122 | Dinesh Kumar | General Manager | Dr B R Ambedkar Development Corp |
| 123 | K R Mohan | General Manager - ADC - Bng | Dr B R Ambedkar Development Corp |
| 124 | S S Nagesh | Asst General Manager | Karnataka ST Development Corp |
| 125 | K V Chakrapani | Development Officer | KVIB |
| 126 | N M Biradar | Development Officer | KVIB |
| 127 | M Jagannatha Rao | State Director | KVIC |
| 128 | Nagaraj | Accounts Officer | Karnataka St Development Corp |
| 129 | V Bangara Nayaka | Development Officer | KVIC Bangalore |
| 130 | E Rajanna | Superintendent | KVIB Bangalore |
| 131 | Abdul Bari | ARCS & DO ® | KMDC |
| 132 | Aarti Dewan Gupta | Director (Finance) | Coffee Board of India |
| 133 | Navin B R | Technical Officer | Coffee Board |
| 134 | Nagaraj Rao | Representative FDA | K S W D C |
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|   | **LEAD DISTRICT MANAGERS** |
| 135 | M Umesh Babu | Chief Manager | Vijaya Bank LBO Haveri |
| 136 | S G Patil | Chief Manager | State Bank of India LBO Bidar |
| 137 | Shankerappa Bani | Chief Manager | State Bank of India LBO Gulbarga |
| 138 | Lakshukumar D C | Chief Manager | SBM LBO Chamarajnagar |
| 139 | S M Gorabal | Chief Manager | Syndicate Bank LBO Bellary |
| 140 | Ramesh Rao | Chief Manager | Canara Bank LBO Bangalore Urban |
|   |   |   |   |
|   | **INSURANCE COMPANIES** |
| 141 | Mahadeva Malla | Regional Manager | Oriental Insurance Co |
| 142 | A Krishnaraj | Agriculture Officer | Agriculture Insurance Co of India |
| 143 | K Ananda Shetty | Administrative Officer | New India Assurance co. Ltd |
| 144 | P Kumaresan | Sr Divisional Manager | LIC of India |
| 145 | B S Ramachandran | Manager Micro Insurance | LIC of India |
| 146 | K P Kumaraswamy | Manager | National Insurance Co |