

**Salient features from the DLBC Meeting held on 28th December, 2021
at the Office of the DEPUTY COMMISSIONER, CHIKMAGALUR DIST.
(By Mr. Sameer Gurjer)**



- ❖ Diktat issued by Lead Bank (Union Bank) to all Bank representatives not to take any decision or action on SARFESI. Maintain status quo until direction given by the Central Govt or RBI.
- ❖ Show compassion while assessing issues faced by the plantation sector.
- ❖ The Banking community needs to implement a standardised decision making process and it cannot allow its branches to take their own calls. This stemmed from branches of the same bank making arbitrary calls without following superseding mandates.

- ❖ Authorise the banks' agri loan representatives to visit plantations to understand on ground realities before taking any decision irrespective of internal banking policies.
- ❖ Enhance customer relations by conducting monthly meetings with the plantation community to facilitate real time feedback and information sharing.
- ❖ Avoid compounding of interest on outstanding loans as it basically digs a deeper hole which is pointless.
- ❖ There has to be a clear distinction while evaluating CIBIL scores. Agricultural loans and Non Agricultural loans have to be treated separately.
- ❖ Classification of NPA's has to be historically referenced and revised keeping in mind the notice issued by the concerned authorities stating drought years and excess rainfall years. Banks have to re evaluate classification of NPA's and provide relief and loan restructuring keeping this in mind.
- ❖ OTS schemes need to be re looked at and Banks need to adopt an empathetic approach given present day situations faced by the plantation sector. These situation as are extremely volatile and Banks have to be cognisant of this while taking decisions pertaining to OTS. Furthermore all banks and its branches have to provide a consistent OTS facility.
- ❖ Relief financing measures due to calamities (as classified) cannot be limited to 2 Ha and policy issued by RBI has to apply to the total holding (33%-50% and 50% or above)
- ❖ The Lead Bank Manager expressed his commitment to working together with the plantation sector to help resolve issues faced in a cohesive manner.

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KODAGU DISTRICT



Salient features from the DLBC Meeting held on 29th December, 2021 at the Office of the DEPUTY COMMISSIONER, KODAGU DISTRICT.

(By Chairman, Mr. N. Ramanathan)

The Karnataka Planters Association represented by its Chairman Sri. Ramanathan Nagappan, Codagu Planters Association represented by its Chairman Sri. B.V. Mohan Das and Executive Member Sri. T.M. Poovayya and Karnataka Growers Federation represented by Vice President Sri. A. Nanda Belliappa and the Convener Sri. K.K. Vishwanath have attended the meeting and presented a joint memorandum highlighting the following issues confronting the growers:

1) Restructuring of loans with a repayment period extended up to a maximum of 10 years with one year moratorium at a reduced interest rate of 3%.

-It was requested that we inform our growers to sign the loan restructuring papers when available to them, this would help the growers claim any related benefits.

2) Interest on loans to be compounded annually instead of 3 to 6 months at present.

3) OTS benefits to be given to all NPA accounts.

- It was informed that the benefit up to 25 lakhs is already made available.

4) Banks to provide relief against crop loss on account of excess rain based on RBI guidelines.

5) Provide fresh loans at a reduced rate of 3% interest.

6) SARFAESI: Banks should desist issuing notice to the growers regarding acquisition of mortgaged properties under SARFAESI Act 2002.

- The DC instructed the banks not to take any action & maintain status quo until further directions are given. He also requested DCC bank to revisit 2 applications where notices were given and reverse the decision till the fresh directions are given.

7) The plantation advances sanctioned to planters should be excluded from CIBIL scores as they are agriculture advances.

8) Revenue issues regarding transfer of property.

The lead Bank manager has promised to send a report with all our grievances to SLBC and the RBI, and will give us a copy to help us follow the same with concerned authorities.

The Kodagu DC further instructed the Grower organizations to fix a meeting with him at the CPA office in the first week of January 2022 to go through these issues in detail.

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