

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

MINUTES OF THE 138th MEETING OF SLBC HELD ON 25.5.2017

The 138th SLBC Meeting was held on 25th May 2017 at the Conference Hall, Vidhana Soudha, Bengaluru under the Chairmanship of Sri Arun Shrivastava, Chairman-SLBC and Managing Director & Chief Executive Officer, SyndicateBank.

The Chairman-SLBC extended warm and hearty welcome to Sri Subhash Chandra Khuntia, Chief Secretary, GoK, Sri T.M. Vijay Bhaskar, Addl. Chief Secretary and Dev. Commissioner : GoK; Sri N. Gopal, General Manager : RBI, Sri M.I. Ganagi, Chief General Manager : NABARD. He also extended cordial welcome to Addl. Chief Secretaries, Principal Secretaries, Secretaries to Govt of Karnataka, Senior Executives from Reserve Bank of India and NABARD, Senior Officers from the State Govt, representing various Line Departments, Corporations and Boards, Senior Executives from Commercial Banks, Co-op. Banks, Chairmen of RRBs, Lead District Managers other Financial Institutions, UIDAI, General Insurance Companies, NGOs & other participants present in the meeting.

Sri Arun Shrivastava, Chairman-SLBC & Managing Director & Chief Executive Officer, Syndicate Bank in his key note address said that the **State Annual Credit Plan for 2017-18** was launched to-day by Sri Siddaramaiah, the Hon'ble Chief Minister of Karnataka. The Chief Minister had observed that though the targets were achieved for 2016-17, it was less than the 125% achievement during 2015-16. The reason could be that the State was reeling under severe drought and all the activities were put on hold due to demonetization. He congratulated the Banks for its performance in achieving the targets despite the setbacks. The chairperson was pleased in informing that banks have been continuously achieving the targets under farm sector, MSE and priority sector for the last three years. During 2016-17, the Banks have lent ₹ 137393 cr. under Priority Sector against the target of ₹ 135188 cr. recording 101.63 % achievement. He congratulated the Bankers for their contribution in achieving the target and requested to maintain the same enthusiasm in achieving the targets of 2017-18. He said that a total projection of ₹ 160020 cr. has been arrived under Priority Sector Credit. The overall growth rate comes to 18.37% over the previous year's target of ₹ 135188 cr under Priority Sector Credit. He recalled the Chief Ministers' concern on low credit off take towards Housing & Education sectors and he requested the Banks to achieve all round achievement in all the sectors in the present year. He further said that as per the forecast, the State is likely to have a good monsoon during the current year. It is a known fact that the State was reeling under drought continuously for last three years and farmers are badly in need of financial assistance to take up agricultural activities and hence he requested the Banks to assist the farmers by way of providing the timely finance to continue their agricultural activities.

On the issue of **Seeding of Aadhaar & Mobile Numbers in Savings Bank accounts**, he said that the Gol envisages transfer of all individual benefits through Aadhaar based DBT Scheme from 01.04.2017. He requested the Banks / LDMs / Line Departments to give emphasis on Aadhaar / Mobile seeding and issue of RuPay cards and its activation to enable smooth flow of DBT to all the beneficiaries of MGNREGA, Social Security Pension, Scholarship, Input subsidy and other schemes of all the Line Departments to cover the left over beneficiaries and the concerned Line Departments to make arrangements for obtention of consent letters for the same.

Taking up the issue of Non Performing Assets, he said that as at March 2017, there are 8,38,928 NPA A/cs involving ₹ 24,249 cr, which accounts for 4.31 % of total advances. The Gol had expressed its concern over rising of NPAs and stressed the need for recovery and advised all the Banks to initiate steps to contain the NPAs. In case of advances under Govt sponsored schemes also there is alarming raise in NPAs and hence he solicited the support and cooperation of the line departments in extending assistance to the Banks in recovery of such loans. He expressed his thanks to ACS & DC who has shown concern on recovery of NPAs and himself chaired the meeting of Bankers to discuss on the issue.

On going through the performance for 2016-17 on **implementation of MUDRA & Stand-up India and other Govt sponsored schemes**, he observed that Banks have done well in MUDRA & Stand Up India schemes. Similarly, in case of Govt sponsored schemes, namely, SHG-Bank credit linkage NRLM, Karnataka Maharshi Valmiki ST Dev. Corporation, the Banks have surpassed the targets. In case of Pashu Bhagya, Schemes of Dr. B.R. Ambedkar Dev. Corporation, SHG-Bank credit linkage NULM, Chaitanya scheme of D. Devaraj Urs BC Dev. Corporation, the Banks have shown good performance. He said that in other schemes, namely, Rajiv Gandhi Chaitanya Yojana, Minority Dev. Corporation, PMEGP, CMEGP, Weavers Credit Card, Rajiv Gandhi Loan Scholarship Scheme, the performance needs improvement. He requested the Line Departments to sponsor applications well in advance and avoid bunching of applications at the end of the year.

He expressed his happiness in informing that Karnataka has become the first State in the country to achieve the financial target ahead of time in SHG- Bank Linkage under NRLM. He congratulated all the Bankers and Karnataka State Rural Livelihood Promotion Society (KSRLPS)-SANJEEVINI for their outstanding performance and he brought to the attention of members that the Karnataka State has slipped down to number 2 position as far as amount disbursed since inception under MUDRA. As hitherto the State was enjoying the number 1 position, he requested the members to strive hard to bring back to number 1 position.

Concluding his address, he appealed to all the stakeholders to intensify their efforts to accelerate the momentum under PMJDY, PMJJBY, PMSBY, APY, MUDRA & Stand Up India, as these schemes are Govt's initiative towards meaningful Financial Inclusion.

Later on, the **Chief Secretary, GoK** addressing the House said that the Hon'ble Chief Minister has launched the State Annual Credit Plan 2017-18, which is in the order of **₹ 160020 cr** for Priority Sector. He said that the Hon'ble Chief Minister has pointed out that the credit flow to some vital sectors like Housing, Education and Crop loan sectors was not up to the targeted level. He further informed that hitherto there was a tradition of surpassing the annual target by a big margin, but in the year 2016-17 due to continuous drought in the State, the performance has just surpassed the allocated target. As more thrust is given to Housing sector, he requested the Bankers to surpass the allocated target and even consider of revising their targets for the sector. Referring to the NABARD's projection of ₹ 179000 cr, he called upon the Banks to surpass the allocated target for 2017-18 and try to reach up to the NABARD's projection. As Bankers have a catalytic role in the development process, he suggested for good relationship at grass root levels between borrowers and bankers specially at rural areas to have a win-win situation.

On the issue of Aadhaar seeding he expressed his concern that the performance is only 60 % and he called upon the Banks who have shown less than 50% progress to accelerate the process and complete it by the end of June 2017 and he has assured of all possible support from the Government in this endeavor. He informed that the progress in Mobile seeding is hovering around 80% and he advised the Banks to achieve 100 % immediately.

On the issue of Digitization, he informed that on-boarding of Merchants to digital platforms to be encouraged and villages to be adopted by Banks for 100% digitalization as per the Directions of DFS. It is informed that 7 villages from Syndicate Bank, 14 villages from Vijaya Bank, 57 villages from KVGB and 10 villages from PKGB have been adopted for 100% digitalization and the process is on towards 100% digitalization.

On the issue of Banking Correspondents (BC), he informed that at present the BCs are visiting the villages once or twice in a week and he suggested the Banks to increase the visits of BC to the villages. He said that there are 800 Gram Panchayats without BCs in the State and suggested for allotting those GPs to Banks to have BCs. He said that study in this regard is needed to ensure Daily visits by BCs.

He said that CD ratio has come down when compared to last year. He pointed out that some districts are showing low CD ratio and suggested the Bankers to analyse the reasons and strive hard to improve the CD ratio.

On the performance under Govt. sponsored Schemes, he said that the overall performance is good and in schemes like PMAY (Housing), Udyogini, Swavalambana the performance is low. He suggested that the District level Committees shall take care of this issue and plan for achieving the target in this year. He called upon the Banks to increase their lending to Education Sector and suggested for increase in quantum of loan to SHGs as recovery in SHGs is good.

Thereafter, **Sri T.M. Vijay Bhaskar, ACS & DC, GoK** informed that the major task has been achieved where 19.74 lakh farmers have been paid with Input subsidy of Kharif 2016 through Aadhaar Enabled Payment System. He said that some defects were observed when 39000 Aadhaar seeded payments were rechecked for the credit to which account it has gone. It was observed that in 13000 cases the credit has gone to some other account. He said that this matter has been brought to the notice of SLBC and GoI. He said that there should be proper verification before the account is seeded. He also said that UIDAI is having on line verification system and e-KYC service and he advised the Banks to utilise the same while seeding to avoid such mistakes. Further, he said that they have still 4 to 5 lakh cases where Input subsidy to be paid for which the District Administration has collected Aadhaar numbers and consent forms and handed over to the Bank branches for seeding. Accordingly, Bank branches have entered the data but seeding was not effected as the said data was not integrated with NPCI by their Head offices. Hence, he called upon all the Controlling Offices of Banks to integrate the data with NPCI to effect the Aadhaar seeding to enable seamless flow of benefits to farmers. Reacting to it the bankers have informed that integration of data/updating the data is being done on daily basis. The ACS & DC requested RBI to advise NPCI to assist the banks in integrating the data uploaded by the Banks. It is learnt that DCC, Bidar has not registered with NPCI for Aadhaar Enabled Payment System and hence payment was held up for 30000 beneficiaries. He called upon them to register with NPCI and complete the process of Aadhaar seeding immediately to enable Aadhaar Enabled Payment System.

On the issue of **recovery**, he informed that meeting on recovery aspects with bankers will be convened shortly to have thread-bare discussions.

On the issue of **Pradhana Mantri Fasal Bima Yojana**, he said that notification on Kharif 2017 will be issued shortly and advised the banks to issue instructions to the branches to facilitate the farmers who approach for crop insurance as it was observed last year that there was hesitation from branches for enrolling under insurance. Further, he assured to help the Bank branches by entrusting the data entry either at RSKs or at Co-op. Societies so that the burden on branches is reduced. With regard to rejected cases by Shriram General Insurance Co., he advised all the banks to furnish the required information as a meeting is being convened shortly for expediting the pending issues.

Thereafter, **Sri N. Gopal, General Manager, RBI** in his address said that Karnataka, which has been reeling under drought for the fourth consecutive year, is now pinning hopes on the Met department's prediction of normal monsoon in the country. It is imperative on us bankers to see that the farmers in our state continue to be given all the financial help that is required so that they could tide over the drought without having to resort to any extreme step.

To emphasize the importance of financial literacy, he informed that RBI has advised banks to observe the week June 5-9, 2017 as Financial Literacy Week across the country. The focus of the FL week would be on creating awareness on KYC, Exercising Credit Discipline, Grievance Redressal and Going Digital (UPI and *99#). The key messages would be propagated through posters, flyers and charts displayed prominently in bank branches, ATMs, websites of banks and other public places. All the messages have been selected from a common man's perspective and the ultimate goal of creating awareness on these themes is consistent with the broad objective of improving financial behavior of people which will ultimately result in meaningful financial inclusion. In this regard, all the publicity material has been provided to banks for display in all their branches / offices. He further said that they have decided to hold 3 events to launch the Financial Literacy Week, First of such event will be at Mandya involving the Govt and Top Bankers. He said that they propose to have events in other districts of the state during the Financial Literacy Week. He said that wide publicity will be given on the issue and requested all the bankers to involve themselves in this national movement of financial literacy.

Further, he said that RBI has revised the policy on FLC activities given the recent developments on withdrawal of legal tender status of Specified Bank Notes and the focus on going digital. Financial Literacy Centres (FLCs) are advised to conduct special camps for a period of one year beginning April 1, 2017 on "Going digital" through UPI and *99# (USSD)". Besides the special camps on going digital, FLCs will continue to conduct specific camps for the different target groups as prescribed in RBI circular dated January 14, 2016.

Continuing his address, he said that under the auspices of the State Level Coordination Committees (SLCC) of Karnataka, a website titled '**I-Viveka**' has been developed. It is open to public for lodging complaints against unauthorized acceptance of deposits by fraudulent entities for citizens of Karnataka. The website is a joint initiative of the Government of Karnataka and RBI. '**I-Viveka**' was launched by Hon'ble Chief Minister of Karnataka on 3.5.2017. '**I-Viveka**' is available in both Kannada and English. Karnataka is the first State in the country to formally put in place a website dedicated towards tackling the menace of fraudulent financial activities. In this context, he congratulated and thanked Govt of Karnataka for the initiatives and for the excellent cooperation given to RBI in this regard.

In the context of withdrawal of Higher Denomination Bank Notes since November 8, 2016, RBI has permitted Banks to for restructuring / rescheduling of loans for providing relief measures in areas affected by natural calamities upto 31.3.2017. In case the bankers are facing difficulties with regard to restructuring he said they may bring it to the notice of RBI through SLBC, on a case to case basis.

He informed that RBI has developed a platform on credit receivables to enable the MSMEs to discount the bills which rise against the firm / enterprise to which they are making supplies. This could enable them to realize their dues well within the time instead of waiting for 120-180 days. He requested the banks to popularize the portal among entrepreneurs to realize their dues well within the time. Another initiative by RBI is that creation of Moveable Assets Registry. This is created to assist the Start-up MSMEs which do not have required collateral to produce to avail bank loans. To obviate their problems, RBI has created Moveable Assets Registry wherein the Entrepreneurs can register their moveable assets and approach Banks. Bankers can log into the portal and view the moveable assets registered for MSME Entrepreneurs and take up for lending.

Afterwards, Sri M.I. Ganagi, Chief General Manager, NABARD in his address appreciated the Bankers on achieving the ACP targets for the year 2016-17 despite the workload on impact of demonetization and State suffering from drought for the last 2 to 3 years. However, the analysis of the achievements during the year 2016-17 in absolute terms is less than the achievement during the previous year (2015-16), particularly, under Agri Term Loans, Education and Housing Sector.

Though there is overall increase in the total business of the banks, overall the CD ratio slipped by around 3% during 2016-17. All the major banks in the State with high business volumes has a role in boosting the overall CD ratio of the State.

He informed that though ACP for the year 2017-18 at ₹ 160020 cr is higher by around 18% over the ACP 2016-17, increase in Agri Crop Loans and Agri Term Loans is only around 7%. Agri Term lending targets for the year are lesser than the earlier year targets / achievements. In case of a few banks, ACP targets for 2017-18 are lesser than ACP targets for 2016-17.

He said that though the banks have reported overall achievement of 102% of the ACP targets, some data inconsistencies / inaccuracies have been observed in the data furnished by some of the major banks, on which this review is based. It is the matter of serious concern that despite discussing this issue in the last few meetings of SLBC, the GLC data being discussed in this forum do not appear to be accurate particularly when data furnished by some of the banks to SLBC and other agencies (like NABARD through ENSURE Portal) is different / not tallying. It need not be emphasized that the basis for formulation of agriculture related policy is the GLC data being furnished to / compiled by SLBC. He once again appealed to all the banks to ensure utmost care and accuracy while compiling and furnishing data to SLBC as well as NABARD / RBI / GOI etc.

Commenting on the data submitted to SLBC and ENSURE portal of NABARD, there was huge variations observed which will have greater impact on planning process and he hence called upon the Banks to furnish the same figures to both the agencies. Intervening during the talk, the Convenor suggested NABARD to share their data with SLBC, so that SLBC can ascertain the correctness of the figures from the Banks before finalizing performance under GLC on agriculture.

Taking up the issue of "Save Water Campaign" he said that in an effort to propagate the importance of conservation and effective use of water, NABARD had launched a nationwide "Save Water Campaign" on World Water Day i.e., 22 March 2017. In Karnataka, seven water stressed districts, namely Kolar, Tumkur, Chitradurga, Raichur, Kalburgi, Vijayapur and Bagalkot have been identified as focus district for the campaign. Objective of the campaign is to create awareness among the rural community on harnessing rainwater, conservation and efficient water use through water budgeting, promotion of alternative cropping patters, harnessing solar energy, recharging ground water, rain water harvesting, adoption of proven technologies like micro irrigation, farm ponds, bunds, check dams etc., at village level. In this regard, NABARD has conducted one State Level Master Trainers Programme and trained 27 master trainers from southern states. These Master Trainers are in process of training KrishiJalDoots for carrying out awareness campaign. He requested the Bankers to participate in the campaign coming in their service area which will be helpful to them for canvassing loan products and also select one or two beneficiaries for water recharge.

On the issue of supporting Farmers Producers' Organisations (FPOs), he said that they are still facing difficulties in availing credit facilities. The issue was deliberated in the last SLBC meeting also. The FPOs are at different stages of development with most of the FPOs are ready with their Business Plans and ready to commence with the business activities as planned and requested the Banks to extend credit to the FPOs.

He requested the banks to take active interest in implementing the Area Based schemes formulated by NABARD for 2017-18 through their identified branches so that the capital formation in agriculture will get a boost.

He further said as per Gol instructions, banks have to issue RuPay KCC to all KCC account holders by 31 December 2016 but due to various reasons the work is yet to be completed. He requested all the Banks to concentrate more on coverage of KCC holders by RuPay cards.

Concluding his address, on the issue of financial inclusion, he requested the Banks to conduct at least one programme per Branch / FLC per month concentrating on digitilisation. The expenses of the programme can be claimed under Financial Inclusion Fund.

Reacting to the issues raised by the dignitaries, the Chairperson-SLBC replied as follows:

1) Role of Banks in development process

He assured that Banks will play a role in the development process, by having good relationship at grass root levels between borrowers and bankers, especially at rural areas.

2) Opening of Branches

He assured that Banks will take up the expansion of Branches in the unbanked areas, where 800 unbanked GPs will be taken care.

3) CD Ratio

He said that the influx of huge amount to the banking sector has resulted in the decline in CD Ratio, which is a temporary phenomenon.

4) Aadhaar Seeding & Crop Insurance

He assured that the bottlenecks in implementation of these schemes will be taken care in the present year.

5) Initiatives of RBI & NABARD

He assured that Bankers will take up those initiatives as a business proposition and not as a mandatory proposition.

The Chairman-SLBC brought to the knowledge of the House on the issues of unpleasant incidence like using of filthy language by some Govt officials, manhandling of branch managers by some customers have occurred in the State. For which, the Chief Secretary advised the members to bring such issues to the knowledge of Chief Secretary / ACS & DC.

Thereafter, regular Agenda was taken up for deliberations by Sri M. Mohan Reddy, the Convenor-SLBC & General Manager, Syndicate Bank.

AGENDA 1.0 : CONFIRMATION OF THE MINUTES OF 137th SLBC MEETING HELD ON 30.3.2017

The minutes of 137th SLBC Meeting held on 30.3.2017 to review the performance as on December 2017 were circulated vide letter No. 267/2017/2944/SLBC/101-137 dated 13.4.2017. The Minutes were approved as no suggestions for amendments were received.

AGENDA 1.1 : FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE PREVIOUS SLBC MEETING

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

1. On the issue of establishment of Kannada Cell in the Banks, the Convenor called upon all the Banks to open Kannada Cell as per the guidance of Kannada Abhivruddhi Pradhikara.

2. On the issue of providing 1% Interest subvention during the demonetisation period on the lines of Govt of India, the Director of Agriculture assured to reply by to-day evening.
3. On the issue of rejections of proposals by M/s. Shriram General Insurance Co under PMFBY Rabi 2017, the ACS & DC advised SLBC to hold a meeting on the issue immediately.
4. On the issue of opening of Bank branches in the villages with population of more than 5000, the Chairman-SLBC advised the Banks to have cut-off date as 15.6.2017 for opening of the Branches at the remaining centres.

(Action : SLBC / Banks / Dept of Agri)

AGENDA 2.0 : LAUNCHING ANNUAL CREDIT PLAN 2017-18

The Sector-wise ACP projections and achievements for 2014-15, 2015-16 & 2016-17 were presented to the House.

He further said that NABARD has already conducted State Credit Seminar for 2017-18 and projected ₹ 179160 cr under priority sector credit with a 23.82% growth over previous year.

Aggregation of District Credit Plans:

- SLBC has collected District-wise Annual Credit Plan projections for the year 2017-18 from all the 30 Districts. The total Priority Sector Credit works out to ₹ 160020 cr., with the overall growth rate of 18.37% of previous year's target. The share of Commercial Banks, RRBs & Coop. Banks/others comes to ₹ 117192 cr., ₹ 20500 cr., & ₹ 22328 cr., respectively. The Sector-wise & Agency-wise projections were presented to the House.

As per the sector-wise projections, the share of Agriculture Credit works out to ₹ 86690 cr., constituting 54.17% of total Priority Sector Credit, which is more than the target indicated for the State by Gol of ₹ 54925 cr. Out of which, the share of Crop Production Credit is ₹ 58563 cr forming 67.55% of Agriculture Credit. The share of MSE is ₹ 34703 cr., Education Loan is ₹ 2327 cr., Housing Loan is ₹ 16977 cr., & towards Other sectors ₹ 17793 cr., constituting 21.69%, 2.41%, 10.61%, 11.12%, of total Priority sector, respectively.

The allocation made above is not the upper ceiling and banks must endeavour to achieve higher disbursements. In case the Annual Credit plan target is more than the target allocated now, the higher target may be retained for implementation and monitoring.

The Convenor informed the House that keeping in view Gol's thrust on capital formation in agriculture for increasing production and productivity, a sub-target has been made for agriculture term loans at 32 % of total agriculture credit. All the LDMs were requested to review the performance of all Banks regularly in the DCC / BLBC fora so as to ensure achievement of the targets by March 2018.

The Bank-wise / District-wise ACP targets for 2017-18 were presented to the House. The House deliberated and approved the AAP for the fiscal 2017-18.

(Action : Banks / LDMs)

AGENDA 3.0 : FINANCIAL INCLUSION

I. Seeding of Aadhaar & Mobile Numbers in Savings Bank accounts

The Chairperson informed that the Gol envisages transfer of all individual benefits through Aadhaar based DBT Scheme from 01.04.2017. As per the information received from DFS, of all the eligible 568.81 lakh SB A/cs, 342.91 lakh A/cs have been seeded with Aadhaar with a percentage of 60.29 and 472.44 lakh A/cs seeded with Mobile with a percentage of 83.06 and the performance requires improvement and requested the stakeholders to complete the process of seeding of Aadhaar before 30th June 2017 so that the seamless credit of benefits can be extended to the beneficiaries.

(Action : Line Depts / Banks)

II) & III) Progress of Aadhaar/Mobile seeding of all SB a/cs in Karnataka as on 28/04/2017

The Progress of Aadhaar/Mobile seeding of all SB a/cs in Karnataka as on 28/04/2017, The scheme-wise progress under MGNREGA, Social Security Pensions, Schemes of Backward Classes Welfare Dept & Social Welfare Dept were presented to the House.

Under SSP, he informed that 12.30 lakh beneficiaries are receiving pension through Banks. On segregation of the data, it was found that 4.22 lakh A/cs are Aadhaar seeded and 8.08 lakh A/cs unseeded.

The Convenor informed that Aadhaar seeding to be improved further. He requested the Bankers and Line Departments to have campaign for one week to achieve 100% seeding before 30th June 2017.

(Action : Line Depts / Banks)

IV. Special Campaign to on-board merchants to accept digital payments on Dr. Ambedkar Jayanthi (14.4.2017) upon culmination of 100 days of Digi-Dhan Mela

The Convenor informed that as per the directions of DFS : MoF: GoI, NITI Ayog had organised a Special Campaign to on-board merchants to accept digital payments on Dr. Ambedkar Jayanthi (14.4.2017) upon culmination of 100 days of Digi-Dhan Mela. Simultaneously, e-Governance Dept., GoK had organized the State Level programme at Bengaluru, attended by the ACS & DC, GoK, Chairman-SLBC and by the Bankers, Line Departments and on-boarding merchants.

V) & X) Financial literacy

The Chairman-SLBC informed that RBI has decided to commission a pilot project for setting up of 80 Centres for Financial Literacy at block levels across nine States with support from Financial Inclusion Fund to explore innovative and participatory approaches to Financial Literacy. He said that the pilot project will be implemented by Banks in collaboration with NGOs / agencies identified by RBI. While the Banks will be responsible for overall governance of the project, the identified NGO should execute the project in the allotted block. In Karnataka, Syndicate Bank has to sponsor 5 Blocks in Ballari district and Canara Bank to sponsor 5 Blocks in Chitradurga District.

The Convenor-SLBC said that during quarter ended March 2017, 170 FLCs have conducted 2060 Special camps and 3942 target group specific camps and 2143 Rural Bank Branches have conducted 2576 Special Camps and 3434 target specific camps comprising farmers, SHG & JLG members, students and unorganized sectors. He further said that still 7 FLCs are to be opened in the allotted centers by Corporation Bank, SBI (e-SBH) and Andhra Bank and advised them to open FLCs by 30.06.2017.

(Action : Concerned Banks)

District level events for promotion of financial literacy

The Convenor informed that on the occasion of completion of Government's 3 years in office, Ministry of Information and Broadcasting, NFDC is organizing District level events for promotion of financial literacy in 300 districts in batches of 100 each, spread over three days per event during June 2017, to communicate to the audience about various Government schemes and initiatives. He advised the Lead District Managers of the identified districts to coordinate with NFDC and also with various banks in their Districts concerned in organizing the events.

(Action : LDMs / Banks)

VI. Digital Payments – Villages adopted by Banks for 100% cashless transactions

The Convenor informed that the Banks have adopted the villages for coverage of 100% cashless transactions. It was informed that 7 villages from Syndicate Bank, 14 villages from Vijaya Bank, 57 villages from KVGB and 10 villages from PKGB and 1 village each from Bank of India, Punjab National Bank, State Bank of India have been adopted for 100% digitalization and further, State Bank of India has informed that the six villages, will be adopted for 100% cashless transactions.

He requested Banks once again to identify Gram Panchayats and One District for transformation as Model Digital Panchayat / District for Digital Payment Award. He said that in this context, SLBC had already advised the Banks to give particular attention to delivery of all undelivered RuPay cards and PINs, Seeding of Aadhaar & Mobile Number in SB accounts, Availability of live PINs with the customer, Facilitation of cardholders in swiping the card at the Branch, ATM, micro-ATMs or PoS, Financial literacy to ensure how to use the card. He requested the Banks and Govt Dept to play an important role in ensuring 100% Aadhaar & Mobile seeding to all the eligible accounts.

(Action : Banks & Line Departments)

VII. Performance under PMJDY:

The progress under the scheme as on 31.3.2016 and 31.03.2017 was furnished to the house. Totally 73.03 lakh accounts have been seeded with Aadhaar against 106.39 lakh accounts opened, covering 68.85%. Out of total 93.09 lakhs RuPay cards issued, 72.21 lakhs are activated. The percentage of activation is 77.57%. The Bank-wise/District-wise details as on 31.3.2017 was presented to the house.

(Action : Banks / LDMs)

VIII. Performance under Social Security Schemes

The Progress in enrolment of applications as on 30.04.2017 was furnished to the house. Totally, 29.05 lakh accounts under PMJJBY, 62.48 lakh accounts under PMSBY and 3.19 lakh accounts under APY were enrolled and totally 10921 claims have been settled. The Bank-wise / District-wise status as on 30.04.2017 of the 3 schemes was furnished to the house. The Convenor requested the Banks to achieve 100% renewal and enroll more members under the Social Security Schemes. He quoted an example of Andhra Pradesh Govt where the Labour Department has enrolled maximum number under APY and suggested the GoK to take up such initiative to enroll more number of labourers specially construction workers under APY and insurance.

(Action : Banks / Line Depts.)

IX. Road map for Opening of Brick & Mortar Branches in villages with population more than 5000 without a Bank Branch of a Scheduled Commercial Bank

The General Manager, RBI said that there were 210 villages which do not have a branch of a commercial bank. The commercial banks operating in the State were requested to open brick and mortar branches in all these villages by March 31, 2017. However, only 151 branches (20 brick and mortar branches + 131 Ultra Small branches) have been opened till March 2017 quarter leaving as many as 59 villages unbanked. During last SLBC meeting also allottee Banks were requested to take early action as the dead line of March 31, 2017 was fast approaching. Consequent to the merger of certain associate banks with SBI, from April 1, 2017, the opening of branches of erstwhile associate banks was kept pending due to merger issues, He requested SBI to complete the process of opening the branches concerned immediately.

The Chairperson-SLBC called upon the Banks to open the branches by 15.06.2017.

The Bank-wise/District-wise status of coverage was furnished to the house.

The General Manager, RBI referring to Circular DBR.No.BAPD.BC.69/22.01.001/2016-17 dated May 18, 2017 requested SLBC to compile and have an updated list of all unbanked rural centres in the State which shall be displayed on the website. This list will facilitate banks to choose/indicate the place where they wish to open a 'banking outlet'.

(Action : SLBC / Banks)

AGENDA 3:1 : PRADHAN MANTRI MUDRA YOJANA (PMMY)

The Convener informed that the state has slipped to No.2 position in the country in the amount disbursed under the scheme. He called upon the Banks to put in their efforts to bring back the state to No.1 position by entertaining eligible proposals under MUDRA and stick to the timeline prescribed for disposal of loan applications.

The Bank-wise progress report for the FY 2016-17, as on 31.3.2017 under PMMY was furnished to the-house

(Action : Banks)

AGENDA 3.2 : STAND-UP INDIA PROGRAMME

General Manager, SIDBI informed that the performance under the scheme is poor in certain districts. In Bidar-4 ,Gadag-6, Koppal-8 cases only have been sanctioned. Commenting on the Bank-wise performance he informed that Vijaya Bank, BOI, Canara Bank have performed well and OBC, Dena Bank, BOM, ICICI Banks have shown poor performance. He requested the Banks and LDMs of the Districts to take initiative to show good progress under the scheme.

The Convener requested the Banks to accord priority for lending to SC/ST & Women beneficiaries as per the scheme guidelines and achieve the targets.

The Bank-wise achievement as on 31.3.2017 was furnished to the house.

(Action : Banks & LDMs)

AGENDA 4.0 : KARNATAKA RAITHA SURAKSHA PRADHAN MANTRI FASAL BIMA YOJANA (KRS-PMFBY)

The Convener informed that the progress under PMFBY Summer 2017 is being reviewed on weekly basis by DFS. All the Banks have entered the enrolment data in the Samrakshane Portal of GoK. The Dept of Agriculture, GoK was informed to take steps for pushing the data to central portal and initiate steps for claim settlement. On the issue of claim settlement the Director of Agriculture informed that 470 cr. out of 944 cr. has been settled. As only 50 % is achieved, the ACS & DC advised the Dept. to follow-up with the Insurance Companies for early settlement.

The enrolment particulars as on 11.05.2017 were presented to the House.

Rejections of proposals by M/s. Shriram General Ins. Co. Ltd. pertaining to Rabi 2016

The Chairperson informed that M/s. Shriram General Insurance Co. has rejected large number of proposals received under Rabi 2016 from the Bank Branches within the cut-off date citing the reason, which are not as per PMFBY guidelines. In this regard, the Dept. of Agriculture, GoK had several rounds of meetings with the Bankers & Insurance Co., to resolve the issues. The issues are still to be resolved by the Insurance Co. During the meeting held on 19.5.2017, the Co. has provided the data of 103070 proposals, which were rejected. Bank-wise/Branch-wise details were circulated to concerned Banks on the same day by SLBC and Banks were advised to verify data and report back to SLBC. After deliberations it was decided to convene a meeting on 6th June 2017 under the chairmanship of ACS & DC, GoK to sort out the issue. The Banks were advised to furnish proposal wise valid proof for their claim.

(Action: Banks & Shriram Gen. Ins. Co.)

On the issue of pendency in settlement of claims of Kharif 2015, the LDM, Dharwad informed that more number of untoward incidents are being occurring at the Branches and the pendency was for want of clarification on enrolment by farmers for same survey number in more than one Bank. The AIC representative informed that it is being examined by Bankers / Insurance Co. to sort out the issue.

(Action: Banks & Ins. Cos.)

SUPPLY OF FOLIOS CONTAINING SCHEME GUIDELINES TO BANKS

The Convener informed that a decision was taken in the meeting chaired by Joint Secretary, Dept of Agriculture, GoI to provide Folios containing the scheme guidelines on PMFBY/WBCIS to all insured farmers. It was decided that the concerned Convenor Banks of the SLBC of the State will print requisite number of Folios based on the requirement of member banks and the cost of the same shall be shared by the member banks. Accordingly, SLBC has supplied the 6,00,000 Folios to the Banks, which had indented with SLBC. He requested all the Banks to advise their Branches to distribute the same among the insured farmers.

(Action : Banks)

AGENDA 5.0 : PROVIDING RELIEF MEASURES TO THE DISTRESS FARMERS

The Convener informed that the Government of Karnataka has declared 139 taluks as drought affected during the Kharif 2016 and 160 taluks during Rabi 2016-17. The list of drought affected taluks has been communicated to all the Banks. Banks were requested to extend relief measures as per extant RBI guidelines. There are 8,02,357 accounts involving an amount ₹ 15739.68 cr eligible for restructuring / reschedulement as on 31.3.2017, of which, the Banks have restructured / rescheduled 4,34,393 accounts involving an amount of ₹ 8171.06 cr. The Banks have provided fresh finance of ₹ 2315.34 cr covering 1,64,762 accounts.

The Convener requested the Banks to have a sympathetic approach towards farmers for agriculture lending as they were affected by drought for 3 consecutive years. He suggested for taking measures for smooth lending of crop loans during Kharif 2017 and suggested to use Insurance claim amount for renewal of crop loans which makes the farmers eligible for crop insurance, Interest Subvention, PAIS, etc.

(Action : Banks)

AGENDA 6.0: KARNATAKA FARMERS' RESOURCE CENTRE [KFRC]

The KFRC has conducted 81 training programmes involving 4424 participants during the fiscal 2016-17. The cumulative works out to 603 programmes and 40761 participants since inception.

Problems faced by KFRC in construction of new Campus Building and latest developments

The Convener informed that as decided and permitted by the Managing Trustee KFRC and Convenor-SLBC, KFRC has filed Writ Petition with Hon'ble High Court Bench at Dharwad on 29/11/2016 and appealed for staying the order of BTDA Bagalkot for stopping the construction work. The Hon'ble Court has issued Interim Stay on 24/05/2017, against the order of BTDA till next date of hearing. The next date of hearing will be after summer vacation of Court, i.e., after 29/05/2017.

AGENDA 7.0: SLBC SUB-COMMITTEE MEETINGS HELD DURING REVIEW PERIOD

The Convener informed that only one Sub-committee meeting was conducted during the last quarter. The ACS & DC said that the Sub-committee meetings are very important and hence advised the concerned Principal Secretaries to fix up the dates and conduct the meetings immediately.

(Action : Principal Secretaries & Conveners of Sub-committees)

AGENDA 8 : APPROPRIATION OF INPUT SUBSIDY TOWARDS LOAN ACCOUNTS OF THE FARMERS

The Convener informed that in the Video Conference meeting of Dy. Commissioners and CEOs of ZPs held on 18.4.2017 chaired by the Hon'ble Chief Minister, it was decided to request the Bankers to pay the drought relief input subsidy amount to the farmers without adjusting it to their loan accounts. Accordingly, the ACS & DC has requested the SLBC to advise the Banks in the matter.

The GM : RBI said that they have received a memorandum from Shri H D Deve Gowda, former PM and Hon'ble MP regarding the appropriation of incentive/subsidy to milk producers. SLBC/Government Departments have brought to the notice of RBI quite frequently that banks adjust the amount received towards input subsidies / relief amount / incentive from state governments against dues of loanee accounts. While bankers' right to set off is legally binding, it is felt that setting off of relief amount granted by state governments / Gov through banks against dues of the farmer could be against the spirit of our natural calamity guidelines and may also discourage the Direct Benefit Transfer (DBT). RBI, CO is seized of the matter and has requested IBA to evolve a common framework for the banking industry.

The Convener requested RBI to pursue with IBA in this regard.

(Action : RBI & Banks)

AGENDA 9 : SHARING OF EXPENSES BY ALL BANKS ON INFRASTRUCTURE & FACILITIES PROVIDED TO DEBT RECOVERY TRIBUNAL – I & II AT BENGALURU

The Convener said that It is informed by Canara Bank that with the formation of DRT-I & II at Bengaluru for catering to the services to the State of Karnataka, the Ministry of Finance, Govt of India had accorded permission to relocate both the DRTs in an alternative premises at Jeevan Mangal LIC Building (1st & 2nd Floor), Residency Road, Bengaluru.

Accordingly, the Bank has provided the necessary infrastructure and other facilities to both the DRTs at the said premises by incurring a total cost of ₹ 1,69,28,369.50. The works / procurements were made through the empanelled list of vendors and the contractors of the Bank and by following due tendering processing as applicable to the respective work and adhering to the laid down guidelines of the Bank. Both the DRTs are presently functioning from the new premises.

The House deliberated on the subject and resolved that all the member Banks to share the expenses on the basis of number of Branches in the State and reimburse to Canara Bank.

(Action : Banks)

AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF MARCH 2017

The Bank-wise position as of March 2017 was presented to the House in respect of Branch Net Work, Deposits, Advances and CD ratio.

Branch Network:

As at the end of Mar. 2017, the total number of bank branches in the State was **10968**, comprising **8168** Commercial Bank; **1769** RRB; **203** KSCARD Bank; **758** DCC Bank; **38** Industrial Coop Bank; **32** KSFC Branches.

ATMs :

As at the end of Mar. 2017 there were **16790** ATMs in the State, out of which, **2504** are in rural, **3202** are in S. Urban, **4023** are in Urban and **7061** are in Metro areas.

Deposits:

The aggregate deposits of Banks was ₹ **772383 cr** as at the end of Mar. 2017, when compared to the level of ₹ **687935 cr** as on Mar. 2016, registering an increase of ₹ **84448 cr** showing a growth rate of **13.78%**.

Advances:

The total outstanding Advances of Banks was ₹ **563209 cr** as at the end of Mar. 2017 as compared to the level of ₹ **522155 cr** as at Mar. 2016, registering an increase of ₹ **41054 cr** showing a growth rate of **8.96%**.

Credit-Deposit Ratio:

The Credit Deposit Ratio as of Mar. 2017 was **72.92%** vis-à-vis **75.90%** as of Mar. 2016 showing a decrease of **2.98%**. The CD ratio was at 100% in Rural areas, 77% in Semi-Urban, 61% in Urban and 72% in Metro areas.

House expressed concern on the CD Ratio which has declined from 75.90% to 72.92% when compared to the level of previous year and informed Bankers to bring it to the level of neighboring States.

Priority Sector Advances:

The outstanding level of total **priority sector advances** of Banks stood at ₹ **256093 cr** as of Mar. 2017 as against ₹ **219763 cr** as at Mar. 2016 showing an increase of ₹ **36330 cr** recording a growth of **19.69%**. The percentage of priority sector advances of Banks works out to **45.47%**.

The total **agricultural advances** as at Mar. 2017 were to the tune of ₹ **116007 cr** constituting **20.60%** of the total advances.

The outstanding **Advances to Weaker Sections** by Banks as of Mar. 2017 was ₹ **80587 cr** constituting **14.31%** of the total Advances with an increase of ₹ **6539 cr** over the corresponding previous year level. The outstanding advances to **Small & Marginal farmers** was to the tune of ₹ **59512 cr** covering about **62.31 lac** accounts, constituting **51.30%** of the total Agriculture credit. The outstanding advances to **SCs/STs** were ₹ **14032 cr** constituting **2.49%** of the total advances.

The Bank-wise position of Priority Sector and Weaker Section Advances and the Bank-wise position as of Mar. 2017 in respect of Branch Net Work, Deposits, Advances, CD ratio and in respect of Priority Sector and Weaker Section Advances were presented to the House.

AGENDA 11.0: COVERAGE UNDER CREDIT GUARANTEE SCHEME OF CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES [CGTMSE] –

Under guarantee scheme of CGTMSE, Banks have covered **9070** units with an approved amount of ₹ **539.25 cr** during the QE Mar. 2017 and the cumulative progress was **247293** units amounting to ₹ **12285.63 cr**.

AGENDA 12.0 : CENTRAL AND STATE SPONSORED SCHEMES

The performance of Banks under various Govt sponsored schemes of 2016-17 as on 31st March 2017 is furnished herebelow:

PERFORMANCE UNDER GOVT SPONSORED SCHEMES FOR 2016-17

SI No.	Name of the Schemes	Target	Achievement	% of Ach.
1	NATIONAL RURAL LIVELIHOOD MISSION (NRLM)			
	SHG Bank Linkage Groups	230000	234171	101.81
	RAJIV GANDHI CHAITANYA YOJANA (RGCY)	92177	36724	39.84
2	KARNATAKA M.V. ST DEV. CORPN.			
a	Self Employment Programme (SEP)	3428	3353	97.81
b	ISB	1234	1108	89.79
c	Dairy Scheme	500	1776	355.20
	TOTAL	5162	6237	120.83
3	PASHU BHAGYA			
a	Dairy Development	9649	9187	95.21
b	Sheep & Goat Development	1302	1250	96.01
c	Piggery Development	186	171	91.94
d	Poultry Development	984	949	96.44
	Total	12121	11557	95.35
4	DR. B.R AMBEDKAR DEV. CORPN			
a	Self Employment Programme (SEP)	5153	4433	86.03
b	ISB	1349	1633	121.05
c	Dairy Scheme	1304	1099	84.28
	TOTAL	7806	7165	91.79
5	NATIONAL URBAN LIVELIHOOD MISSION (NULM)			
A	Self-Employment			
	a) Individual	4765	3218	67.53
	b) Groups	200	163	81.50
B	SHG Bank Credit Linkage	1250	1234	98.72
6	D. DEVARAJ URS BC DEV. CORPN.			
	Chaitanya Subsidy Scheme	4255	3546	83.34
7	KARNATAKA MINORITY DEV. CORPN. (KMDC)			
	Swalambana Margin Money	5333	2828	53.03
8	WOMEN & CHILD WELFARE DEPT			
	Udyogini	13824	6977	50.47
9	PMEGP			
a	KVIC	2076	845	40.70
b	KVIB	2076	996	47.98
c	DIC	2769	1734	62.62
	Total	6921	3575	51.65
10	CMEGP – DIC & KVIB	2500	1130	45.20
11	Weavers Credit Card (MUDRA Scheme)	8000	1583	19.79
12	PMAY (Housing for All 2022) – CLSS	15000	944	6.29
13	Rajiv Gandhi Loan Scholarship	10000	90	0.90

The Convenor requested the Banks to dispose of the pending applications of all the Govt sponsored schemes.

The representative from Textiles Dept informed that the performance during last year under Weavers Credit Card (MUDRA Scheme), the major contribution was from Punjab National Bank alone. He requested the other Banks to take initiative and lend more under MUDRA and achieve the targets.

The LDM, Yadgir informed that the majority of the loans sanctioned for Taxis under the Tourist Dept scheme are NPA and taxis are not traceable. There is no support from the department for recovery or tracing the vehicle. Now, the Dept of Tourism Development is insisting LDMs / Banks for considering the sponsored applications since from 2010-11. He requested for to permit for considering the sanction of loans for 2016-17 & current year i.e. 2017-18.

The House including the Additional Chief Secretary & Development commissioner GOK acceding to his appeal said not go for the earlier period and to take up the loans from the period 2016-17 & 2017-18 only.

The LDM, Koppal informed that the revalidation of cheques issued for subsidy portion by Dr. B.R. Ambedkar SC Dev. Corporation are pending for the last 6 months inspite of their regular persuasion. This is affecting the implementation of the schemes. The ACS & DC advised the Corporation to look into the matter and dispose the matter immediately.

(Action : Dr. B.R. Ambedkar SC Dev. Corporation)

The LDM, Davanagere informed that lot of rejections were observed in the sponsored applications suggested because of negative CIBIL report. Hence, he suggested the sponsoring agencies to forward the applications with favourable CIBIL reports to avoid rejections at the Branch level.

Further, he informed that there are no representatives from Banks / LDMs while selecting beneficiaries under Govt sponsored schemes. He suggested involving representative from Banks or the Lead Bank in the selection committee to avoid problems in implementation of Govt sponsored schemes.

The Chairman-PKGB informed about the initiative taken by them with district administration, Ballari under the Chief Ministers' Housing Construction Bazar under Vajapayee Urban Housing Scheme and Dr. B.R. Ambedkar Housing Scheme. PKGB has entered into an agreement with district administration in financing eligible borrowers and Dy. Com. Ballari has launched above scheme on 16.5.2017, where 649 applications of SC/ST eligible borrowers were sourced and more than 3000 applications are expected. This is a unique event of efforts of PKGB & District administration, Ballari. He said that the loans will be released in advance and as soon as the assistance is received from State & Central Govts, the same will be passed on the beneficiaries' loan accounts.

Rajeev Gandhi Loan Scholarship Scheme:

The Convenor informed that the Dept has initiated the following steps to overcome the slow progress

- The Govt has released Corpus fund of ₹ 152.70 lakh under the scheme
- Forward the applications to concerned Service Area Bank Branches
- Display banners in the Colleges about the scheme
- Give wide publicity / creating awareness among the public about the scheme
- Recommend to Govt to increase the income limit criteria of ₹ 2.5 lakh to facilitate mobilizing of maximum number of applications

(Action : Banks / Line Depts)

PMAY (Housing for All 2022) – CLSS

The Pr. Secretary, Housing, GoK said that Gol and GoK are giving more thrust on Housing. The target for the State is more than 8 lakh houses for the current year. Gol scheme is already in operation and are being considered under CLSS. There is either or option to avail ₹ 1.5 lakh capital subsidy or avail through CLSS. GoK has duck tailed the capital subsidy scheme and GoK scheme for reaching affordable housing target. In this there will be a gap in the construction cost. He said that these affordable houses are to be funded under Housing Loan schemes. Credit needs for housing is low in the region of ₹ 2 lakh project. He said that the credit off take is low due to knowledge gap at Branches regarding CLSS and assessing the income and viability of lending for beneficiaries. For non-CLSS lending upto ₹ 2 lakhs, the Dept want to have a tripartite agreement with Banks and the title of the house property will be given only after closure of the loan. The Dept is planning to have 1 lakh houses in Bengaluru where unit cost would be ₹ 5.50 lakh to ₹ 6.00 for multi-storied 300 Sq ft house. The Dept want to fill the gap of ₹ 1.5 to ₹ 2.00 lakh through Bank credit, for which the Dept is supporting for recovery of bank dues.

The Chairman-SLBC informed that the Dept may formulate the scheme upon discussion with Bankers and the Dept and suggested to have a structural document common to all across the State for successful implementation of the scheme. He also suggested taking up the matter to SLBC Sub-committee on Housing.

The ACS & DC informed that in view of the thrust and importance for housing due to the Gol scheme on Housing for All, the present Sub-committee on Retail Loans which deals with Housing & Education Loans shall be chaired by the Pr. Secretary, Housing instead of Pr. Secretary, Higher Education Dept, GoK to facilitate smooth implementation of the Housing for All scheme.

(Action : SLBC / Banks / Line Depts.)

TARGETS FOR 2017-18

1) Chief Minister's Employment Generation Programme (CMEGP)

SLBC has communicated to the Lead District Managers, District-wise targets for 2017-18 as received from the Director, Dept of Industries & Commerce, Govt of Karnataka, Bengaluru. The Agency-wise targets are as under:

Sl. No.	Agency	Physical Target	Financial Target (₹ in lacs)
1.	D.I.C.	1500	3000.00
2.	K.V.I.B.	1000	2000.00
	Total	2500	5000.00

The District-wise targets were presented to the House and the same was approved.

2) Prime Minister Employment Generation Programme (PMEGP)

SLBC has communicated to the Lead District Managers, District-wise targets for 2017-18 as received from the State Director, Khadi & Village Industries Commission, Ministry of MSME, Govt of India, Bengaluru. The Agency-wise targets are as under:

Sl. No.	Agency	No. of Projects	Margin Money Subsidy (₹ in lacs)	Employment
1.	KVIC	675	1338.89	5400
2.	KVIB	675	1338.89	5400
3.	DIC	900	1785.19	7200
	Total	2250	4462.97	18000

The District-wise targets were presented to the House and the same was approved.

3) Self-Employment Programme of DAY-NULM

The Dept of Municipal Administration, GoK has communicated the total physical target of 2776 for 2017-18 for the State. The Dept was requested to provide the local body-wise targets to enable to communicate to LDMs.

(Action : DMA : GoK)

4) D. Devaraj Urs Backward Classes Dev. Corporation - Chaitanya Subsidy-cum-Soft Loan Scheme

SLBC has communicated the District-wise targets comprising Physical - 5000 and Financial - ₹ 2250 lacs for 2017-18 to the Lead District Managers as received from the Managing Director, D. Devaraj Urs Backward Classes Development Corporation, Government of Karnataka, Bengaluru.

The District-wise targets were furnished to the House and the same was approved.

5) Deendayal Anthyodaya Yojana – National Rural Livelihoods Mission Self-Help Group-Bank Linkage

- SLBC has communicated Bank-wise targets to all the Banks for 2017-18 as received from the Mission Director, Sanjeevini-KSRLPS, Rural Development & Panchayat Raj Dept., Govt of Karnataka, Bengaluru.

The Bank-wise targets were presented to the House and the same was approved.

6) Weavers Credit Card under Pradhan Mantri MUDRA Yojana

SLBC has communicated the District-wise targets for 2017-18 to all the Lead District Managers as received from the Commissioner of Textiles & the Director of Handlooms & Textiles, Govt of Karnataka, Bengaluru.

The District-wise targets were presented to the House and the same was approved.

The Chairman-SLBC informed that only 6 Departments have submitted the targets for 2017-18 and the remaining departments are yet to communicate the targets. The ACS & DC advised the Line Departments to communicate District-wise targets immediately.

(Action : Line Departments)

AGENDA 13.0: IMPLEMENTATION OF ANNUAL CREDIT PLAN (2016-17)

The progress in sector-wise disbursement and comparative analysis under Annual Credit Plan for the year ended Mar. 2017 is furnished below.

(₹ In Cr)

Sector	March 2016			March 2017		
	Target	Achievement	% Ach.	Target	Achievement	% Ach.
Crop Loan/ KCC	41600	29155	70.08	48908	39056	79.86
Agri Term Loan	21020	55679	65.39	23984	40181	167.53
Total Agri Loans	62620	84834	135.47	72892	79237	108.70
MSE	18105	40832	225.53	30314	42468	140.09
Export Credit	--	--	--	597	3969	664.82
Education	2989	2248	75.21	2915	1639	56.23
Housing	14459	9061	62.67	15191	5916	38.94
Social Infra.	--	--	--	464	113	24.35
Renewable Energy	--	--	--	675	263	38.96
Others	14287	7284	50.98	12140	3788	31.20
Total PSA	112460	144259	128.28	135188	137393	101.63

The Bank-wise progress under Crop Loan/ KCC was presented to the House.

AGENDA 13.1 : VIDYA LAKSHMI PORTAL (VLP) of EDUCATION LOAN

The Chairperson informed that SLBC has advised all the Banks to follow the guidelines issued on Vidya Lakshmi Portal of Education Loan. He requested all the Banks to note that all education loans should be routed through Vidya Lakshmi Portal (VLP). It was advised to have awareness campaign from 1st May 2017 and also to have orientation programme for officers on education loans, CSIS and VLP. All the Banks' websites should have direct tag to VLP. All legacy cases from 15th August 2015 i.e., launch date of VLP should be uploaded on VLP latest by September 30, 2017. He requested the Banks to take steps for popularization of the Portal by sensitizing Branch Managers. As the process of admission of students has commenced, he requested all the stakeholders to give wide publicity for Education loans and extend required finance to the needy students.

(Action : Banks)

AGENDA 14.0 : SPECIAL FOCUS PROGRAMMES

The House reviewed the performance under (a) Credit flow to Minority Communities (b) Flow of credit to Minority Communities in identified districts (c) Credit flow to Women (f) Lending through MFIs (g) Stree Shakti Programme as of March 2017.

The House advised the Banks / LDMs / Line Depts to accord importance for implementation of these schemes.

AGENDA 15.0: IMPLEMENTATION OF SPECIAL SCHEMES

The House reviewed the performance under (a) Agri-Clinics / Agri-Business (b) Rural Godowns (c) Implementation of National Horticulture Board [NHB] Subsidy Scheme.

AGENDA 16.0 : RECOVERY

The House reviewed the position under (a) Recovery of Bank dues under PMEGP (b) Non Performing Assets Position (c) Recovery under SARFAESI / DRT / Lok Adalat (d) Recovery under KPMR & KACOMP Acts.

The ACS & DC observed that the NPA level under PMEGP is ranging from 9.58% to 16.92%. He advised the KVIC to assist Banks in recovery of dues as percentage of NPA in PMEGP is very high. Further, he requested SLBC to provide defaulters' list to KVIC for taking up recovery.

The Convener reiterated the ACS & DC for posting of Special Tahsildars for assisting in recovery of bank dues.

(Action : SLBC / KVIC / Line Depts.)

AGENDA 17.0 : LEAD BANK SCHEME – STRENGTHENING & MONITORING INFORMATION SYSTEM (LBS-MIS)

The progress under disbursements and outstanding as at Mar. 2017 vide LBS-MIS-II & III were presented to the House. The Convener requested the Banks to submit correctly drawn Lead Bank Statements to SLBC, in time.

(Action : Banks)

AGENDA 18.0 SELF HELP GROUPS/ JOINT LIABILITY GROUPS

As against the target for credit linkage of 2,30,000 of SHGs for the year 2016-17, Banks have credit linked 3,06,017 SHGs amounting to ₹ 4629.80 cr up to the year ending Mar. 2017. Consolidated progress by Banks under SHG Bank linkage program as at Mar. 2017 was presented to the House.

A target for credit linkage of 60,000 JLGs has been fixed for the State for 2016-17. As per the information gathered, the Banks have credit linked 62,645 JLGs with a credit limit of ₹ 984.72 cr up to Mar. 2017.

The ACS & DC informed that the quantum of loan lent under NRLM is ₹ 2.60 lakhs where as it is only ₹ 1.40 lakhs in General SHGs. He sought the reasons for low quantum of loan in General SHGs. The House opined that the quantum of loan extended for the first time to new SHGs will be low which will affect the average loans of SHGs.

The CGM, NABARD informed about the implementation of digitization of SHGs in the country. He said that in the first phase, two districts, one at Maharashtra and another at Jharkhand were selected on pilot basis for digitization. Based on their performance, 20 more Districts have been selected in the second phase for digitalization, wherein Mysore District in the State is selected for digitization of all the SHGs in the district. Further, he said that another 175 districts will be covered in third Phase in which 10 more districts will be covered in the State for digitization. He called upon the Bankers to get prepared for digitization of SHGs through which the credit off-take will improve.

(Action : Banks)

AGENDA 19.0 : NABARD AGENDA NOTES:

The CGM : NABARD took up the review on (I) GLC for Agriculture - (a) Submission of Accurate Data by banks on Ground Level Credit (GLC) (II) Date on GLC to MSME (III) KCC and issue of RuPay Cards (IV) Weavers Credit (V) Pledge financing against Negotiable Warehouse Receipts (NWRs) by the Banks (VI) Formation of Farmers' Producers' Organisation (FPOs) – Credit Linkage (VII) Self-Help Groups (VIII) Digital Banking and Financial Inclusion (i) BHIM- Cash back Scheme for Merchants and BHIM- Referral Bonus Scheme for Individuals – (a) BHIM- Cash back Scheme for Merchants and (b) BHIM - Referral Bonus Scheme for individuals (ii) Incentivising Promotional scheme for BHIM Aadhaar (iii) Support under FIF for purchase of hand held projector and portable speaker to facilitate Financial Literacy efforts by FLCs and rural branches (iv) Grant Assistance under Financial Inclusion Fund (FIF) for conduct of Financial Literacy Programmes – Support for "Going Digital" (v) NABARD grant assistance to PoS / mPoS (vi) V-Sat to cover the locations with no / intermittent connectivity. (IX) Assistance for Rural Infrastructure.

The CGM, NABARD on the issue of KCC and issue of Rupay cards said that in coverage of KCC under Rupay KCCs, the performance of Co-Op. Banks is very low and needs to be improved. He advised them to complete the process by 15th June 2017.

On the issue of V –Sat to cover the locations with no /intermittent connectivity, the Convenor requested the Bankers to review for their necessity based on the improvement in the connectivity. Bankers informed that they will finalise before 30th June 2017.

(Action : Banks / Coop. Banks)

AGENDA 20.0 : ANY OTHER MATTERS WITH THE PERMISSION OF CHAIR

(a) Suggestion to Modify provisions of Section 58(f) of Transfer of property Act, 1882

It is informed by the IBA that they have received representations from Maharashtra State Govt. to notify all District head quarters town / Taluk / Corporation under Section 58(f) of Transfer of property Act, 1882 for creation of equitable mortgage. The notification used to be issued by the State Govt. and needs to be verified that all Headquarter town / Taluk / Corporation have been notified by the State Govt.

The ACS & DC advised the Convenor to refer it to Revenue Dept.

(Action : SLBC)

Inter-Creditor Agreement and Debtor-Credit Agreement on Framework for Revival and Rehabilitation of MSMEs as prescribed by RBI

The Convenor informed that SLBC has been directed by Indian Banks' Association to execute an omnibus agreement covering banks operating in Karnataka State on Inter-Creditor Agreement and Debtor-Credit Agreement on Framework for Revival and Rehabilitation of MSMEs as prescribed by RBI in view of the difficulties having in an omnibus agreement applicable across the country covering all banks. It was suggested that SLBC in each State may be entrusted with the responsibility of executing omnibus agreement covering banks operating in the State.

The House approved the suggestion of IBA and directed SLBC to execute omnibus agreement covering banks operating in the State as per the format supplied by IBA on Framework for Revival and Rehabilitation of MSMEs.

(Action : SLBC)

The meeting was concluded with vote of thanks by Sri Ravi Kumar, Chairman-PKGB.

Agency-wise participants list is enclosed.