

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.

