STATE LEVEL BANKERS’ COMMITTEE - KARNATAKA

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

MINUTES OF THE 130th SLBC MEETING HELD ON 03.03.2015

The 130th SLBC Meeting was held on 3rd March 2015 at the Conference Hall, Vidhana Soudha, Bengaluru, under the chairmanship of **Sri T.K. Srivastava, Executive Director, SyndicateBank.**

The Chairman-SLBC extended hearty welcome to Smt Latha Krishna Rao, Addl. Chief Secretary & Development Commissioner: GoK; Sri Vivek Deep, GM & OIC : RBI: Bengaluru; Sri G.R. Chintala, CGM: NABARD: KRO: Bengaluru. He also extended warm welcome to the Addl. Chief Secretaries, Principal Secretaries, Secretaries, Senior Officials from GoK representing various Line Departments and Managing Directors / Heads of State Level Corporations / Boards, Chairmen of RRBs, Executives from RBI, NABARD, HUDCO, NHB, SIDBI, Postal Dept., Commercial Banks, LDMs, Co-op. Banks, BSNL, UIDAI, Micro-Finance Institutions, other Financial Institutions, LIC of India, General Insurance Companies, NGOs & Special Invitees.

In his key note address, he touched upon briefly on some of the important issues.

**PERFORMANCE UNDER ANNUAL CREDIT PLAN 2014-15**

He was pleased to inform the House that the Banks have disbursed ` **78298** cr. upto the quarter ended Dec. 2014 against the annual target of ` **89821** cr. recording an achievement level of **87.17%** under Priority Sector Credit. The disbursement under Agriculture sector was ` **39989** cr. vis-à-vis the target of ` **57247** cr., registering 69.84**%** achievement. Banks have disbursed ` **28463** cr. under Crop Loans against the target of ` **39252** cr., thereby recording **72.51%** achievement. The disbursement towards Secondary sector was ` **23813** cr. against the target of ` **16930** cr, thereby surpassing the target and towards Tertiary Sector was ` **14505** cr against the annual target of ` **15644** cr. He emphasized the importance of earmarking stipulated percentage towards SC/STs, Minorities & Women by Bankers. He appealed to all the Bankers and Govt Departments to pay utmost priority for implementation of State as well as centrally sponsored schemes, which are being implemented for the benefit of poor and downtrodden by maintaining transparency.

**PRADHAN MANTRI JAN DHAN YOJANA PLAN**

He expressed his happiness in declaring the State as saturated in implementation of the PMJDY by the State Level Monitoring Committee in the meeting held on 20.1.2015. He thanked the State Administration, Banks, UIDAI, Dept of Telecommunications, Insurance Companies and all other stakeholders for their unstinted support and cooperation in making the implementation successful. He expressed his concern that still 27 BCs are yet to be engaged by few Banks and requested the concerned Banks to place the BCs in those places on top priority.

He informed that the opening of at least one a/c in the name of the family head of all the households in the State has been achieved, which is one of the important milestone. He further said that the important task now is to ensure that all the accounts opened do not continue with zero balance, issue of Rupay cards and their delivery, ensuring regular transactions in all these accounts and Aadhaar linkage for smooth transfer of funds. He insisted for proper support / coordination amongst Banks, Govt. Agencies, OMCs, which is imperative for hassle free transfer of funds / benefits directly to the beneficiaries’ accounts. He appealed to Banks to extend the overdraft facility to all the eligible account holders as per norms after proper counselling. He requested the Banks to ensure that all the BCs appointed are made to function properly and have the approved handheld device of 1.5.1 version fully active and operational for AEPS and Rupay card transaction. Further, he requested the Banks to continue opening of accounts, seeding of Aadhaar, issue of Rupay Cards and provide overdraft facility. He said that implementation of PAHAL needs to be given importance by all the Banks. He further requested the Insurance Companies to settle the Accident / Life Insurance claims within the stipulated period.

He expressed his concern that the CD Ratio of the State remains continuously static, which is ranging between 73% to 76%. It is time for the Bankers to introspect and initiate immediate steps to increase the level of CD Ratio. He urged the State Government to create necessary infrastructure and conducive industrial policy for the State to encourage the investment credit and credit to MSME sector.

Continuing his speech, he said that recoveries of loans play a vital role in recycling of funds. There is an urgent need to reduce the level of overdues and NPAs. It is a matter of concern that the NPAs in Coffee advances are mounting and Bankers are finding it difficult to recover the same. He thanked the Chief Secretary, GoK for advising the Coffee Board to assist Bankers in realization of long standing overdues as assured in the previous SLBC meeting.

Before concluding his address, he expressed sincere thanks to Smt Uma Shankar, erstwhile Regional Director, RBI for her support and guidance given to SLBC during her tenure as Regional Director, Karnataka.

While concluding the keynote address, the Chairperson once again expressed his sincere gratitude to all the participants for attending the meeting.

**Smt Latha Krishna Rao, Addl. Chief Secretary & Dev. Commissioner, Govt. of Karnataka** in her address raised concern over average size of loan per farmer, which is about ` 30,000 to 35,000/-, which is very low and has not gone beyond ` 35,000/- over the years. Banks could not reach the level of unit cost arrived in consultation with NABARD and the concerned Departments while lending. Hence, she advised the Bankers to ensure that farmers get reasonable level of credit so as to cover the activity of the farmers, thereby the level of productivity and level of income are strengthened. She advised the Bankers to look for new borrowers along with the existing borrowers in the ensuing Kharif season. For this purpose, farming community to be sensitized by Banks towards various types of loans available with them. She emphasized on extension of credit facilities to Small Farmers, Marginal Farmers of Horticulture, Animal Husbandry etc. She expressed her unhappiness that complaints have been received that full quantum of loans are not released by Banks inspite of releasing Subsidy and margin money by the Govt.

Touching upon the issue of PMJDY she expressed her happiness that Banks have achieved the target of opening one account per household. She told that linking of Bank accounts with Aadhar, mobile number is needed for delivery of various subsidy and services through the account. She put forth the necessity of isolating the account to be linked to the Aadhaar wherever accounts are opened both with Coop. Bank and Commercial Bank. On the issue of appointment of BCs/Bank Mitras and their functioning, she told that some Bankers have not yet appointed the required number of the BCs. As the amount of cash holding limit by BCs is not sufficient, Bankers to look into enhancement of the limit. Further, she advised to impart appropriate training to BCs. The problems with connectivity to be sorted out for effective functioning of BCs.

She expressed her concern over Bankers adjusting the subsidy / margin money released towards overdue loan accounts of the beneficiaries. In this context, she said that Bankers are functioning in the legal framework, while the Govt wants to implement the schemes by releasing subsidy to the beneficiaries’ accounts. She called for sorting out the issue in this forum as the implementation of the Govt. schemes is getting hampered. She requested the House to draft a resolution to the effect that existing outstanding loans of farmers should not get adjusted from the subsidy released to those farmers’ accounts, who have been selected for implementing under Govt scheme. In the absence of which, Govt will find it difficult to transfer the subsidy and implement the schemes. Hence, the issue to be seriously looked at and sorted out.

The distribution and issue of RuPay cards is not commensurate with number of accounts which have been opened. The issue of Rupay Cards and its operation by the account holder is important to have coverage of insurance. She called for sharing of data in respect of issue of Rupay cards by the implementing agencies.

She also suggested giving a thought over linking of the accounts of the Household availing various benefits from Govt., viz., one person drawing pension, one child having scholarship account and one for house construction, etc. She also called for linking of Bank accounts with National Payment gateway and to ensure linking of all households with Aadhaar.

Thereafter, regular Agenda was taken up for deliberation by the Convenor Sri K. Preetam Lal & GM, Syndicate Bank.

**AGENDA 1.0 CONFIRMATION OF THE MINUTES OF 129TH SLBC MEETING**

The Minutes of 129th SLBC Meeting held on 1.12.2014 were circulated vide letter No. 710/2014/2944/SLBC/F.101-129 dated 13.12.2014. 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**

AGENDA 1.2 : APPROPRIATION OF BENEFICIARIES CONTRIBUTION / SUBSIDY PORTION OF GOVT BY BANKERS’ TOWARDS BENEFICIARIES OVERDUES

The Convenor-SLBC informed that the Commissioner, Agriculture Dept., GoK vide their letter dated 9.10.2014 had conveyed that they have taken decision for cashless transaction in transferring farmer’s share and subsidy portion of Govt to the concerned manufacturer / supplying agency to farmer’s account under mechanization programme. During their review meeting held at Kalaburgi, the departmental officials expressed that Canara Bank and Gramin Banks are not transferring the farmer’s share which is supposed to be transferred to machinery supplying agency through RTGS. Some instances were also noticed in Sedam Taluk, wherein Banks are adjusting the farmer’s portion towards their loan accounts. These are some of the issues causing difficulties in implementing farm mechanization programme. Similar issues are noticed in other Districts as well. Hence, the SLBC was requested to advise the Lead District Managers to take further action by rectifying the procedural issues immediately.

In this regard, as per Banking law in vogue the Banker has right of set off the amount lying in the account of the customer to his / her overdue liability. Govt is implementing various schemes through DBT under which the margin contribution of the beneficiary and subsidy portion of the Govt is to be paid to the manufacturer / supplier agency through the account of the beneficiary. The scheme is a purpose oriented scheme and subsidy amount belongs to the Govt. In view of the above, a suitable remedy was sought to be devised to protect Bankers’ right and also smooth implementation of the Govt. schemes.

The Addl. Chief Secretary & Development Commissioner, GoK informed that the Govt is crediting the subsidy amount to the account of the beneficiary with a specific purpose of implementing the schemes and the money belongs to the Govt. Hence, the Bankers should not appropriate the subsidy amount credited for the specific purpose, towards the overdue liability of the beneficiary. The RD, RBI had informed that Bankers can exercise Bankers Right of General Lien only when the loan becomes overdue and not when the account is regular.

The House after deliberations decided to seek clarifications as to whether the Bankers can exercise right of general lien for the amount credited by the Govt to the beneficiaries account for the specific purpose of implementing their schemes when the liabilities of the beneficiaries are irregular. Accordingly, SLBC has taken up the issue with DFS: MoF: GoI vide letter dated 19th December 2014.

The Convenor-SLBC informed that he has requested once again the Ministry for issuing the clarification in the matter. The decision from the Ministry is awaited.

(Action: SLBC)

**Agenda No. 1.3:** **RECOVERY UNDER COFFEE LOANS**

The Convenor-SLBC informed that the Sub-committee on Flow of Credit to Agriculture has conveyed the problems faced by the Bankers in recovery of coffee loans. He further informed that the mounting up of overdues and NPA under exposure to coffee plantation as planters are not willing to repay their loans, though the coffee price is very high. Loans sanctioned and disbursed prior to 2002 are still outstanding, even after repeated restructuring in the line of package advised by the Coffee Board. KCC loans sanctioned / disbursed after 2002 are not renewed by planters for several years. Term Loan instalments are not paid, even as per restructured repayment schedule. Some planters are reluctant to sign Letter of Revival. He solicited the intervention of Coffee Board / Govt in resolving the issues of mounting Overdues / NPAs. The House after deliberations on the issue had expressed serious concern over the mounting Overdues / NPAs which has direct bearing on recycling of funds. Intervening in the matter, the Chief Secretary advised the SLBC Convenor to address a DO letter to the Chairman, Coffee Board in this regard seeking redressal of the problems faced by Bankers in recovery of loans extended to coffee growers. Accordingly, the Chief Secretary, GoK had addressed a DO letter to the Chairman, Coffee Board vide letter dated 12.1.2015 advising to provide necessary assistance to Bankers for recovery of the loans by driving an action plan in the matter.

The representative from Coffee Board requested the Bankers to furnish the list of defaulters to them to initiate recovery steps from their end. The Convenor-SLBC requested all the Bankers to furnish the list of defaulters to them so that consolidated list will be submitted to Coffee Board to take further action.

**(Action: Banks / Coffee Board)**

**CONCURRENCE OF BANKS REGARDING PROVIDING RELIEF PACKAGE FOR POMEGRANATE & GRAPE GROWERS OF KARNATAKA**

In the previous SLBC meeting, with regard to providing relief to the grape and pomegranate growers, the house deliberated in detail on the subject and resolved that Banks to initiate steps for waiving of penal and compound interest taking into consideration the hardship faced by the pomegranate and grape growers and give their consent immediately after consulting their competent authorities. In this regard, SyndicateBank, Canara Bank, State Bank of Mysore, Vijaya Bank, Karnataka Bank have given consent to implement the package. Generally all the Banks are agreeable for proposal.

The House deliberated on the issue. The Convenor-SLBC informed that majority of the Bankers have formulated OTS scheme, which are offering more benefits than the package. In addition, all the Banks are agreeable for waiving compound and penal interest subject to farmers clearing the remaining portion of the loan. He appealed to the Horticulture Dept. to convey the same to the farmers and request them to come forward for availing the benefits. However, he opined there should be a time frame for keeping the offer open and suggested to keep the offer open till 30th June 2015 and thereafter Bankers are free to go ahead with the recovery measures. However, the ACS & DC, GoK informed that the decision in this regard will be conveyed after further consultations.

**(Action: Banks)**

**Agenda GoI 1.4: DEBT RECOVERY TRIBUNAL – PROBLEMS**

The Presiding Officer, DRT, Bengaluru vide their letter GoI358 dated 17.10.2014 addressed to the Chairman-GoI, has submitted some of the problems faced by the DRT in discharge of official duties. They are

1. Acute Staff Shortage – It is informed that after commencement of SARFAESI Act the filing of cases before DRT is manifold, thereby filing of new cases are increasing. Hence, present staff strength is not sufficient to service the cases and also the staff deputed from several other departments of Central Govt are not well versed in discharging the judicial work. In order to overcome the problem, it is proposed to establish “All India Debt Recovery Tribunal Service” for recruiting qualified staff for all the Tribunals and Appellate Tribunals.
2. Increasing the number of DRTs – It is informed that only one Presiding Officer is looking after the DRT. However, pendency cases of present DRT cases is about 5000. Hence, proportionate establishment of new DRTs is essential. Further, it is also informed that in Tamil Nadu, 5 DRTs are functioning. Hence, in Karnataka, it is necessary to establish minimum 3 to 4 DRTs at Bengaluru to cope up pending cases and fresh cases.
3. Problems regarding Premises – It is informed that the present premises of 4700 sq ft is totally insufficient for smooth discharge of DRT as the filing of cases since last 10-12 years is increasing day by day. In this regard, an effort is being made to get an alternative premises at Jeevan Mangal Building of LIC to the extent of about 9500 sq ft. In this regard, the correspondence is on with Ministry of Finance.
4. Providing Infrastructure – It is informed that presently DRT is having outdated computers. Hence, it is requested to provide the updated computers with UPS, Website, etc., along with suitable software for smooth functioning.

The House noted the problems being faced by DRT and decided to take up the matter with GoI for guidance and necessary action.

Accordingly, SLBC has taken up the issue with DFS: MoF: GoI vide letter dated 3rd Feb. 2015.

The Convenor-SLBC informed the House that in view of the increase in number of cases, the Chennai-DRT has been entrusted with handling of cases of Karnataka also. Bankers may make use of this arrangement.

**(Action: Banks)**

**AGENDA 2.0: IMPLEMENTATION OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)**

The Convenor-SLBC informed that the Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched on 28th August 2014 by the Hon’ble Prime Minister at Delhi and simultaneously at State Level and District Levels. The programme aims to provide banking services to people in rural and urban areas particularly in the vulnerable groups such as weaker sections and low income groups. The purpose is to ensure that one bank account for each household is opened all over the country. It is decided by the Govt that each and every uncovered household should be provided with Bank a/cs before 26th January 2015.

**Review of Progress under Household Survey & Coverage:**

The State is having 7,627 SSAs and 4,559 Wards, totaling to 12,186. Banks have completed Household survey to the extent of 100% in all the allotted SSAs and Wards covering 80.67 Households in SSAs and 51.38 lakh Households in Wards (totaling 132.05 lakh). As against this, Banks have covered 79.67 lakh Households in SSAs and 50.23 lakh Households in Wards (totaling 129.90 lakh Households) by opening of minimum one account per Household, thus achieving 98.37% progress. The District-wise / Bank-wise details were presented to the House.

**Progress in opening of BSBD A/cs & Issue of Rupay Cards**

Since the launch of the programme and upto 14.2.2015, the Banks have opened 62.24 lakh BSBD accounts. Of which, 36.60 lakh accounts are with ‘zero’ balance and the remaining 25.64 lakh accounts with balance of ` 426.72 crore. The total number of accounts with Aadhaar seeding is 35.74 lacs. The number of a/cs in rural areas is 38.16 lakh and in urban areas is 24.08 lakh. The Banks have so far issued 51.56 lakh Rupay cards. The Bank-wise / District-wise details were presented to the House.

**Issues related to BCs / Bank Mitras**

Out of 7,627 SSAs allotted, 5,293 are covered under fixed BC locations, 2,302 covered through Branches, 5 covered through Mobile Vans and 27 SSAs are yet to be covered. The details were presented to the House.

**PAHAL (DBTL)**

The PAHAL (DBTL) Scheme has been launched in 54 Districts on 15/11/2014 and in the remaining 622 Districts on 01/01/2015. The Scheme is launched in 2 Districts of Karnataka, i.e., Mysuru & Tumakur Districts in the first stage and further implemented in the remaining Districts of the State from 1.1.2015. Successful linking of Bank account of consumers with their LPG Consumer ID is the basis of smooth transfer of subsidy into consumer’s account.

In this regard, the SLBC has already convened 2 rounds of meetings of Bankers and OMC officials to work out strategy for seeding Aadhaar with Bank a/cs on camp mode. In this direction, all the LDMs and Controlling Offices of Banks have been advised to organize camps for speedy implementation of the scheme. Banks to inform the progress achieved so far. The District-wise status report as on 19.2.2015 were presented to the House.

**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 comprises BCAs-2858 (including BCAs in 1534 USBs), B & M Branches-511 and Mobile Vans-26**,** aggregating to 3395 **as on Dec 2014.**

In tune with the directions of the RBI, the Banks in Karnataka are required to ensure that 15% of these villages covered with Brick & Mortar Branches.Presently, Brick & Mortar Branches have been opened constituting around 15.05%, thus achieving the stipulated target.

The Mission PMJDY envisages that villages with population more than 2000 which were covered by BCAs under Swabhimaan campaign will be considered for conversion into full fledged **Brick & Mortar Branches** with the staff strength of 1+1 / 1+2. Further, it is informed that there are around 74000 such villages in the country and in 3395 in Karnataka. In the State, 511 B&M Branches have been opened so far. Banks to initiate immediate steps to comply with DFS directions in opening of **B&M Branches** in their remaining allotted villages.

The bank wise number of villages covered & progress made were presented to the House.

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

In terms of guidelines of RBI Cir. RPCD. CO. LBS. No. 86/02.01.001/ 2011-12 dated 19.6.2012, 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.

In terms of RBI guidelines, Banks have been allocated the villages having population less than 2000 based on Gram Panchayat model in their respective districts. There are 23126 villages identified with < 2000 population. A total of 22048 **villages** are covered upto Dec. **2014 as against cumulative target of 22345** villages upto March 2015. A roadmap has been prepared with the provision of opening B & M Branches and submitted to RBI. Further, RBI has advised that at-least 5% of the villages allotted under this category shall be provided with banking outlets in the form of Brick & Mortar branches. Accordingly, **280** villages are covered by B & M branches upto Dec 2014.

The details were presented to the House.

**FINANCIAL LITERACY CENTRES (FLCs):**

RBI had communicated the guidelines on opening of Financial Literacy Centres (FLCs). SLBC had informed all Banks who sponsored FLCs and other Banks to abide by the guidelines of RBI and submit a quarterly report as per the modified format as per RBI Cir. RPCD.FLC.No.218-348/12.01.018/2014-15 dated 7.7.2014 and communicated by SLBC.

In terms of decision taken at the State Level Monitoring Committee on FLCs, Banks are requested to open FLCs at taluka level as per the allocation made at DCC. LDMs are advised to follow up the matter in the DCC/DLRC, revisit allocation already made wherever required and pursue with the Banks/ Trust to open the FLCs at taluka level. There are 123 FLCs opened so far.

As per the allocations made by DCCs all the Banks are requested to open the FLCs in the Blocks allotted to them within the time frame. The progress achieved in opening of FLCs shall be informed to SLBC.

A list of FLCs opened were presented to the House.

**DECLARATING THE STATE AS SATURATED UNDER PMJDY**

The Convenor-SLBC informed that the Banks have conducted Household survey in the allotted SSAs & Wards to the extent of 100% and have covered to the extent of 98.37 % in opening of BSBD accounts. The reasons for not covering the Households to 100% are due to migration of families in search of job, unwillingness to open the accounts, unwillingness to disclose the account details, etc. The Dy. Commissioners and the Chairmen of the District Level Implementation Committee-PMJDY of all the Districts have certified that their Districts as saturated.

In the State Level Monitoring Committee of PMJDY held on 20.1.2015 the matter was deliberated and upon observing the performance under the scheme declared the State as Saturated under PMJDY. Moreover, the Bankers were advised to continue opening of the accounts for all those who do not have Bank accounts (uncovered Households or other individuals).

**Jeevan Pramaan:Aadhar-based Digital Life Certificates for Pensioners**

The Convenor-SLBC informed that the DFS:MoF: GoI vide their letter dated 11.12.2014 has requested Banks to actively participate in the scheme and implement the project within 90 days. The proposed scheme will do away with the requirement of a pensioner having to submit physical Life certificate.

DFS: MOF has advised the Banks to ensure that-

* Data security is to be given due care & Data Cleansing must be carried out in priority basis.
* Mother & Father name in passbook may be printed.
* Information message for seeding of Aadhaar number / DLC (Digital Life Certificate) in the passbook may be helpful in creating awareness.
* Special camps and Pensioner Mela for seeding of Aadhaar Numbers / Data updation may be organized in collaboration with concerned authorities (District Magistrate / UIDAI) in campaign mode.
* There is a dire need of sensitizing the Bank staff about this noble drive.
* Frontline staff may be given necessary training regarding DLCs (Digital Life Certificates) and special briefings / meetings may be organized at Central Office, Zonal Office, Regional Office and Branch levels.
* Bank may approach NIC for any hardships on technical issues

All the Banks were requested to complete the project with in the stipulated time frame.

**(Action: Banks)**

**Agenda 3.0: Implementation of Bhoomi-Bank Integration:**

The Banks have carried out 2,25,492 online transactions under Bhoomi Project as on 16.02.2015 since inception.The Revenue Dept, GoK, has informed that noting of lien in ROR and EC simultaneously is not possible due to limitation of technology under Bhoomi-Bank Project. However, it is informed that they have taken up improved version of Bhoomi Project “NAMMA BHOOMI” where the above request for noting of lien simultaneously in ROR & EC would be considered by merging ‘Kaveri’ project with ‘Bhoomi’ project. Revenue Department has already selected Software Developer to integrate “Bhoomi” with “Kaveri” and role of each stakeholder defined. He requested the stakeholders to hasten up the process to help the farming community.

Bank wise details were presented to the House.

**(Action: Revenue Dept.)**

**AGENDA 4.0: INTEREST SUBSIDY SCHEME ON CROP LOANS TO FARMERS UPTO**

` **100000/- THROUGH PSBs/RRB**

The Interest subsidy claims in respect of **1,35,004 farmers** to the tune **of** ` **5.38 crore** has been submitted to Dept of Agriculture upto 31.12.2014. The amount settled during the FY is ` 4.52 crore involving 98855 farmers. The claims to the extent of ` 3.92 crore involving 82,021 farmers are pending with the Dept. All the Banks were requested to lodge claims under the scheme to SLBC for doing the needful. The Dept of Agriculture is also advised to dispose off the pending claims.

**(Action: Dept of Agri / Banks)**

**AGENDA 5.0: Weavers Credit Card under the Comprehensive Financial Package:**

As per GoI instructions banks are required to issue Weavers Credit Card (WCC) to the eligible weavers who are availing working capital limit. Ministry of Textiles, GOI has allocated state-wise targets of WCC for the financial year 2014-15, and the target for WCCs for Govt. of Karnataka is 10000. The Dept of Textiles & Handlooms, GOK has allocated the District-wise targets and communicated to all the Districts. As the progress is being reviewed by the Ministry of Textiles, NABARD is required to submit the progress in issue of WCC, amount sanctioned and amount disbursed to GOI. The Banks were requested to submit the progress report by 5th of the following month and take effective steps to issue weavers’ credit cards and achieve the target by the year end. As against the target of 10000 cards, the Banks have issued 1098 Cards with a limit Rs.539.40 lakhs as on 31.12.2014. The District-wise achievement was presented to the House. Banks were requested to accelerate issuing the WCC and accomplish the allocated target in the remaining period of the year.

The representative from Textiles Dept., informed that margin money claim in respect of PKGB & KGB are pending with NABARD. The CGM : NABARD requested the Dept to endorse a copy to their sponsor Banks to resolve the issue.

CGM: NABARD requested SLBC to indicate whether the progress in bank wise allocations are being reviewed in DCC / DLRC meetings and indicate the problems faced in this regard and possible solutions. The Convenor-SLBC said that all the LDMs have been advised to review the progress in DCC/DLRC meetings.

**(Action: Banks / SLBC)**

**AGENDA 6.0: MONITORING OF VENTURE CAPITAL ASSITANCE SCHEME IMPLEMENTED BY SMALL FARMERS’ AGRIBUSINESS CONSORTIUM (SFAC)**

The Dept. of Agriculture & Cooperation, Ministry of Agriculture, GOI has promoted SFAC for implementation of Venture Capital Assistance Scheme. This helps entrepreneurs to set up agri business enterprises. The scheme envisages provision of ‘no-interest’ loan to agri business promoters, to be disbursed along with Bank loans. All the Banks were requested to participate in the scheme and inform the progress on quarterly basis so as to enable SLBC to review and monitor implementation of the scheme.

**(Action : Banks)**

**AGENDA 7.0 : SETTING UP OF KARNATAKA FARMERS’ RESOURCE CENTRE [KFRC] AT BAGALKOT**

Karnataka Farmers’ Resource Centre [KFRC] is set up at Bagalkot through SLBC with the support of Govt. of Karnataka, NABARD, 10 Banks [Viz., Syndicate Bank, Canara Bank, Corporation Bank, Vijaya Bank, State Bank of India, State Bank of Mysuru, State Bank of Hyderabad, Karnataka Vikas Grameena Bank, The Karnataka Bank Ltd and Krishna Grameena Bank] and B.V.V. Sangha, Bagalkot. KFRC is an Apex State Level Institute constituted under Charitable Trust. Any institution / individual making donations / contributions to KFRC, is eligible to claim Income Tax exemptions under section 80G of IT Act.

The KFRC has conducted 102 training programmes involving 5360 participants during the current fiscal 2014-2015. The cumulative works out to 430 programmes and 28599 participants since inception.

**Problems faced by** KFRC, **in construction of new Campus Building**

The KFRC, has been allotted 8 Acres of land by Bagalkot Town Development Authority (BTDA) for development of the campus of the Institute. The Institute proposed to construct building to facilitate its activities on the allotted land. For the purpose, it has obtained the necessary permission / approval from the competent authorities including BTDA. The Institute has entered an Agreement with the builders which stipulates timeline for completion of the building and also penalty for not adhering to the time schedule. Accordingly, the construction work has commenced and was in full swing. In the meanwhile, BTDA has issued a notice to KFRC,to stop construction work until further orders to enable them to reassess the allotment of land to the Institute based on their requirement. Due to this act of BTDA, it is not only causing the delay in construction work but also to incur the penalty as per the agreed terms with the builders. In this regard, the ACS, RDPR, GOK has also taken up the matter with the BTDA and also District Administration, Bagalkot for resolving the issue. However, so far the issue remains unresolved.

The House deliberated on the issue. The ACS & DC, GOK advised KFRC to come up with details of the project for sorting out the issue at the higher level.

**(Action : SLBC)**

**AGENDA 8.0: 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 compliance,

 1) SLBC, Karnataka has launched its website. 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 & close monitoring of Lead Bank scheme.

1. The Minutes of the following Sub-Committee Meetings have been circulated. (a) Annual Credit Plan- 29.12.2014 (Annexure J-1) (b) Flow of Credit to Agriculture-18.11.2014 (Annexure J-2) (c) Credit Deposit Ratio-29.10.2014 (Annexure J-3) (d) Housing Loans – 26.9.2014 (Annexure J-4) (e) MSME-31.10.2014 (Annexure J-5) (f) Govt. Sponsored Schemes-23.12.2014 (Annexure J-6).
2. The meetings of the following Sub-Committees were held but minutes have not been submitted so far. (a) SHG-Bank Linkage-23.12.2014 (b) Credit Flow to SC/STs, Minority Communities & Weaker Sections-6.1.2015 (d) Investment Credit -12.2.2015. The Convenors of Sub Committees were requested to submit the approved minutes.
3. SLBC has conducted the Meeting of Steering Committee on R-SETIs on 23.12.2014. The minutes were already circulated.

Amalgamation of Sub-Committee of Annual Credit Plan with Sub-Committee on Flow of Credit to Agriculture

Presently SLBC is having 12 Sub-committees. It is observed that the Sub-committee on Annual Credit Plan & Sub-Committee on Flow of Credit to Agriculture are covering some of the common issues, i.e., flow of credit to agriculture, and hence amounting to duplication. As such, it is felt appropriate to amalgamate the Sub-Committee of Annual Credit Plan with Sub-Committee on Flow of Credit to Agriculture with the Principal Secretary, Agriculture as the Chairperson and GM : Syndicate Bank : PSCD as Convenor by inducting the Secretary, Planning Dept as one of the member. All other remaining members of the Sub-Committee on Annual Credit Plan are already the members in the Sub-Committee on Flow of Credit to Agriculture. The combined Committee may be renamed as “Sub-Committee on Annual Credit Plan & Flow of Credit to Agriculture”.

Initiating the discussion, the representatives from major Banks, opined that the number of Sub-Committees are too high and the agenda are also overlapping and amounting to duplication. Hence, there is need to reorganize the present Sub-committees.

The CGM : NABARD informed that some of the SLBC sub Committees have overlapping agenda and focus. As such, he suggested for merging of the following sub-Committees to RBI in September 2013, which will ensure greater participation from all the stakeholders and better focus.

* Sub Committee on Flow of Credit to Agriculture, Sub Committee on Review of Annual Credit Plan and Sub Committee on CD Ratio may be combined into one Sub Committee.
* Further, two other sub Committees i.e. Government Sponsored Programmes and Recovery Rehabilitation and other measures can also be combined.

The House deliberated on the subject and concurred with the view expressed by the representatives of major Banks and NABARD. Further, the House advised SLBC to workout on the issue and place the proposal about the reorganized SLBC Sub-Committees in the next SLBC meeting for taking decision in the matter.

(Action : SLBC)

Agenda No. 9.0: IMPLEMENTATION OF DAIRY ENTREPRENERUSHIP DEVELOPMENT SCHEME (DEDS) :

The DEDS is a capital subsidy scheme of Dept of Animal Husbandry & Fisheries, GoI and NABARD is the nodal agency for release of GoI subsidy. Identification of beneficiaries and sanction of the loan thereof rests with financing Bank depending upon the feasibility of the scheme. The SC/ST beneficiaries are eligible for subsidy at 33.33% of cost of the project.

The Karnataka State SC/ST Backward Minorities Social Justice & Empowerment Association (R) has been representing their grievances with regard to non-sanctioning of loans by Bank Branches under the scheme to various levels including National Commission for Scheduled Castes, Karnataka State Legal Services Authority, Chairman of NABARD, CMDs of Banks, Govt. of Karnataka & others. The Association has informed that though they are representing their grievances constantly, no fruitful results are forthcoming to the community.

The Association has once again represented to National Commission for Scheduled Castes, vide their letter dated 19.11.2014 regarding their grievances of non consideration of loan proposals under the scheme by Banks. In this regard, the National Commission for SCs has advised SLBC vide letter No.51/2/2013-Ru dated 15.12.2014 to take necessary action and provide relief to aggrieved petitioners.

The House deliberated on the subject. Banks were requested to sanction the loans under the Scheme on its merits upto the subsidy cap available to the State on first cum first serve basis and ensure disposal of all the applications received expeditiously and see that no application is pending for long time.

**(Action : Banks)**

**AGENDA 9.1 : DECLARATION OF TALUKS AS DROUGHT AFFECTED**

**FOR 2014-15 BY GOVT OF KARNATAKA**

The Govt of Karnataka vide their Order RD.292.TNR 2014, Bengaluru dt 1.10.2014 has declared 34 Taluks of 9 Districts as drought affected. The copy of the Govt Order containing the details of the drought affected Taluks have already been circulated.

**Subsequently, the GOK has added “Basavakalyan” Taluk as Drought affected vide their G.O. RD.92.TNR.2014, Bengaluru dated 20.11.2014.**

All the concerned were requested to take note of the above and initiate necessary relief measures in the drought affected Taluks following extant guidelines of RBI.

**Agenda 9.2: SCHEME FOR IMPROVING PRODUCTIVITY AND FARM INCOME OF**

 **ARECANUT BASED FARMING SYSTEM IN KARNATAKA**

Ministry of Finance, Department of Financial Services, Government of India had vide their letter F.10/ 03/ 2010-AC dated 13th January 2012 advised SLBC to implement the relief measures to be given to the Areca growers as per the recommendations of Dr. Gorak Singh Committee Report with certain modifications. As such, the scheme is being implemented by all the Banks. As per the information gathered as on 31.12.2014, 67961 term loans were rescheduled involving ` 382.75 crore. The amount of penal interest waived was ` 11.43 cr. As many as 9183 crop loan accounts with an aggregate amount of ` 83.99 cr. were converted into term loans. 5821 fresh loans were issued involving an amount of ` 73.49 cr.

**AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF DECEMBER 2014**

The Bank-wise position as of December 2014 was presented to the House in respect of Branch Net Work, Deposits and **Annexure** **IB** for Advances and CD ratio.

**Branch Network:**

As at the end of December 2014, the total number of bank branches in the State were **9844,** out of which, Commercial Banks-**7264**, RRBs-**1617**, KASCARD-**201,** DCC Bank-**692,** Karnataka Industrial Coop Bank-**38** and KSFC- **32** Branches.

**ATMs :** There are **13075** ATMs in the State, out of which, **2188** are in rural, **2353** are in S. Urban, **3153** are in Urban and **5381** are in Metro areas.

##### Deposits:

The aggregate deposits of Banks was ` **592383 crore** as at the end of December 2014, when compared to the level of ` **492319** **crore** as on December 2013, registering an increase of ` **100064 crore** showing a growth rate of **20.33%.**

**Advances:**

The total outstanding Advances of Banks was ` **435116 crore** as at the end of December 2014ascompared to the level of ` **372112 crore** as at December 2013, registering an increase of ` **63,004 crore** showing a growth rate of **16.93%**.

**Credit-Deposit Ratio:**

The Credit Deposit Ratio as of December 2014 was **73.45%** vis-à-vis **75.58%** as of December 2013 showing a marginal decline of 2.13%**.** The CD ratio was at 99**%** in Rural areas, 79**%** in Semi-Urban, 71**%** in Urban and 70**%** in Metro areas.

Further analysis indicates that some banks with good presence are having CD ratio below the bench mark level of 60%. [Central Bank of India – 52%, Karnataka Bank – 44%]. Banks which are having CD Ratio below 60% need to take necessary steps immediately to increase flow of credit to productive sectors of the economy.

**Study by RBI on low CD Ratio in Dakshina Kannada & Udupi Districts**

The CD Ratio in Dakshina Kannada & Udupi Districts has remained below 60% and had further decreased in the past year. Hence, a concern was raised in various fora like SLBC. Therefore, a study was conducted by RBI to look at the reasons for low CD Ratio in these Districts. The findings of the study revealed that apart from other reasons, capital formation in the Districts was found to be very low on account of lack of infrastructural facilities. As such, RBI has advised SLBC to take up the matter with GoK to improve infrastructure like road, rail connectivity and power situation in these Districts so as to create an environment more conducive to the development of new industries in these Districts. Further, it was also advised to encourage economic activity so that the phase of capital formation gets impetus.

In pursuance of the advice of RBI, SLBC has taken up the matter with both the Districts and advised them to discuss the same in DCC meetings to work out strategies for improving the CD Ratio in their Districts.

The State Administration was also requested to address the issues raised by RBI in connection with creating infrastructure like roads, rail connectivity and power situation in these Districts, which facilitates capital formation.

The Convenor-SLBC informed that the CD Ratios in Dakshina Kannada & Udupi Districts is comparatively low when compared to other Districts due to lack of infrastructure facilities and greater inflow of NRI Deposits.

Participating in the deliberations, the CGM: NABARD informed that the major reasons which differentiate CD ratio analysis of Dakshina Kannada and Udupi as compared to other districts are presence of strong PACS lending for agri as well as non-agricultural loans from their own resources, higher pace of increase in deposits and NRI deposits which is much faster than growth in advances, Lending by strong MFIs which also have a strong resource base. He requested SLBC to consider devising a suitable mechanism where credit flow from such PACS is also reckoned in GLC.

All the Banks were requested to improve their CD Ratio by accelerating lending to various sectors, having good potential for credit deployment in the State and contribute towards overall economic development.

**(Action: Banks / GoK)**

**Priority Sector Advances:**

The outstanding level of total priority sector advances of Banks stood at ` **175878 crore** as of December 2014 as against` **149397 crore** as at December 2013 showing an increase of ` **26481 crore** recording a **growth of 17.73%.** The percentage of priority sector advances of Banks works out to **40.42%,** above the Benchmark level of 40% stipulated by RBI.

The total **agricultural advances** as at December 2014 were to the tune of ` **85519 crore** constituting **19.65%** of the total advances of Banks against mandatory level of 18%. Out of which, direct advances to agriculture stood at ` **75301 crore** forming 17.31%of total advances as against the bench mark level of **13.50**%.

The outstanding Advances to Weaker Sections by Banks was ` **64350 crore** constituting **14.79%** of the total Advances with an increase of ` **13040** crore over the corresponding previous year level. The outstanding advances to Small & Marginal farmers was to the tune of ` **43735 crore** covering about **48.64 lakh** accounts, constituting **51.14%** of the total Agriculture credit and **58.08%** of direct agriculture credit. The outstanding advances to SCs/STs were` **11300 crore** constituting **2.60%** of the total advances.

The position of Priority Sector and Weaker Section Advances as at December 2014 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 December 2014 stood at ` **33611** crore covering **489776** accounts. During 2014-15, upto December 2014, the Banks have disbursed ` **5287** crore involving **65956** accounts.

Public Sector Banks have formulated Reverse Mortgage Loan Scheme for the benefit of the Senior Citizens. The Banks assisted **783** persons with a loan amount of ` **256.06** crore as at December 2014. Bank-wise position of Housing Loans and Reverse Mortgage loans were presented to the House.

Under Golden Jubilee Rural Housing Scheme (GJRHS), Banks have sanctioned 3081 loans with credit limit of `252.40 crore upto Dec. 2014. The outstanding level was`651.37 crore spread over 16031 a/cs.

**RAJIV RINN YOJANA (RRY)**

Rajiv Rinn Yojanascheme is formulated by modifying ISHUP with enhanced scope and coverage. The scheme was launched to provide interest subsidy of 5% on loan amount of 5 lakh borrowed by the EWS/LIG with long tenure of 15-20 years; for construction of new house, purchase of house as well as for extension of existing building. For LIG, the ceiling loan is 8 lakh, however, subsidy will be given for loan amount upto ` 5 lakh only.

In this scheme, bank and beneficiaries would require the intercession of ULB in identification of beneficiaries and liaise them with bankers.

Directorate of Municipal Administration has been nominated as State Level Nodal Agency for the implementation of RRY in the state. HUDCO and NHB are nominated as Central Nodal Agencies.

The scheme guidelines as provided by the Dept was presented to the House.

As at the end of January 2015, 740 applications were sanctioned.

Government of India is formulating Ghar Hamara Awas Rinn Yojana scheme by modifying RRY with enhanced scope and coverage.

Under RRY, the outstanding was 1093 a/cs involving ` 8.91 crore. Under EWS and LIG categories, 442 and 1036 loans with loan amount of `2.61 crore & 32.22 crore have been sanctioned respectively and the outstanding amount was `71.34 crore (22863 a/cs) & ` 959.52 crore (48391 a/cs) respectively. All the Banks were advised to ensure sanction of pending applications without fail. The Dept is also advised to take up pending applications as certain technical grounds through their officials at BLBC level / DCC level which are appropriate forums.

**(Action : Banks)**

**EDUCATION LOANS:**

With an objective of providing financial support to deserving and meritorious students to pursue higher studies, Banks have formulated Education Loan scheme as per IBA guidelines. As at Dec. 2014, the outstanding level of education loans stood at ` **5062.83** cr covering **236738** a/cs. Banks have disbursed loans to 63904 students amounting to ` **722.56** cr up to the end of Dec. 2014. Consolidated position under Education loan was presented to the House.

 **(Action : Banks)**

**Credit Flow to Micro, Small & Medium Enterprises [MSME] – December -2014**

As per 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 ` **22584 crore.** The advances to Small Enterprises were at the order of ` **28030 crore.** The advances toMedium Enterprises stood at ` **11069 crore** as at Dec. 2014. The percentage of advances to Micro & Small Enterprises [` **50614 crore**] was at the order of **82.06%** out of the total advances to MSME Sector [` **61683** **crore**].

The Bank-wise & sector-wise particulars were presented to the House.

The Reserve Bank of India is regularly conducting the meeting of the Empowered Committee on MSME and Meeting of State Level Inter Institutional Committee (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 is calling for the information on the above issues. Banks were requested to submit the compliance report to them every quarter before 15th of succeeding month from end of the quarter.

As per the instruction of Central Office, RBI, RO, Bengaluru has constituted a High Level Committee under the ambit of Empowered Committee on MSME to give focused attention on the progress made by Banks in the region on restructuring/ rehabilitation of sick units in the MSE sector.

Functions of the HLC:

1. HLC will effectively monitor the timely rehabilitation and restructuring of sick micro and small enterprises.
2. Ascertain from the bankers whether they have any restructuring mechanism in place for micro and small units akin to Corporate Debt Restructuring (CDR) mechanism for large units.
3. Monitor the rehabilitation of Sick Micro and Small Enterprises (MSEs) as envisaged in RBI CO cir. RPCD. CO. MSME & NFS. BC. No. 40/ 06.02.31/ 2012-13 dated November 01, 2012.
4. Monitor the functioning of MSE Rehabilitation Cell (MRC) in their jurisdiction by banks as mentioned in CO Circular RPCD MSME & NFS. BC. No. 74 / 06.02.31/ 2012-13 dated May 09, 2013.
5. In the above Circular, banks were advised to monitor the progress in rehabilitation of sick MSE Units on a quarterly basis in the prescribed format and to place the same on their website. The data hosted by banks may be used while reviewing the progress in this regard.

 **(Action: Banks)**

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

Under guarantee scheme of CGTMSE, Banks have covered 9042units with an approved amount of ` **477.14 crore** during the QE Dec. 2014 and the cumulative progress was **143308** units amounting to ` **7306.13** crore [Source: Credit Guarantee Fund Trust for Micro & Small Enterprises].

**AGENDA 11. 0: IMPLEMENTATION OF ANNUAL CREDIT PLAN (2014-15)**

The progress in disbursement under Annual Credit Plan for the quarter ended Dec. 2014 with bank wise position, Consolidated Agency-wise targets and achievements were presented to the House.

Banks have disbursed ` **78298** cr. during the quarter ended Dec. 2014 against the annual target of ` 89821 cr. recording an achievement level of **87.17%** under Priority Sector Credit. The disbursement under Agriculture sector was ` **39980** cr. vis-à-vis the annual target of ` **57247** cr., registering 69.84 **%** achievement. Banks have disbursed ` **28463** cr. under Crop Loans against the annual target of ` **39252** cr., thereby recording **72.51**% achievement.

The House deliberated and appealed to Banks to increase the lending towards terms loans to facilitate capital formation.

**(Action: Banks)**

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

**Agenda 12.1: RAJIV GANDHI LOAN SCHOLARSHIP SCHEME**

Rajiv Gandhi Loan Scholarship Scheme is a Govt. of Karnataka Scheme to provide full interest subsidy and moratorium for the study period of the UG/PG course on education loans availed by students in the State Universities, Govt. Colleges, and aided Colleges studying in aided courses at Undergraduate or Postgraduate levels. Students can avail interest free loans upto ` 60,000/- p.a. for each year till the completion of the study period of the course. The eligibility for availing the Loan is for any student who :

1. is an Indian National
2. has secured 50% or more marks in 10+2 or Degree Course
3. has secured admission to a graduate or post-graduate degree course in any Karnataka State University under Higher Education Department or Govt. College or an aided College (aided courses only)
4. has a family income of less than ` 2.5 lakhs per annum
5. has taken a loan or applied for a loan

SLBC has circulated the Govt. Order No.ED:128:Mahiti:2014 dated 5.2.2014, to all the Banks for implementation vide letter No.266 dated 16.5.2014 and again vide letter No.454 dated 11.8.2014. The proceedings of the meeting held on 13.11.2014 under the chairmanship of the Pr. Secretary, Higher Education Dept., GoK giving the detailed clarifications on the scheme were approved in the 129th SLBC held on 01-12-2014 and were circulated to all the concerned.

As per the latest information provided by Collegiate Education Dept., 327 colleges have sponsored totally 3843 application to various Bank Branches. Out of which, 66 applications amounting to ` 39.76 lakhs have been sanctioned. The Banks are advised to dispose the remaining applications at the earliest.

The ACS & DC, GoK expressed her unhappiness over the tardy progress in implementation of the scheme. The Dept representative informed that the present application form devised by Banks is cumbersome and a simplified application form has been devised and approved by the SLBC Sub-Committee on Education Loans, which may be used by all the Banks.

The Convenor of SLBC Sub-committee on Education Loans, i.e., Vijaya Bank informed that they will make arrangements for providing the simplified application form to all the Banks.

 **(Action : Convenor-SLBC Sub-committee on Education Loans)**

**Agenda 12.2: KARNATAKA SELF EMPLOYMENT SCHEME**

The Convenor-SLBC informed that the Secretary to Govt., Commerce & Industries Dept. (MSME, Mines & Textiles), GoK vide their letter CI/73/CSC/2014 dated 13.10.2014 has informed that the Dept. of Industries & Commerce is implementing Karnataka Self Employment Scheme. The objective of the scheme is to provide all necessary assistance and facilitation for setting up of Micro Enterprises by first generation entrepreneurs, groom them on the essential of conceiving new ideas, planning, building project proposal, getting them loans / subsidies under the various loan schemes from Banks in rural areas.

Further, it is informed that the Dept. proposes to extend the benefit for 1000 unemployed youth during 2014-15. The composite loan requirement will be ` 9000 lakhs during 2014-15.

The Govt. Order bearing No.CI:73:CSC:2014 dated 20.9.2014 containing the detailed guidelines of the scheme and also the District-wise targets were presented to the House.

The Convenor-SLBC requested the Bankers to consider the applications which could not be covered under PMEGP may be sanctioned under Karnataka Self Employment Scheme.

 **(Action: Banks)**

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

Khadi & Village Industries Commission [KVIC] is the nodal agency for implementing Rural Employment Generation Programme [REGP] of GOI, Ministry of Micro, Small & Medium Enterprises [MSME]. KVIC Mumbai has advised that while implementing the programme, the nodal agencies/blocks have to ensure coverage of social category beneficiaries such as SC-15%, ST –7.5%, OBC-27%, Minorities-5%, Ex Serviceman-1%, PHC –3%, Women-30% (overall).

The progress under PMEGP for the year 2014-15 (as on **23.01.2015)** was presented to the House.

**Selection of Agency for conducting 100% Physical Verification of PMEGP Units for the year 2012-13 & 2013-14**

In the meeting for selection of Agency for conducting physical verification of PMEGP units for the year 2012-13 & 2013-14 under the Chairmanship of OCKVI, Bengaluru held on 3.2.2015 has decided to award the work of physical verification of PMEGP units for the year 2012-13 & 2013-14 to M/s. KITCO Ltd., Kochi., (a statutory body funded by State Govt of Kerala) to take up follow-up action as per PMEGP guidelines of KVIC. All the Banks were requested to take note of the same.

The Addl. Director (Vishwa), DIC, GoK informed that some of the issues are hampering the progress of the implementation of the scheme are that sanctions obtained every year is very higher compared to target allocated. Hence, major portion of the current year’s margin money target is being utilized to settle the claims of the previous years. Due to this the purpose of the scheme is not being served completely and the beneficiaries are paying interest to the entire loan amount until the margin money is released. He further informed that in many cases the financial branches do not release the 2nd instalment of the loan unless the beneficiaries receives the margin money and due to which many projects are being closed in the initial stages itself. The other issues being that the physical verification reports which are given by the 3rd party for adjustment of margin money to the beneficiary account are in dispute in many cases, some of the units which are working is shown as not working. Reverification Committee has to be constituted to verify the disputed cases and approval has to be taken from the concerned Zonal Dy. CEO with recommendation of the State Director : KVIC.

He made suggestions for successful implementation of PMEGP, namely, to take steps to ensure that margin money is released to all the beneficiaries who have been sanctioned the loan in the same financial year. This can be done by restricting the financial target of the Districts. Nodal bank should process the claim immediately and ensure to release the eligible margin money to the claims received by their Banks, so that the funds are utilized in time and the margin money released to DIC agency is utilized to the claims sanctioned through the DIC agency itself. This would be ensured by putting ceiling on Margin money target. The 3rd party agency outsourced to conduct the 100% physical verification reports should conduct the physical verification in the presence of representative of concerned agencies, so that the genuine reports without any dispute is furnished for issuing adjustment letter.

The Director : KVIC, Asst. Director (Vishwa) : DIC have raised the issues of administrative nature. The ACS & DC, GoK suggested them to sort out the issues of administrative nature at the departmental level and advised to implement the scheme with the coordination with implementing agencies.

The Lead District Manager, Kodagu reported that though the physical verification of PMEGP units have been undertaken for the units during 2008, 2009, 2010, the reports have not been submitted to the Banks and subsidy could not be adjusted. KVIC is not permitting to adjust the subsidy under the circumstances. Responding to this, the State Director, KVIC requested the Banks to inform the specific cases for resolving the issue.

**(Action : Banks)**

**12.4: NATIONAL RURAL LIVELIHOOD MISSION (NRLM):**

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’.**

RBI: CO: Mumbai vide their Cir. RPCD. GSSD. CO. BC. No. 57/09.01.03/2013-14 dated 19.11.2013 has informed the details of guidelines for operationalisation of Interest Subvention Scheme for SHG for Public Sector Banks. Banks were requested to follow the guidelines scrupulously.

The RDPR Dept., GoK has forwarded modified guidelines on implementation of Rajeev Gandhi Chaitanya Scheme vide their letter dated 17.5.2014. All the Banks were requested to scrupulously follow the revised guidelines.

The Mission Director-KSRLPS informed that they have sponsored 65,000 applications to various Bank Branches and requested the Bankers to communicate sanction at an early date to enable them to reach the set targets.

The Convenor-SLBC also requested the Bankers to sanction the pending applications under the scheme before the end of March 2015.

**(Action : Banks)**

**12.5 : NATIONAL URBAN LIVELIHOOD MISSION (NULM)**

 **& STATE URBAN LIVELIHOOD MISSION (SULM)**

The National Urban Livelihood Mission (NULM) & State Urban Livelihood Mission (SULM) are the new schemes which are implemented in the Karnataka State from the current financial year 2014-15.

a) NULM is revamped and restructured scheme of Swarna Jayanthi Shahari Rojgar Yojana (SJSRY) with effect from the financial year 2014-15. In the 12th Five Year Plan NULM will be implemented in all District Headquarters and all other cities with a population of 1,00,000 or more as per 2011 census.

At the initial stage, 35 cities with population of 1 lakh and above and the District Headquarters cities having less than 1 lakh population as per 2011 census considered for implementation of the scheme.

DMA has been nominated as State Level Nodal Agency for the implementation of NULM in the State. Under SEP (I&G), 14571 individual beneficiaries and 107 groups are the state annual target for the sanctioning of loan notified by the ministry and the same bifurcated upto District / ULB level. Accordingly, scheme guidelines and targets have been communicated to Lead District Managers for implementation of the new scheme.

b) SULM is a replica of the Central Sponsored scheme NULM of the financial year 2014-15. The scheme will be implemented in other than NULM selected cities in all TMC & TP (179 cities) in Karnataka with the assistance of State Govt.

DMA is the State Level Nodal Agency for the implementation of State SULM. Under SEP (I&G), 6252 individual beneficiaries and 179 groups are the state annual target for the sanctioning of loan and the same bifurcated upto District / ULB level. Accordingly, scheme guidelines and targets have been communicated to Lead District Managers for implementation of the new scheme.

The Dept was requested to pursue with the respective Lead District Chief Managers through their department representatives for implementation of the scheme at BLBC and DCC level and inform the progress.

The Director, DMA informed that the sanctions towards SEP & Groups under NULM is very dismal. So far, Banks have accorded sanction to 1800 cases under Individuals and only 20 under Groups. In this direction, she said that a District-wise review was under taken through Video Conferencing recently. No sanctions have been accorded by Branches in Kolar, Koppal, and Chickballapur Districts. She requested the Bankers to expedite the sanctions under the scheme.

The ACS & DC, GoK expressed her concern over poor sanctions under the scheme. Further, she advised Bankers to accord sanctions to all eligible cases before March 2015.

The Convenor-SLBC requested the Bankers to sanction the pending applications under the scheme before the end of March 2015 and requested the implementing agency to pursue through their officials at BLBC and DCC level for sanctions as they are the suitable forums.

**(Action: Banks)**

**12.6: SCHEMES OF Dr. B. R. AMBEDKAR DEVELOPMENT CORPORATION LTD**

The Corporation has submitted the progress report as of Dec. 2014 under the Self Employment Programme (SEP & ISB schemes). The details were presented to the House. It was requested to Corporation to furnish the Bank-wise achievements to facilitate review of the progress. Banks / Departments were requested to accomplish the target well within the time.

**(Action: Banks / B.R. Ambedkar Dev. Corpn)**

**Agenda 12.7: SCHEME OF KARNATAKA MAHARSHI VALMIKI SCHEDULED TRIBES**

 **DEVELOPMENT CORPORATION LTD.**

The Corporation is implementing 2 schemes, viz, Self-Employment Scheme and ISB Scheme for the benefit of persons belonging to Scheduled Tribes.

The scheme-wise and District-wise progress as of December 2014 were presented to the House. Banks / Departments were requested to accomplish the target before the end of March 2015.

**(Action: Banks / ST Dev. Corpn.)**

**Agenda 12.8 : SCHEME OF KARNATAKA MINORITIES DEV. CORPORATION**

The Corporation is implementing the Swavalambanascheme. Scheme Progress and District-wise achievement as at December 2014 was presented to the House.

Banks / Departments were requested to accomplish the target before March 2015.

**(Action: Banks / KMDC)**

**Agenda 12.9: SCHEME OF D. DEVARAJ URS BACKWARD CLASSES DEV. CORPN.**

D Devaraj Urs Backward Classes Development Corporation Ltd. is implementing **CHAITANYA** Subsidy cum Soft Loan Scheme.

District-wise target for 2014-15 as provided by the Corporation has been communicated to LDMs for distribution among Banks. As requested by the Corporation to carry forward pending 9000 applications of FY 2013-14, to the FY 2014-15, approval has been accorded. LDMs / Banks were requested to implement the same.

The Bank-wise & District-wise performance as on Dec. 2014 was presented to the House. Banks / Departments were requested to accomplish the target before March 2015

**(Action : Banks / Dept.)**

**AGENDA 13.0 : SPECIAL FOCUS PROGRAMMES**

**Agenda 13.1 : CREDIT FLOW TO MINORITY COMMUNITIES**

The Banks have extended loans to **267333** beneficiaries amounting to ` **3303 Crore** upto Dec. 2014. The outstanding level of advances to Minority Communities as at the end of Dec. 2014 was ` **18609 crore spread over 1069656 accounts,** constituting **10.58%** of PSA. Bank wise details of credit disbursement upto Dec. 2014 & outstanding balance as at Dec. 2014 were presented to the House. Banks were advised to increase credit flow towards minority communities to facilitate achieving stipulated level of 15% of the Priority Sector advances.

**(Action : Banks )**

**FLOW OF CREDIT TO MINORITY COMMUNITIES IN IDENTIFIED DISTRICTS**

The outstanding level of credit to minority communities in the identified districts as at Dec. 2014 was presented to the House.

The flow of credit to minority communities in all the three districts has increased and surpassed the stipulated target of 15% of priority sector advances in the respective districts.

**Agenda 13.2 : CREDIT FLOW TO WOMEN**

Banks have disbursed ` **8375 c**rore to 739752Women Beneficiaries upto Dec. 2014 during the financial year. The outstanding level of Advances to Women Beneficiaries was ` **28043 crore** as of Dec. 2014 constituting **6.44%** oftotalof advances vis-a -vis stipulated target of 5%.

The Bank wise details were furnished to the House.

**Agenda 13.3 : KISAN CREDIT CARD**

The Banks have issued **915254 KCCs** upto Dec. 2014 with credit limit of ` **11554.45** Crore.

The Agency-wise / Bank-wise number of Cards issued was presented to the House.

**AGENDA 14.0 SELF HELP GROUPS/ JOINT LIABILITY GROUPS**

The Progress under SHG Bank Linkage and consolidated progress by Banks under SHG Bank linkage programme as at December 2014 was presented to the House.

Commercial Banks have directly credit linked 84650 SHGs with an amount of ` 1261.70 crore and indirectly 4603 groups with a limit of ` 115.13 crore; RRBs could credit link 17172 groups with an amount of ` 303.12 crore and Co-op. Banks have credit linked 25445 groups with a limit of ` 447.12 crore upto Dec. 2014.

A target for credit linkage of 20,000 JLGs has been fixed for the State for 2014-15. As per the information gathered, the Banks have credit linked 8,330 JLGs with a credit limit of ` 87.61 crore upto Dec. 2014. The balance outstanding as on 31.12.2014 is ` 127.54 crore comprising 17,507 JLGs. However, many Banks are yet to furnish the progress report in this regard.

Consolidated progress by Banks under SHG bank linkage program as at Dec. 2014 was presented to the House.

The Banks & LDMs were requested to submit Bank-wise SHG-BLP & JLG data on quarterly basis for compilation.

 **(Action : Banks / LDMs )**

**AGENDA 15.0 : LENDING THROUGH MFIs:**

Association of Karnataka Micro-Finance Institutions (AKMI) is overseeing the working of various (22) MFIs. It has informed that the loan outstanding given by various MFIs in Karnataka as on December 2014 was ` 5987 crore covering 48.33 lakh a/cs. Out of which, overdue is only ` 52.80 crore spread over 51,794 a/cs. The District-wise outstanding and Overdues as on Dec. 2014 was presented to the House.

**AGENDA 16.0 : STREE SHAKTI PROGRAMME**

The Women & Child Welfare Development, GoK has communicated the targets for linkage of Stree Shakti Groups for the year 2014-15 is as under:

No. of Stree Shakti Groups formed : 140000

No. of Groups credit linked : 127356

Target for credit linkage for 2014-15 : 13779

The District-wise progress under Stree Shakti Programme as furnished by the Women & Child Development Department, Govt. of Karnataka for December 2014 was presented to the House.

Banks / Departments were requested to accomplish the target well within the time.

**(Action : Banks / W&CW Dept)**

**AGENDA 17.0 : UDYOGINI SCHEME OF KARNATAKA STATE WOMEN’S**

**DEVELOPMENT CORPORATION [KSWDC]**

Karnataka State Women’s Development Corporation, the Nodal agency for Udyogini scheme vide their letter dated 6.11.2014 has communicated the District-wise progress under the scheme. The details are as under:

|  |  |
| --- | --- |
| Target | Achievement |
| Physical | Financial | Physical  | Financial |
| 11598 | ` 1030.05 lakh | 8126 | ` **49**3.96 lakh |

The District-wise / Category-wise targets were presented to the House.

Banks / Departments were requested to accomplish the target well within the time.

**(Action : Banks / KSWDC)**

**AGENDA 18.0: IMPLEMENTATION OF SPECIAL SCHEMES**

**A] Agri-Clinics / Agri-Business**

As per the information received from Banks, the outstanding under Agri-clinics/Agri-Business as of Dec. 2014 was for 923 Clinics **[**` **75.05 cr]** & 182 Agri-Business units (` **39.47 crore**). During the QE Dec. 2014 Banks have financed 30 Agri-Business Centres (` 2.51 crore) and 10 Agri Clinics (` 1.27 cr). Banks were requested to monitor the implementation of the scheme at the ground level and ensure sanction of the proposals received on merits and submit subsidy claims to NABARD in respect of eligible proposals. Banks have to take advantage of Capital Subsidy available to the above schemes.

 **(Action : Banks )**

**B] Rural Godowns**

The Banks have financed 187 Rural Godowns with credit limit of ` 30.88 crore up to Dec. 2014. The outstanding amount was ` 457.67 crore comprising 2341 accounts.

The Govt of Karnataka has also issued order and certain modifications to provide interest subsidy during the first five years for the loans sanctioned after 1.4.2013 and the same has been communicated to all the Banks.

**(Action : Banks )**

**C] Implementation of National Horticulture Board [NHB] Subsidy Scheme**

During the year 2014-15, NHB has released subsidy in respect of 91 proposals under the scheme amounting to ` **577.63** lakh.

NHB has informed that they have revised operational guidelines of the scheme vide their Cir. No.NHB/CC/Project Appraisal Agency/2014-15 dated 22.5.204. The details are available on the website: [www.nhb.gov.in](http://www.nhb.gov.in).

**AGENDA 19.0 : RECOVERY**

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

 **SCHEMES**

The summary of scheme-wise NPA position as at Dec. 2014, 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. Bank wise details were presented to the House.

**(Action : All Nodal Agencies)**

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

There were **848906** NPA a/cs involving an amount of ` **17414.18 crore** as of Dec. 2014, accounting for **4.00%** of total advances. The Farm sector accounts for **419546 a**/cs, with a balance of ` **5178.93 crore** constituting **6.05%** of advances to agriculture**.** NPA under MSE and OPSA works out to 6.53 and 2.75% respectively.

Bank wise details were presented to the House.

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

Banks have recovered ` **622.66** crore against amount involved ` **1800.23** crore under **SARFAESI Act,** ` **36.96 crores** against amount involved ` **846.67** crore under **DRT** and ` **178.20** crore against amount involved ` **688.34** crore through **Lok Adalat** up to Dec. 2014.

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

As of Dec. 2014, **29159** cases filed by Banks under RR Act were pending before Revenue Authorities involving an amount of ` **262.34 Crore**. The Banks have filed **1007** applications during Dec. 2014 quarter involving loan amount of ` **2.75 crore.** There are **4680** cases pending for more than 3 years for recovery under RR Acts.

Bank wise details were presented to the House.

**AGENDA 20.0 : Lead Bank Scheme- Strengthening & Monitoring Information System**

 **(LBS-MIS)**

RBI vide their Cir No. RBI/ 2012-13/ 450 RPCD. CO. LBS. BC. No. 68/ 02.01.001/ 2012-13 dated March 19, 2013 has modified the statement for ACP target as LBS-MIS-I, statement for disbursement and outstanding- LBS-MIS-II, III. Similarly, statement for Financial Inclusion Plan (FIP) renamed as LBS-MIS-IV and LBS-MIS-V. These statements are to be submitted on quarterly basis commencing from June 2013.

SLBC had advised all Banks to submit the above statements as per the periodicity of submission. The consolidated statements of LBS-MIS-I, II,III, IV, V for the State as a whole, as on Dec. 2014 were presented to the House.

**(Action : Banks)**

**AGENDA 21. 0 : NABARD AGENDA NOTES:**

The CGM: NABARD took up the review and informed that:

**1. Government of India Subsidy linked Credit Schemes**

**i) Submission of Utilisation Certificates (UC)**

Utilisation certificates are to be submitted by banks to NABARD on/after credit of subsidy in the Subsidy Reserve Fund under all Government Sponsored Schemes. Submission rate of utilisation certificates varies from 10% to 15% across all Schemes presently. NABARD Regional Office has recently issued letters to banks advising them to refund the subsidy on account of non-submission of utilisation certificates. All banks are requested to prevail upon the branches to submit utilisation certificates at the earliest otherwise the subsidy will have to be refunded in respect of those beneficiaries for whom the utilisations certificates have not been submitted in respect of Artificial Recharge to Ground Water through Dug Wells Scheme, Dairy Entrepreneurship Development Scheme, Poultry Venture Capital Fund and Integrated Development of Small Ruminants and Rabbits. Bank wise list of pending UCs is provided in Annexure I of Agenda notes.

**(Action : Banks)**

**ii) Capital Subsidy Scheme for Solar Lighting and Small Capacity PV Systems under**

**Jawaharlal Nehru National Solar Mission (JNNSM)– Solar Lighting System**

The captioned scheme is being implemented during 2014-15. All those banks which have not issued Corporate circular in respect of the scheme are requested to do so at the earliest.

In the Review Meeting the MNRE, GoI had with NABARD and RRBs on 25 August 2014, in connection with implementation of the scheme it was decided that MNRE empanelled manufacturers of the systems are only responsible for the quality of the supplied systems, not their dealers. Detailed guidelines on raising of invoices by the manufacturers / dealers have been given in the Minutes of the Meeting and the same along with a checklist has been forwarded to all the banks concerned on 15 January 2015.

**(Action : Banks)**

**iii) Government of India’s revised Scheme for promotion of solar pump sets for irrigation**

The revised Scheme of the MNRE, GoI for promotion of Solar Photovoltaic Pumpsets for of irrigation, is being implemented with effect from 03 November 2014. A target of 1200 SPV pumpsets has been allocated to the State of Karnataka. SLBC, Karnataka has already allocated district –wise targets and has advised the LDMs of the district to initiate necessary action. NABARD has also advised all the DDMs to initiate steps for expeditious implementation of the scheme.

All the banks were requested to issue suitable instructions to their branches for expeditious implementation of the scheme. The scheme also provides for parking of subsidy in advance for smooth implementation of the scheme by banks. Accordingly, banks have been advised to submit specific request for release of advance subsidy.

**(Action : Banks)**

**3)** **RIDF - Potential for ATL under completed Irrigation Projects**

Banks have been advised to take advantage of the credit potential created in the vicinity of command area of the irrigation projects and expand their lending programmes accordingly in the previous SLBC meetings. The district-wise irrigation potential created by 2,664 completed RIDF projects as on 31 January 2015 have been assessed and a district wise summary was presented to the House. SLBC was requested to circulate the project wise details to all banks.

**(Action : SLBC)**

**4) ATM-enabled-Kisan Credit Cards**

The Department of Financial Services, Ministry of Finance, Government of India is regularly monitoring the progress in issuance of Rupay-KCC by RRBs and Cooperatives through NABARD. The momentum for issue of ATM-enabled-Rupay KCCs is not picking up at RRBs’ level as evidenced from the status reported by them as on 31 December 2014, was presented to the House.

RRBs and DCCBs are, advised to ensure speedy issue of Rupay KCC to all its KCC holders and submit the progress regularly to NABARD to enable NABARD to submit the progress in this regard to DFS, MoF, GoI.

**(Action : RRBs & DCCBs)**

**5) Issue of Weaver Credit Card**

Ministry of Textiles, Government of India allocated a target of 10,000 Weavers’ Credit Card to be issued during 2014-15. Accordingly, the Commissioner for Textile Development & Director of handlooms & Textiles, Government of Karnataka has already allocated district-wise target. The progress as at the end of 31 December 2014 indicates that only 1098 WCCs have been issued by the banks with a credit limit of ` 539.40 lakh.

As the progress is being reviewed by the Ministry of Textiles, GoI, all the Banks are advised to ensure speedy issue of fresh WCC against the outstanding applications of 12,393. SLBC may advise the LDMs to review the progress in the DCC/DLRC/BLBC meetings and the progress may be reported to SLBC, NABARD-RO, Bangalore and the Director of Handlooms, GoK.

 **(Action : Banks / LDMs)**

**6) Ground Level credit Flow : Reporting of MT(Conversion) data**

It is observed from the data being reported at SLBC level as well as in DLCC/DLRC that MT(conversion) loans might be getting reported under Agri Term Loan data. In order to have a more meaningful review and discussion on Term Lending for Agriculture, SLBC may consider capturing & reporting MT(Conversion) data separately.

**7) Government of India Subvention Scheme for loans for storage of Produce**

In order to encourage the farmers to store their produce in accredited warehouses the Government has extended the benefit of interest subvention to small and marginal farmers for a further period of six months post-harvest on the same rate as available to crop loan against NWRs. Banks may take note of Circular Ref. No. 7-35/2014-Credit dated 28th November 2014 from Ministry of Agriculture, GoI in this regard.

**(Action : Banks)**

**8) SHG – Bank Linkage and JLG Programme**

**(i) Digitisation of SHGs**

Digitisation of SHGs will benefit the Banks to take informed decisions about the credit needs of SHGs and in turn help SHGs in accessing adequate and timely credit support from the banks under SHG Bank Linkage Programme. For this purpose, NABARD is in the process of implementing a Pilot Project in Mysuru and is identifying the Application Service Provider (ASP) to develop a suitable AADHAR linked backend software. In order to implement the project, mapping of bankwise/branchwise SHGs existing in the district is a prerequisite. A strategy meet with bankers & LDM was held on 12.02.2015 at Mysuru in this regard. With a view to roll out the pilot project by 31 March 2015, we request SLBC and controlling offices of Banks to advise bank branches operating in Mysuru to provide necessary data as per the format that has been already circulated to them.

**(Action : Banks)**

**(ii) Average Loan Size per SHG:**

**As on 31 March 2014 the** average loan size of an SHG was ` 1.53 lakh which has reduced from ` 1.66 lakh as on 31 March 2013 and ` 2.03 lakh as on 31 March 2012. Banks need to internally study and isolate the reasons for the declining loan size of the SHG. Bankers are requested to provide adequate and timely finance to the SHGs covering all their credit requirements.

**(Action : Banks)**

**(iii) JLG Programme – Review of Performance of Banks**

**JLG promotion :** As against the GoI target for credit linking 20,000 JLGs for Karnataka banks have reported credit linking 8330 JLGs during the year. Bank-wise target for credit linkage of JLGs has already been communicated by SLBC. Banks have also been advised through RBI Circular No. FIDD.CO.FSD.BC.42/05.02.02/14-15 dated 13 November 2014 to report the progress on a monthly basis to NABARD and SLBC however, SLBC has indicated that all banks have not reported progress despite deliberations in several SLBC meetings. Banks may come out with the issues they are facing in this regard and possible solutions.

**(Action : Banks)**

**9) Financial Inclusion**

**(I) Financial Inclusion Plan (FIP)**

RRBs & DCCBs may identify the problems in implementation of FIPs, find out suitable solutions by preparing a time bound action plan so as to speed up the process of offerings of OD facility in BSBDAs, number of BSBD Accounts through BCs, number of KCC/GCC issued through BCs and increase the level of ICT transactions through BCs. Kolar, Davangere and Bagalkot DCCBs have not submitted FIPs. While remaining 18 DCCBs have submitted FIPs but only one DCCB i.e. Bidar DCCB has obtained Board approval for the same. None of the DCCBs are reporting progress under FIP as on date. RCS and KSCAB may impress upon DCCBs to expedite pending action on Financial Inclusion Plan.

**(Action : RRBs & DCCBs)**

**(ii) Introduction of Card Based Technologies by DCCBs & RRBs**

Introduction of card based technologiesby RRBs & DCCBs would enable them to provide all the services on par with the Commercial Banks and retain their customer base. All the three RRBs in the State have started issuing RuPay KCC as well as RuPay Debit Cards. However, these banks will have to ensure operationalizing the cards issued by providing necessary infrastructure.

In the case of DCCBs, even though most of them are CBS enabled, only South Canara DCCB has started issuing RuPay cards. In this regard, NABARD had convened a meeting of DCCBs along with RCS and Apex Bank in the presence of Shri Mahendra Jain, IAS, Principal Secretary, Department of Cooperation, Government of Karnataka with a view to step up the efforts to introduction of card based technologies by DCCBs and also onboard them to payment systems. It was decided in the meeting that on boarding and issue of RuPay cards should commence by 26 January 2015 and the process should be completed by 31 March 2015.

In order to encourage DCCBs in this regard, NABARD is also extending support to DCCBs. However, NABARD is yet to hear from the Apex Bank and no DCCB has approached NABARD for support, till date.

RCS as well as Apex Bank may look into this matter and take effective steps for introduction of card based technologies by DCCBs.

**(Action : Apex Bank & RCS, GoK)**

**(iv) Sanction of FLCs to RRBs and DCCBs**

NABARD extends financial support to RRBs and Cooperative Banks for establishment of Financial Literacy Centres in their area of operation. The total outlay may comprise of Capital Expenditure (CAPEX) or Operational Expenditure (OPEX) for one year or any combination of CAPEX and OPEX within the total outlay, subject to a maximum of ` 5.00 lakh per FLC. RRBs and DCCBs may submit proposals for setting up of FLCs.

**(Action : RRBs & DCCBs)**

Thereafter, **Sri Vivek Deep, General Manager & O-i-C, RBI** in his address briefed about the monetary policies recently announced by RBI. He said that the policy repo rate under the liquidity adjustment facility (LAF) was reduced by 25 basis points from 8.0 per cent to 7.75 percent with effect from January 15, 2015 and consequently, the reverse repo rate under the LAF stood adjusted to 6.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 8.75 per cent. He added that the statutory liquidity ratio (SLR) of scheduled commercial banks was reduced by 50 basis points from 22.0 per cent to 21.5 percent of their NDTL with effect from the fortnight beginning February 7, 2015 and there was no change in the cash reserve ratio (CRR) of scheduled banks which remained at 4.0 per cent of NDTL. He also added that the export credit refinance (ECR) facility was replaced with the provision of system level liquidity with effect from February 7, 2015.

He also touched upon some of the regulatory guidelines issued by RBI in the recent past covering instructions issued with regard to inclusion of Jain Community under section 2(C) of the National Commission of Minorities Act, 1992, allowing White Label ATMs in India to accept international credit/ debit/ prepaid cards, Introduction of Digital Life Certificates for pensioners – Jeevan Pramaan, NRLM – Aajeevika – Interest Subvention Scheme, Withdrawal of all old series of Banknotes issued prior to 2005 – extension of time frame for exchange of notes, Provision of Banking Services in villages with population below 2000 – change in Roadmap for coverage of uncovered villages in line with PMJDY, Continuation of interest subvention on crop loans up to ` 3.00 lakh during 2014-15, Dispensing with ‘No Due Certificate’ for lending by banks in rural and semi-urban areas and treating the overdrafts extended by banks upto ` 5000/- in PMJDY accounts under priority sector advances (other’s category) as also weaker sections subject to certain conditions. He also mentioned that though banks are submitting LBS – MIS data to SLBC at state level, it is not happening at district level and asked the banks to look into the it.

**(Action : Banks)**

**Agenda 22 : Any other matter with the permission of the Chair :**

As per the decision taken in the SLBC Sub-Committee on Investment Credit under the Chairmanship of Secretary, Dept of Agriculture, GoK for providing opportunity to present about the minor irrigation project, “2030 Water Resources Group” presented a powerpoint on “Drip Irrigation in Sugarcane”. With an objective of water use efficiency in sugarcane through drip irrigation for all sugarcane farmers in Karnataka. The key stakeholders of the project are Farmers, Financial Institutions, Sugar Mills, Corporates, Dept of Water Resources, Dept of Agriculture, CADA & Drip Companies. Drip Irrigation for Sugarcane model was presented before the House. The features containing the project details was circulated among the participants.

The meeting concluded with vote of thanks to the chair by Sri Fareed Ahmed, GM, Corporation Bank.

Agency-wise participants list is enclosed.

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**SLBC – KARNATAKA**

**LIST OF PARTICIPANTS**

**130th SLBC Meeting held on 3.3.2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name Shriyuths -** | **Designation** | **Organization** |
| 1 | Smt Latha Krishna Rao | Addl. Chief Sec. & Dev. Com. | Govt of Karnataka |
| 2 | T.K. Srivastava | Exe. Director-Convenor Bank | Syndicate Bank |
| 3 | G.R. Chintala | Chief General Manager | NABARD |
| 4 | Vivek Deep | General Manager | Reserve Bank of India |
| 5 | K. Preetam Lal | Convenor-SLBC & GM | Syndicate Bank |
| **STATE GOVERNMENT DEPARTMENTS** |
| 6 | Harsh Gupta | Secretary (AH) | Animal Husbandry |
| 7 | P Ravi Kumar | Secretary | Food & Civil Supplies  |
| 8 | Uma Mahadevan | Secretary | Dept of Agriculture |
| 9 | Smt Prachi Pandey | Addl. Secretary (FR) | Finance Dept. |
| 10 | D.V. Swamy | Mission Director-Sanjeevini | NRLM – KSRLPS  |
| 11 | Anjali Ellis Shanker | ADG | UIDAI  |
| 12 | Dr L S Channappa Gowda | RCS | Dept of Cooperation |
| 13 | G. Karibasappa | Addl. RCS | Dept of Cooperation |
| 14 | Dr Manjula N | Director | DMA, Urban Development Dept. |
| 15 | P.R. Shiva Prasad | Director | DSSP, Revenue dept |
| 16 | S P Shadakshari Swamy | Director | Dept of Horticulture |
| 17 | Dr. H. Subbaiah | Addl. Director, Agriculture | Dept of Agriculture |
| 18 | Ranga Ramu J | Addl. Director (Viswa) | Dept of Industries & Commerce |
| 19 | R Ramesh | Joint Director (TC) | Dept of Industries & Commerce |
| 20 | M C Shylaja | Project Officer(T) Streeshakthi | Dept of Women & Child Development |
| 21 | M Muniraju | Asst. Statistics Officer | Directorate of Economics & Statistics |
| 22 | M Malleshappa | Project Officer | Directorate of Municipal Admn.  |
| 23 | Shobha H B | Dy. Director | Dept of Agriculture |
| 24 | Dr. Mahadevamma M | Dy.Director | Dept of Horticulture |
| 25 | S Jagadish | Dy. Director | Handloom & Textiles Dept. |
| 26 | Latha B M | AHO | Dept of Horticulture |
| 27 | G. Ramanathan | Advisor (FI) | Finance Dept |
| 28 | M K Bharmarajappa | Dy Secretary | Social Welfare Dept |
| 29 | K R Gurumurthy | Jt. Director of Horticulture | Dept of Horticulture |
| 30 | C Vanajakshi | J R C S | Dept of Sericulture |
| 31 | Dr Rathan Kelkar | Chief Executive Officer | Centre for e-governance |
| 32 | B Y Srinivas | Joint Director of Agriculture | Water Shed Development Department |
| 33 | Sujatha G M | Jr. Assistant | Finance Department |
| 34 | Shashikala | Steno | Finance Department (Banking) |
| **RESERVE BANK OF INDIA** |
| 35 | Laxmipathi | Asst. General Manager | RBI |
| **APEX INSTITUTIONS** |
| 36 | L.L. Raval | Dy. General Manager | NABARD |
| 37 | T H R Samad | Dy. General Manager | SIDBI |
| 38 | H.T. Suresh | Regional Chief | HUDCO |
| 39 | G. Hemkumar | Regional Resident Rep. | NHB |

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| --- |
| **CONVENOR – SYNDICATE BANK** |
| 40 | Y. Srihari | Asst General Manager | Syndicate Bank – SLBC |
| 41 | H.K. Suresh | Chief Manager | Syndicate Bank – SLBC |
| 42 | P Vishwanatha Reddy | Chief Manager | Syndicate Bank – FID |
| 43 | Pullaiah Dayapule | Sr Manager IT | Syndicate Bank – SLBC |
| 44 | K. Chandrashekarappa | Sr Manager | Syndicate Bank – SLBC |
| 45 | Siddanagouda | Manager | Syndicate Bank – SLBC |
| **NATIONALISED BANKS** |
| 46 | S. Ramesh | General Manager  | Canara Bank |
| 47 | Fareed Ahmed | General Manager & Circle Head | Corporation Bank |
| 48 | R K Shetty  | General Manager | Indian Overseas Bank |
| 49 | Ashutosh Brahmatmaj | Asst. General Manager | Allahabad Bank |
| 50 | V Venkatesh | Dy. General Manager | Central Bank of India |
| 51 | K. S Hegde | Dy. General Manager  | Vijaya Bank |
| 52 | K Selvaraj  | Dy. General Manager / ZM | Indian Bank |
| 53 | S.P. Kohli | Dy. General Manager | Dena Bank |
| 54 | A V Raman | Dy. General Manager | Union Bank of India |
| 55 | M Shivaprasad | Asst. General Manager | Bank of Baroda |
| 56 | C G Popere | Asst. General Manager | Bank of India |
| 57 | V.S.R. Murthy | Asst. General Manager | Andhra Bank |
| 58 | R. Chandrasekhar | Asst. General Manager | IDBI Bank |
| 59 | T Srinath Kumar | Branch Head | Bharatiya Mahila Bank |
| 60 | Subramanian K  | Chief Manager | UCO Bank |
| 61 | R Suresh | Chief Manager | Punjab National Bank |
| 62 | P.S. Pillai | Sr. Manager | Oriental Bank of Commerce |
| 63 | Y.S. Tanuja | Sr. Manager | UCO Bank |
| 64 | L Suryanarayan | Sr. Manager | Indian Overseas Bamk |
| 65 | K Solomon Ravi Kumar | Sr. Manager | Bank of Maharashtra |
| 66 | G. Bhaskara Reddy  | Dy. Chief Officer (RD) | Central Bank of India |
| 67 | S. Karunakaran | Manager | Allahabad Bank |
| **STATE BANK GROUP** |
| 68 | M R Jayesha | General Manager (PSC & CS) | State Bank of Mysore |
| 69 | A Karunanithi | General Manager(Govt.Business) | State Bank of Mysore |
| 70 | Dr. G.P. Ray | Dy. General Manager | State Bank of India |
| 71 | B Venkata Ramana | Dy. General Manager (FI) | State Bank of Mysore |
| 72 | D. Muralidhar | Chief Manager | State Bank of India |
| 73 | C Aruna Kumar | Chief Manager | State Bank of India |
| 74 | Prakash Swamy | Chief Manager | State Bank of Hyderabad |
| 75 | J L Jain | Chief Manager | State Bank of Bikaner & Jaipur |
| 76 | S D Vasantha Raj | Chief Manager | State Bank of Travancore |
| 77 | D K AnandaKumar | Chief Manager-Lead Bank-HO | State Bank of Mysore |
| 78 | Rajesh N K | Manager – Lead Bank-HO | State Bank of Mysore |
| 79 | K Padmanabha Rao | PS to DGM | State Bank of Hyderabad |
| **PRIVATE BANKS** |
| 80 | Dr Meena Aranha | General Manager | Karnataka Bank |
| 81 | R Ananda | A.V.P. | ING Vysya Bank |
| 82 | Binod P | AVP | HDFC Bank |
| 83 | Sadashiva Mallya | Circle Head | Axis Bank |
| 84 | Mehmood Khan D | Nodal Officer | Axis Bank |
| 85 | Manku Bhattacharjee | Sr. Manager | ICICI Bank |
| 86 | Hari Haran S | Sr. Manager | Federal Bank |
| 87 | K Ganesh Kumar | Sr. Manager | Tamilnad Mercantile Bank |
| 88 | Hemanth Kumar T T | Sr. Manager | DCB Bank |
| 89 | H M Girish Kumar | Manager | Karur Vysya Bank |
| 90 | Prasoon V Thampi | Manager | DCB Bank |
| 91 | Yogish Achar K | Manager | Dhanalxmi Bank |
| 92 | Jose Antony | Manager | South Indian Bank |
| 93 | Sanjeev Aggarwal  | Manager | Jammu & Kashmir Bank |
| 94 | Vikas Sharma | Manager | IndusInd Bank |
| 95 | Adarsh S Kunjithaya | Manager | IndusInd Bank |
| 96 | Vageesha, O.M. | Asst. Manager | Lakshmi Vilas Bank |
| **CO OPERATIVE BANKS/ OTHER BANKS/INSTITUTIONS** |
| 97 | M.D. Mathapathi | Managing Director | KSCA & RD Bank |
| 98 | C N Devaraj | Secretary | Apex Bank |
| 99 | B S Shireesha | General Manager | K.S.F.C. |
| 100 | Venkatesh H.C. | Executive Director | K.F.R.C., Bagalkot |
| 101 | K.J. Morab | CEO | AKMI |
| 102 | Anand Rao | Director | AKMI |
| **REGIONAL RURAL BANKS** |
| 103 | M G Bhat  | Chairman | Pragati Krishna Grameena Bank |
| 104 | D Somasekhara Sastry | Chairman | Kaveri Grameena Bank |
| 105 | R Rama Naik | General Manager | Karnataka Vikas Grameena Bank |
| **BOARDS/CORPORATIONS/GOVT. OF INDIA** |
| 106 | K G Jagadeesh | Managing Director | RGRHCL |
| 107 | Mohammed Saleem | Managing Director | Karnataka Minority Dev. Corporation |
| 108 | Digge Shivaji | Managing Director | Dr B.R. Ambedkar Dev. Corporation |
| 109 | Aarti Devan Gupta | Director of Finance | Coffee Board |
| 110 | Dr Suresh Babu | Director | K.M.F |
| 111 | Dr Tasveem Ahmed Shoeeb | Dy. Director (Tech) | Coffee Board |
| 112 | B N Biradar | General Manager | R.G.R.H.C.L |
| 113 | T N Manjula | Asst. General Manager | K.M.V.S.T. Dev. Corporation |
| 114 | N R Vijay | General Manager – 2 | K.S.W.D.C. |
| 115 | Prasad Kumar H | UDC | Coir Board |
| 116 | H.B. Gangadharappa | Dy. Director | Karnataka State Minority Commission |
| 117 | M. Jagannadha Rao | Director | K.V.I.C. |
| 118 | B S Malagatti | Development Officer | K.V.I.C. |
| 119 | V. Annappa | Development Officer | K.V.I.B. |
| 120 | S S Baligidad |  | K.V.I.B |
| **LEAD DISTRICT MANAGERS** |
| 121 | K Subba Rao | Lead District Chief Manager | LDO, Udupi |
| 122 | Srinivas K | Lead District Dy Manager | LDO, Chitradurga |
| 123 | G Arunachala Sharma | Lead District Manager | LDO, Kodagu |
| 124 | K N Manjunath | Lead District Manager | LDO, Hassan |
| 125 | Prabhu Alagawadi | Lead District Manager | LDO, Mangalore |
| 126 | M N Naik | Lead District Manager | LDO, Karwar |
| 127 | S J Khadir | Lead District Manager | LDO, Yadgir |
| 128 | S Laksmisha | Lead District Manager | LDO, Tumkur |
| **INSURANCE COMPANIES** |
| 129 | B Raviraj Nayak | Manager | LIC of India |
| 130 | P. Vishnu Vardhan Reddy | Manager | ICICI Lombard |
| 131 | A Krishnaraj | Asst. Manager | AIC of India |

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