

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

MINUTES OF THE 139th MEETING OF SLBC HELD ON 08.09.2017

The 139th SLBC Meeting was held on 8th Sept 2017 at the Conference Hall, Vidhana Soudha, Bengaluru under the Chairmanship of Sri Melwyn Rego, Chairman-SLBC and Managing Director & Chief Executive Officer, SyndicateBank.

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

Sri Melwyn Rego, Chairman-SLBC & Managing Director & Chief Executive Officer, Syndicate Bank in his key note address said that in view of the amendment to Prevention of Money laundering Act (Maintenance of records) Rules 2005 the DFS: MoF: GoI has informed that – Aadhaar enrolment/update & Authentication facilities are to be provided at Bank Branch premises and advised every scheduled Commercial Bank to set up centres for Aadhaar enrolment and update facility inside its bank premises at a minimum of 1 out of 10 branches. The task was to be accomplished by 30.8.2017, However the GOI has extended the same up to 30.09.2017. There are about 11000 Bank Branches in the State and expected about 1200 enrolment centers to be opened in tune with the guidelines.

On the issue of **Implementation of Karnataka of Raitha Suraksha Pradhan Mantri Fasal Bima Yojana –Kharif 2017**, the Chairman said that Banks have enrolled totally 14.24 lakh farmers so far and with regard to settlement of insurance claims he said that ₹ 280.33 cr is pending for settlement under Kharif 2016 and the claim settlement process has not commenced in case of Rabi 2016. He requested the authorities to expedite settlement of claims early as the delay in settlement has a direct bearing on renewal of KCC limits and also further lending to needy farmers. He said that the non-loanee farmers are approaching the Banks for enrolment at the last minute and Branches are finding it difficult to enrol all the farmers within the stipulated time schedule. He requested all the stakeholders to create awareness amongst farmers to approach their service area Banks or common service centres for enrolment.

On the issue of **Acceleration of lending to Agriculture**, the Chairman said that the State had witnessed deficit rainfalls for continuous 2 to 3 years and the State has received better rains in some parts this year and there is hope of receiving bountiful rain in other parts which will help in rekindling the farming activity and bring back smiles on the face of farmers. He requested the Bankers to be prepared to meet the challenge of providing financial assistance at this crucial juncture to the farmers as they have made a provision for lending under agriculture to the extent of ₹ 87,000 cr for the current year.

The Chairman said that **Pradhan Manthri Awas Yojana** is an ambitious scheme of providing Housing to all by 2022 and the performance under CLSS is not upto the desired level so far, due to non-sponsoring of applications by the Line Dept. He requested them to sponsor sufficient number of eligible applications to facilitate Banks to accomplish the set targets. Banks to dispose the proposals on priority and accomplish the targets of 25000 allotted to the state well within time.

On the issue of **usage of Kannada in day to day Banking activities**, the Chairman said that the Hon'ble Chief Minister of Karnataka had informed that Government is committed to protect and encourage the art, culture and rich heritage of the State and Government wishes to take firm steps for implementing Kannada in all official activities. He requested the Banks to make sincere efforts to adopt usage of Kannada in day to day banking activities and also to open Kannada cells in their Head Offices/Regional Offices to enable them to teach Kannada to non Kannada employees.

The Chairman said that it has been informed by the Finance Department, GOK, that instances of entities, including **companies fraudulently accepting deposits** offering high rate of interest or other rewards in kind and investors are often defrauded are coming to light from time to time. In order to address the issue of companies fraudulently accepting deposits offering high rate of interest or other rewards in kind, Govt of Karnataka has launched a website "I Viveka" for lodging complaints of cases of cheating the public by the organizations luring people with higher interest, etc. He solicited the support from the participating Banks to popularize the same and create awareness among public on the website.

The Chairman was pleased to inform the House that the State has regained **Number One position under MUDRA** as on 25.8.2017. He congratulated all the Bankers and other Stakeholders in achieving this splendid performance and requested them to continue with the same zeal. However, under Stand-up India, the performance needs significant improvement and hence requested the Banks to gear up their efforts in accomplishing the set targets. In case of Govt sponsored schemes, though the majority of the Line departments have allotted the targets, they are yet to sponsor the applications to the Banks. Since nearly half of the financial year is completed, he requested all the Line Departments to immediately sponsor the eligible applications to the Banks to facilitate them to reach the targets.

Concluding his address, the Chairman informed that the Jan Dhan Yojana launched by the Union Govt has completed 3 years and appealed to all the stakeholders to intensify and accelerate the momentum under PMJDY, PMJJBY, PMSBY, APY, MUDRA & Stand Up India, as these schemes are Govt's initiative towards bringing about meaningful Financial Inclusion.

Thereafter, the **Chief Secretary, GoK** addressing the House expressed his happiness on Banks achieving 28% under Annual Credit Plan 2017-18 as at the end of the first quarter which is more than the proportionate achievement of 25% and he hoped that much higher progress can be achieved in the second quarter as it is an agricultural season.

On the issue of **Credit Deposit ratio**, he was happy that CD ratio of the State has improved to 74.07% during the quarter from 72.92% in the corresponding quarter of the previous year. He requested the Bankers to improve the CD ratio further by lending more to the needy sectors.

Continuing his address he said that Aadhaar seeding has improved to 70% by achieving 10% more over the previous quarter and requested the concerned to put their sincere efforts to achieve 100% by the end of Sept.2017

On the **issue of Rupay Cards**, he said that Banks have achieved 87% and of which 84% cards have been activated. He called upon the Banks to achieve 100 % of issue of Rupay cards and its activation by 31st Dec 2017.

On the issue of **Fraudulent companies accepting deposits**, he said that the public and the Bank Managers are made aware of "I-Viveka" website launched by the State Govt for lodging the complaints.

He then congratulated the Banks for bringing the State to **No. 1** position in the country for disbursing loans under **MUDRA scheme**. He said that 5.6 cr jobs have been created in the country as a whole from MUDRA scheme. Reacting to it the General Manager, SIDBI said that about 80 lakh jobs have been created from 39 lakh Mudra accounts in the State. Further, he said that the progress under Stand Up India is dismal and advised the stake holders to improve the same.

On enrollment of beneficiaries under **Social Security Schemes**, he said that performance is not satisfactory and needs to be improved. He called upon the Banks, Insurance companies and the line Departments to create awareness among the public and improve enrollment under those schemes.

On the issue of Karnataka Raitha Surakhsha Pradhan Manthri Fasal Bima Yojana he advised the concerned authorities to implement the said scheme smoothly this year, based on the experience gained in the previous year. Further, he said that 72% of the claims of Kharif 2016 have been settled and advised the stakeholders to settle the remaining claims early.

On the issue of Teaching Kannada to non kannadiga employees he said that he would advise the Department of Kannada and Culture, GOK to prepare a module to teach Kannada to non kannadiga employees.

Concluding his address, he said that the issue of Non Performing Assets is of concern to all and assured the assistance of Govt. to Banks for recovery of dues.

Later on, the **Additional Chief Secretary & Development Commissioner, Govt. of Karnataka** in his address complemented the Banks for raising the CD ratio from 72.92% to 74%, achieving 28% of Annual Credit Plan and bringing back the state to number one position for disbursement under MUDRA scheme as at the end of June 2017. He said that out of 30 Districts, 8 Districts have received less than the normal rainfall and agricultural operations have picked up well in most of the Districts. He requested the Bankers to increase lending to agriculture and further said that Bankers to lend not only for crop loans but also to lend for term loans under agriculture where capital formation is involved.

He said that Bankers are insisting for collateral security considering the entire project cost, where farmer contribution and subsidy to the tune of 50 to 90 percent is available for the projects of GoK. He requested the Bankers to insist collateral security only to the extent of loan availed, for smooth implementation of the projects.

The ACS & DC said that some Gram Panchayats are not having Bank branches or ATMs or BCs and the list of such Gram Panchayats have been shared with Banks and sought the progress in this regard. The Convenor-SLBC said that the Govt has mapped all the Banks, ATMs and BCs under GPS and a Mobile App is ready for launching by the Central Govt. shortly. Then the exact position of Gram Panchayats with Bank branches or ATMs or BCs will be known.

On the issue of Usage of Kannada in day to day Banking activities, he informed that only two Banks have opened Kannada Cell, that too they are Karnataka based Banks. He called upon other Banks to open Kannada Cell to ensure usage of Kannada in day to day Banking activities.

He further said that the Hon'ble Chief Minister has received instructions from Union Agriculture Minister to review the performance of Dairy Entrepreneurship Development Scheme (DEDS) in the SLBC meetings and further he informed that the DEDS scheme is not only for lending for purchase of milch animals but also includes financing for backward and forward linkages like purchase of milking machines, Calf rearing, Milk processing units, financing Milk Societies etc. He requested the Bankers to take note of the same and implement the scheme.

He assured of the Govt. support and assistance for recovery of Bank dues especially for non agricultural loans. He further said that the Departments like Animal Husbandry, Karnataka Minority Development Corporation, Bhovi Development Corporation, DMA (for NULM) have not done the beneficiary selection even after lapse of 5-6 months after commencement of the year. He advised all the Departments to select beneficiaries immediately and sponsor the applications to Banks to enable them to sanction them on their merit.

Thereafter, **Sri Eugene E Karthak, the Regional Director, RBI Bangalore** in his address on the issue of functioning of DCC/DLRC – Yearly Calendar of Meetings, informed that during the recent meetings of the House Committee of Lok Sabha, the Hon'ble Chairman of the Committee has observed that District Level Review Committee (DLRC) meetings are not being held regularly in quite a few districts. He has further observed that in a number of districts, local MPs are either not invited or notice of the meeting is not received adequately in advance to enable them to attend the DLRC meetings. DCC and DLRC meetings are not held periodically in some districts. The fact of not holding DCC/DLRC meetings defeats the very purpose of the Lead Bank Scheme and undermines the effectiveness of our efforts at rural development and financial inclusion and literacy. He further requested that necessary instructions may be given by SLBC to all the LDMs to ensure that DCC/ DLRC meetings are held invariably in the respective districts as per yearly Calendar. He also requested the CS and ACS & DC to highlight the matter with all the DCs in the State.

On the issue of **Aligning roadmap for unbanked villages having population more than 5000 with revised guidelines on Branch Authorisation Policy** he drew the attention of the members on the RBI circular (FIDD.CO.LBS.BC.No 31/02.01.001/2016-17 dated June 8, 2017) pertaining to 'Rationalisation of Branch Authorisation Policy and revised guidelines on 'Banking Outlets' with a view to facilitate financial inclusion and also to provide flexibility to banks on the choice of delivery channel. Accordingly, SLBC Convenor banks have been advised to review and identify the unbanked rural centres (URCs) in villages with population above 5000 and ensure that such unbanked rural centres, if any, are banked forthwith by opening of CBS enabled banking outlet. He requested SLBC convenor to initiate steps to review and identify the unbanked rural centres in Karnataka.

He was happy to share that the Government of India has approved the implementation of the Interest Subvention Scheme for the year 2017-18 for short term crop loans up to ₹ 3.00 lakh with certain stipulations as detailed in RBI circular dated August 16, 2017. He requested all bankers to give adequate publicity to the scheme so that the farmers can avail the benefits.

Concluding his address, he referred to one of the point emanated in the 138th SLBC meeting that the issue of the memorandum from Shri H D Deve Gowda, Hon'ble former PM regarding the appropriation of subsidy to milk producers. Further SLBC/Government Departments had brought to the notice of RBI quite frequently that banks adjust the amount received towards input subsidies from state governments against dues of loanee accounts. He said that RBI had requested IBA to evolve a common framework for the banking industry. Accordingly, IBA has advised member banks (vide IBA's letter SB/RBI/DBT/2017-18/3027 dated June 21, 2017) inter alia that the banks will consider forgoing their right to set off in specific instances where the relief / assistance is linked to natural calamities such as flood, cyclone, earthquake etc and are as a one-time measure based on the notifications issued by Central / State Government.

Later on, **Sri M.I. Ganagi, Chief General Manager, NABARD** in his address expressed his happiness that there is an improvement in the GLC data furnished by the Banks to SLBC and to NABARD. He said that the overall data is matching except for some Banks and he requested SLBC to instruct the Banks to furnish the common data to SLBC and to NABARD to avoid mismatch in the data received by the two agencies. The convenor SLBC said that SLBC has been instructing the Banks to furnish the data in accordance with the "ENSURE PORTAL" of NABARD while calling for the quarterly data.

He said that the **overall achievement of ACP as on June 2017** is good and it is 8.6 % more compared to the last year but it is negative in crop loan disbursements, which may be due to drought situation prevailed in the State. As for as Term loan disbursement is concerned he said that the bulk achievement is by Commercial Banks and observed that major share of credit of RRBs and Co-operatives is towards short term loans. He said that for capital formation in agriculture there is need to improve term loan lending and requested the Banks to increase term loan lending as per the DFS:GOI stipulation that the share of term loan lending should be more than 32 % of the total lending to Agriculture.

On the issue of **Village Level Programmes** by Banks, he said that NABARD is encouraging Village Level Programmes and it has made a provision for conducting village level programmes in 2000 villages for conducting credit camps, educating the members on banking activities etc, and there is certain financial support is available to Banks on first come first serve basis to conduct meetings. He said that they have already received some proposals from RRBs and requested the remaining Banks to organising such meetings.

On the issue of **Financial Literacy on digitalization** he said that each of the Rural branch or FLC to conduct at least one programme in a month and for which ₹ 5000 per programme is available from Financial Inclusion Fund (FIF). He said that for encouraging digitalization, assistance to BHIM Aadhaar Pay is available which is given to merchants at the rate of ₹ 2000 per month and also there is BHIM cash back and referral bonus points schemes are available for them. He requested the Banks to submit the proposals for consideration.

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

AGENDA 1.0 : CONFIRMATION OF THE MINUTES OF 138th SLBC MEETING HELD ON 30.3.2017

The minutes of 138th SLBC Meeting held on 25.05.2017 to review the performance as on March 2017 were circulated vide letter No. 436/2017/2944/SLBC/101-138 dated 15.06.2017. The Minutes were approved as no suggestions for amendments were received.

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

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

1. On the issue of opening of Bank Accounts of Farmers Produce Organisations (FPOs) and to avail credit by them, the Commissioner, Dept. of Agriculture informed that they have formulated 50 FPOs and they are under the stage of incorporation and after incorporation under the Company's Act, they will approach the Bank. The Convenor SLBC informed that there is no problem for opening Bank accounts. Sri Rajiv Chawla, ACS, DPAR (e-governance) informed that 98 FPOs were opened 5 years back by the Dept. of Horticulture and 9 of them had applied for credit facilities but none of them have been assisted stating the reason that they are not bankable. Intervening in the discussion the Chief Secretary suggested for restructuring the FPOs such a way that they are Bankable. The Convenor sought the list of those FPOs and the ACS agreed to do so. Further Convenor advised the Banks to issue necessary guidelines to their Branches on opening of bank account and credit linkage of FPOs.

(Action : DPAR / Banks)

2. On the issue of either Brick and Mortar Branch or an ATM in the GPs with no banking outlets/ATMs to provide banking facilities in the area, the Convenor said that SLBC has circulated the list of unbanked GPs received from DPAR (e-Governance), GoK to all the Banks/LDMs for further action and the Convenor informed that the data will be finalized by the end of Sep. 2017.
3. On the issue of providing 1% Interest subvention during the demonetisation period on the lines of Govt of India, the Director of Agriculture has sought the estimate of subvention supported by audit certificates. However, the Banks will take up audit only after the Govt. Notification is issued and hence the Convenor requested that Govt. may take decision with regard to issue of notification and in the meanwhile SLBC has sought the Banks to furnish estimate of the amount.

(Action : Dept of Agri / Banks)

4. On the issue of Opening of FLCs in the remaining 7 centres by SBI, Corporation Bank and Andra Bank, the representative from SBI informed that the process will be completed by the end of Sep. 2017. As Corporation Bank has reiterated that they are unable to open FLC at Sandur, Ballari District as they have only one branch in the Taluk, the issue was proposed to PKGB as they have good number of Branch networks in the District and it was agreed by the Representative of PKGB to open FLC at Sandur.

(Action : SBI / Andra Bank / PKGB)

AGENDA 2.0 : KARNATAKA RAITHA SURAKSHA PRADHAN MANTRI FASAL BIMA YOJANA (KRS-PMFBY)

The enrolment under PMFBY Kharif 2017 and **status of Kharif 2016 claim settlement** was presented to the House.

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

The Convenor informed that, During Rabi 2016 M/s. Shriram General Insurance Co. Ltd., has covered 7 Districts with total enrolment of 3.48 lacs. Out of this, only 49,111 proposals have been acknowledged by the Insurance Co. It has rejected large number of proposals (88,562) received under Rabi 2016 from the Bank Branches within the cut-off date requesting for certain information by Bank branches. Accordingly, SLBC has collected the proposal-wise information from Banks and resubmitted to the Insurance Co. and GoK. However, the Insurance Co. is yet to acknowledge the proposals in the portal.

In this regard, the Dept of Agriculture / Horticulture had convened several rounds of meetings on 18.2.2017, 22.4.2017, 16.5.2017, 6.6.2017 and by SLBC on 19.5.2017 of Bankers & the Insurance co. to sort out the issue.

In order to sort out the issue, the Joint Secretary, Ministry of Agriculture & Farmers Welfare, Dept of Agriculture, Cooperation & Farmers Welfare, GoI had convened a meeting on 28.6.2017 at Krishi Bhavan, New Delhi, wherein the Secretary, Agriculture Dept., GoK, representative from SLBC, Karnataka and officials from M/s. Shriram General Insurance Co. were present. In the meeting, it was informed by the Joint Secretary that M/s. Shriram General Insurance Co. to accept the proposals wherever the farmer has paid the premium within the cut-off dates, irrespective of the date of entry / date of remittance of premium to the Insurance Co. Further, it was also clarified that in case of delay in remittance of premium, the Insurance Co., may charge interest for the delayed period, but shall not reject the proposals.

During the meeting held on 28.8.2017 under the chairmanship of the Commissioner, Agriculture, GoK, wherein it was advised to the Insurance Co. to resolve the issue of rejections at the earliest and the Ins. Co. responded positively to accept the rejected proposals and its final decision is awaited.

The ACS, DPAR (e-Gov) requested the Banks not to delay the data entry, which is causing the problem of acknowledgement of proposals by the Ins. Co. The CS, GoK advised the Banks to take precaution and corrective steps to resolve the issue for enabling smooth implementation of the scheme.

The Chairman SLBC said that M/S Sri Ram General Insurance Company has kept the proposals submitted by Banks pending for acknowledgement on the grounds not acceptable. He requested the intervention of the Govt in resolving the issue at the earliest in the interest of farmers, who are already in distress.

The ACS & DC On the issue of pendency of claims pertaining to Kharif 2016 for settlement he said that it is due to Bank related issues. He called upon the Banks to attend rectifications immediately for settlement of claims. In some of the cases, the rectification was not effected and it was decided to remit the amount to concerned branch and the branches have been requested to open an account and furnish the same for enabling payment. In respect of Rabi 2016, he said that the State Govt. has advised the Sriram General Insurance Company to complete the process of acknowledging the proposals early. He called upon the Banks to furnish the required information to accept the proposals by the Company.

(Action : Sriram Gen. Ins. Co. / Banks)

Reimbursement of Service Charges to Banks

The Convenor SLBC informed that in terms of the operational guidelines on Crop Insurance Schemes, service charges are payable to Banks @ 2.5% of the premium amount for the FY 2015-16 and 4% for the FY 2016-2017 onwards, for enrolment of farmers under crop insurance. However, the Banks have not received the same for Kharif 2015, Rabi 2015-16 and also Kharif 2016 and Rabi 2016-17 so far from the Insurance Companies. On taking up the matter in a meeting relating to Crop Insurance in Karnataka, it was informed that the service charges will be paid after the claim settlement process. Banks are of the view that, once the premium has been remitted and all relevant data relating to crop insurance has been submitted to the Insurance Company (presently through State / Gol portal, as the case may be), service charges to the Banks may be paid, without linking it to the claim settlement process.

On reimbursement of service charges by the insurance companies to the banks, the ACS & DC assured to take up the issue with them.

(Action : Insurance Cos. / Dept of Agri.)

AGENDA 3.0 : FINANCIAL INCLUSION

I. Aadhaar Authentication & Setting up of Centres for Aadhaar enrolment

The Convenor-SLBC informed that in tune with the DFS: MoF: GoI guidelines and in view of the amendment to Prevention of Money laundering Act (Maintenance of records) Rules 2005 – Aadhaar enrolment/update & Authentication facilities are to be provided at Bank Branch premises and hence advised every scheduled Commercial Bank to set up centres for Aadhaar enrolment and update facility inside its bank premises at a minimum of 1 out of 10 branches by 30.8.2017. To ensure seeding of accounts with Aadhaar and its authentication before the deadline of 31.12.2017, banks would need to be equipped to carry out Aadhaar enrolment, obtain consent for seeding, and authenticate Aadhaar details with UIDAI. SLBC has advised the LDMs to convene meetings of District Consultative Committees at the earliest in consultation with the Dy. Commissioners for opening of enrolment centres. He informed the House that, 20 Banks have identified 628 centres for opening of Aadhaar enrolment centres in the State.

Further, The Chairman SLBC requested the Banks to create public awareness by using electronic, print and social media on the use of Aadhaar, Aadhaar authentication of bank accounts and related benefits. The customers may be enlightened about the submission of their Aadhaar numbers by 31.12.2017, failing which; their account shall cease to be operational till time the Aadhaar number is submitted. Reaching out to around 6.44 crore accounts is a gigantic task and hence sought the help of the State Govt machinery. He requested all the Banks to accord top priority and ensure accomplishment of task before the deadline stipulated.

The Chief Secretary, GOK, assured the support of the Government for setting up of Aadhaar Enrolment Centres by the Banks at one branch for every 10 branches of the Bank. The Convener informed that the list of Aadhaar enrolment centres to be opened will be shared with the Government to enable to issue suitable instructions to District Administration for necessary assistance to the Banks for seeding of Aadhaar.

The ACS, DPAR informed that the NPCI has come out with two suggestions that the undertaking by the beneficiary to be obtained for not to change the financial address and seeding to be done in authenticated manner by the Banks. Hence, Banks are carrying out authentication process.

(Action : Banks/Line Depts)

II. The Bank-wise Progress of Aadhaar/Mobile seeding of Operative CASA a/cs in Karnataka as on 18.08.2017 was furnished to the House.

The Chief Secretary, GOK observed that low Aadhaar seeding in some of the Banks like Tamilnadu Mercantile Bank, Yes Bank, Kotak Mahindra Bank, City Union Bank, ICICI Bank, Axis Bank and other private sector Banks. He called upon those Banks to improve the process of Aadhaar seeding and achieve 100% as per the timeline communicated. He said that India Post has started operation and the representative from India Post informed that 27 lakh Social Security Pension accounts have been seeded with Aadhaar and only mapping with NPCI is pending. He advised the department to complete the process by the end of Sep. 2017.

III. The scheme-wise progress on Aadhaar seeding under MGNREGA & Social Security Pensions.

As per the information provided by the Dept., out of the 61,66,620 total workers, 57,63,419 have been seeded with Aadhaar number in their MIS, with a percentage of 93.46 and of which, 27,87,291 workers have been converted into Aadhaar Based Payment, with a percentage of 45.20 as on 28.8.2017. The representative from RDPR Dept informed that the camps have been organised for seeding of Aadhaar.

The Dept on 29.8.2017 has informed that there are 55.36 lakh Social Security Pension beneficiaries in the State and out of which 11.86 lakh beneficiaries receive pension through Banks and remaining 43.50 lakh beneficiaries through Post Offices. Out of 55.36 lakh beneficiaries, 36.08 lakh have been Aadhaar seeded. Out of 11.86 lakh beneficiaries, who receive pension through Banks, 5.67 lakh a/cs are seeded with Aadhaar and 6.19 lakh a/cs are yet to be mapped with NPCI. The Convenor advised the Dept to complete the process of Aadhaar seeding as per the timeline set out.

(Action : DSSP)

IV. On-boarding of merchants to accept digital payments

The Convenor informed that the number of PoS deployed in the State is 1,96,636 as on 30.6.2017 and number of on boarded merchants is 1,13,168, which is quite low and needs to be augmented. During the IV SLFIC meeting held on 7.7.2017, the Committee advised the Banks to promote on-boarding of merchants to accept digital payments and each Branch shall have a target of 100 for on-boarding of merchants. The Convenor requested the Banks to take necessary steps to on-board the merchants as per the target and report to SLBC for taking up review at the meetings.

On the issue of **promotion of Cash Less transactions** i.e., use of PoS machines, On Boarding of merchants, the Chief Secretary upon thread bear deliberations, decided to set a target of 10 villages per Bank for cash less transactions and advised the Banks to achieve the same. Representative of Bank of India informed that they have already inaugurated 7 digital villages during the year.

(Action : Banks)

V. Financial literacy camps held

The Convenor informed that during the quarter ended June 2017, 170 FLCs have conducted 2468 Special camps and 3472 target group specific camps and Rural Bank Branches have conducted 2531 Special Camps and 3531 target specific camps comprising farmers, SHG & JLG members, students, senior citizens, general public and unorganized sectors. RBI has decided to commission a pilot project for setting up of 80 Centres in the country for Financial Literacy at block levels across nine States with support from Financial Inclusion Fund to explore innovative and participatory approaches to Financial Literacy. In Karnataka, Syndicate Bank has to sponsor 5 Blocks in Ballari district and Canara Bank to sponsor 5 Blocks in Chitradurga District as per the pilot project to be implemented by Banks in collaboration with NGOs/agencies identified by RBI. Syndicate Bank has already executed an agreement with 3 NGOs and Canara Bank with 1 NGO to implement the project in the allotted blocks and have submitted the proposal to NABARD for approval.

VI. Review of Performance of BCAs –

The Convenor informed that totally, 5270 Micro ATMs have been provided to BCAs, out of which, 4826 are capable of interoperable withdrawals transactions under AEPS and 4339 are Rupay Cards enabled micro-ATMs. He requested the Banks to take necessary steps to enable the remaining micro-ATMs to make interoperable and RuPay enabled before 30.9.2017 as suggested by the ACS, Finance Dept. He also requested the State Govt to provide space to BCs at Gram Panchayat offices, wherever possible to carry out their functions.

As per the directions of the DFS, the SLBC is making verification calls to Bank Mitra and submitting weekly report to DFS and the respective data as of 25.8.2017 were presented to the House. He further requested the Banks to make arrangements to engage BCAs in the 91 vacant centres immediately.

(Action : RDPR Dept / Banks)

VII. Performance under PMJDY:

The progress under the scheme upto 31.3.2016; 31.3.2017 and as on 15.08.2017 was presented to the House. Totally 79.07 lakh accounts have been seeded with Aadhaar against 107.05 lakh accounts opened, covering 73.86%. Out of total 93.09 lakhs RuPay cards issued, 77.80 lakhs are activated. The percentage of activation is 83.57%. The Bank-wise/District-wise details as on 15.8.2017 were presented to the House.

VIII. Performance under Social Security Schemes

The Progress in enrolment of applications as on 31.7.2017 was furnished to the House. Totally, 32.26 lakh accounts under PMJJBY, 70.60 lakh accounts under PMSBY and 3.43 lakh accounts under APY were enrolled and totally 14481 claims have been settled. The Bank-wise / District-wise status as on 31.7.2017 of the 3 schemes was furnished to the house. The Convener requested the Banks to achieve 100% renewal and enroll more members under the Social Security Schemes.

On enrollment of beneficiaries under **Social Security Schemes**, the Chief Secretary, GOK said that the performance is not satisfactory and needs to be improved. The Convenor-SLBC suggested that enrollment of labourers of unorganized sectors especially who are engaged in building constructions can be covered under the scheme as it is done by Andhra Govt. The Chief Secretary, GOK has advised the Labour Department to take up this matter for further improvement in enrollment under the said schemes

(Action : Banks / Line Depts.)

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

As per the roadmap, out of the 1000 villages with population of above 5000, 790 villages were already having a brick and mortar branch of a scheduled commercial bank. Out of the remaining 210 villages, 21 B&M and 131 USBs have been opened. The remaining 58 Branches are to be opened by Karnataka Bank (9), SBI (e-SBM) (8), Vijaya Bank (7), SBI (6), Canara Bank, IOB (4 each), Corporation Bank, SBI (e-SBH) (3 each), PNB, Union Bank of India, Kotak Mahindra, PKGB (2 each) BoB, BoM, Indian Bank, UCO Bank, Federal Bank, Axis Bank (1 each). The issue had also come up for discussion during the IV SLFIC meeting held on 7.7.2017, wherein all these Banks were advised to open the Branches immediately and to ensure that no pendency is reported by next SLBC meeting.

The Convenor informed that -

- Bank of India has opened 1 Branch at Danagalli village, Mysore Taluk & District.
- Canara Bank has opined that the opening of Bank Branches at Hemdore and Nadur villages are not feasible as these villages are serviced by their Pattanayakanahalli Branch and well served by their BCs who are covering those villages.
- Bank of Maharashtra has informed that they are unable to open B&M Branch at Adihudi village, Jamakhandi Taluk, Bagalkot District as this village is already serviced by their Todalbagi Branch, which is situated 5 Kms from the Branch. Further, the Bank has informed that they have signed MoU with DFS: GoI submitting that the Bank is under Turnaround Plan and is in the process of consolidation of operations and improving profitability. Hence, they have expressed that at present the Bank is not going for any branch expansion.

- Kotak Mahindra Bank has informed that they are unable to open Branches at their allotted villages Dhanura & Amlapur in Bidar District as the Bank is not having any backlog in opening of unbanked rural branches.
- Indian Overseas Bank has informed that their Bank is under PCA and as per RBI guidelines, the Banks under PCA are not allowed for expansion of Branches. Hence, they have expressed their inability to open Bank Branches at their 4 allotted centres.

The RD, RBI has advised Canara Bank & Kotak Mahindra Bank to open Brick & Mortar Branches at their allotted villages immediately. Bank of Maharashtra & IOB were advised to open the Branches soon after compliance of Turnaround Plan & PCA.

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

(Action : Canara Bank / Kotak Mahindra Bank / BoM / IOB)

AGENDA 4.0 : PRADHAN MANTRI MUDRA YOJANA (PMMY)

The Convenor congratulated all the stakeholders for bringing back the State to No.1 position in disbursements under the scheme and he requested them to continue their efforts in maintaining No.1 position. He requested the Banks to surpass the targets allotted to individual Banks for 2017-18 by DFS: MoF: GoI.

The Bank-wise progress for the period 1.4.2017 to 25.8.2017 was furnished to the House.

AGENDA 4.1 : STAND-UP INDIA PROGRAMME

The GM : SIDBI informed that SIDBI is creating awareness in all the districts in coordination with Dept of Industries, Industrial Associations and Women Associations. He said that the progress in Bengaluru Rural, Urban and Belagavi Districts is satisfactory. However, in other Districts the performance is not at all encouraging, more particularly in Kolar District. It was suggested to have Stand-up India Clinic as adopted in certain States like Andhra Pradesh. It is being organized by the platform comprising of LDM, Bank Managers, Entrepreneurs, hand-holding agencies, SIDBI, NABARD, DIC for implementation of the scheme.

The ACS, FD, GoK has observed that the performance of Banks was very low for the period 1.4.2017 to 31.5.2017. He requested the Banks to sanction at least one SC or ST borrower and at least one woman borrower per Bank Branch for setting up a Greenfield enterprise under the scheme. In order to accelerate the progress under the scheme, the Convenor requested the assistance of Dr. Ambedkar Dev. Corporation, Karnataka Maharshi Valmiki ST Dev. Corporation, Karnataka Women Dev. Corporation for sponsoring of applications complying with the scheme guidelines. The CS, GoK advised the various Corporations to sponsor the eligible applications under the scheme to the Banks.

CGM,NABARD, informed that post disbursement hand holding support is necessary for the beneficiaries who have been assisted under the SUI scheme as per GOI directions and there is need to review hand holding of the persons assisted under the scheme. Due to busy schedule of meetings and time constraints in the Districts, he suggested LDMs/District Authorities to have an extra/additional time during DCC meetings to take up review on hand holding support under the scheme. He suggested SLBC to advise LDMs in this regard

The Bank-wise achievement as on 28.8.2017 was furnished to the House.

(Action : All the Stakeholders)

AGENDA 4.2 : CLSS - PRADHAN MANTRI AWAS YOJANA (Housing for All 2022)

The Pr. Secretary, Housing, GoK informed that there has been substantial increase in disbursements after the State Level Conference. Subsequent to that the details of 2.16 lakh beneficiaries who had expressed their interest in availing the loan under CLSS, has been shared with SLBC. He requested the House to

- Include CLSS as an agenda in DLBC since the scheme is new.
- Targets to be broken and communicated to Bank Branches through DLBC.
- create awareness among Bank Branches and the consumers through CLSS Mela, Housing Mela where the private sector, real estate developers are also taking part.

The Chief Secretary, advised the Department to have Melas in all the Districts. The Pr. Secretary, Housing assured the necessary support and assistance under the leadership of the LDMs.

The Convenor informed that the SLNA has fixed target of 25000 beneficiaries for 2017-18. The list of identified beneficiaries as received from the Dept has been circulated to all the Banks for further action.

(Action : Housing Dept / Banks / LDMs)

AGENDA 5.0 : PROVIDING RELIEF MEASURES TO THE DISTRESSED FARMERS

The ACS & DC informed that out of 30 Districts 8 Districts have received less than the normal rainfall and Agricultural Operations have picked up in most of the Districts.

Agenda No.5.1 : Natural Calamities Portal – Monthly Reporting System

The RD : RBI informed that RBI has developed a dedicated portal (<https://dbie.rbi.org.in/DCP/>) for collection and compilation of data on natural calamities on a real time basis through a centralized system. The portal provides a facility of uploading data files related to relief measures extended by banks and notifications issued by State Governments with regard to natural calamities. He was happy to share that the portal has gone live.

The Convenor requested the Banks to upload the actual data on relief measures extended during April–June 2017 immediately and thereafter from July 2017 onwards every month by the 10th of the following month. He informed that the notifications of State / Districts shall be uploaded by SLBC / District authorities.

(Action : SLBC / District Authorities / Banks)

AGENDA 6.0: KARNATAKA FARMERS' RESOURCE CENTRE [KFRC]

The Convenor informed that KFRC has conducted 14 training programmes involving 410 participants during the fiscal 2017-18. The cumulative works out to 629 programmes and 42021 participants since inception.

As decided and permitted by the Managing Trustee KFRC and Convenor-SLBC, KFRC has filed writ petition with Hon'ble High Court Bench at Dharwad on 29.11.16 and appealed for staying the order of BTDA for stopping the construction work. The Hon'ble Court has issued Interim Stay on 24.5.17, against the order of BTDA till next date of hearing.

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

The Convenor informed that all SLBC Sub-Committees have conducted the meeting during the review period and the minutes were presented to the House.

The ACS, Skill Development, GoK, suggested that the SHG-Bank Linkage Sub-Committee shall be chaired by the ACS, Skill Development, GoK instead of the Pr. Secretary, RDPR as the issues are more relevant to the Skill Development Department. The ACS & DC also concurred with the suggestion. The House approved the same.

(Action : SLBC)

AGENDA 8.0 : USAGE OF KANNADA IN DAY TO DAY FUNCTIONING OF BANKS

The Chairman SLBC said that the Hon'ble Chief Minister of Karnataka had informed in the 132nd SLBC meeting held on 18.09.2015 that Government is committed to protect and encourage the art, culture and rich heritage of the State and Government wishes to take firm steps for implementing Kannada in all official activities. As the facilities provided by the Nationalized Banks and local banks are not reaching the rural masses, it is the desire of the Government to encourage use of Kannada in day to day banking activities. The chairman said that the issue has been discussed in various SLBC meetings and the Banks were also advised to open Kannada Cell in the Banks and also to initiate steps to teach Kannada to the non-Kannadiga employees. Some Banks have already opened Kannada Cells as suggested by the Kannada Development Authority and he urged other Banks also to do so. Further, he said that the Hon'ble Minister for Kannada & Culture, Govt of Karnataka has brought to notice that some of the nationalized Banks have disabled the option of using Kannada in their ATMs, due to which the public in rural places are not able to operate ATMs in the absence of Kannada option. Hence, they have urged that Banks to make sincere efforts in introducing the option of Kannada in all the ATMs installed in the State for the benefit of public who have the knowledge of Kannada only. He appealed to all the Banks to initiate immediate steps for introducing the Kannada option in their ATMs.

The ACS & DC informed that he will advise the Secretary, Dept of Kannada & Culture to undertake teaching Kannada to non-Kannadiga employees through SLBC and Banks through their Head Office / Regional Offices by preparing a module for learning Kannada as advised by the CS.

(Action :Line Dept / Banks)

AGENDA 9.0 : FRAUDULENT COMPANY DEPOSITS

The Convenor said that the **companies fraudulently accepting deposits** offering high rate of interest or other rewards in kind and investors are often defrauded and promoters of the schemes are either unable to fulfill their commitments or disappear with the money collected from the investors. He said that the State Level Coordination Committee (SLCC) provides a shared platform for different financial regulators to address the issue of unauthorised acceptance of deposits by fraudulent entities. The Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 regulates such activities and entities and the Dy. Commissioners are the competent authority under the Act. In order to address the issue, Govt of Karnataka has launched a website "I Viveka" for lodging complaints of cases of cheating the public by the organizations luring people with higher interest, etc. The Convenor solicited the support from the participating Banks to popularize the same and create awareness among public on the website.

(Action : Banks)

AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF JUNE 2017

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

Branch Network:

As at the end of June 2017, the total number of bank branches in the State was **10945**, comprising **8140** Commercial Bank; **1774** RRB; **203** KSCARD Bank; **758** DCC Bank; **38** Industrial Coop Bank; **32** KSFC Branches.

ATMs :

As at the end of **June 2017** there were **17186** ATMs in the State, out of which, **2482** are in rural, **3395** are in S. Urban, **4117** are in Urban and **7192** are in Metro areas.

Deposits:

The aggregate deposits of Banks was ₹ **752707 cr** as at the end of June 2017, when compared to the level of ₹ **696928 cr** as on June 2016, registering an increase of ₹ **55779 cr** showing a growth rate of **8.98%**.

Advances:

The total outstanding Advances of Banks was ₹ **557500 cr** as at the end of June 2017 as compared to the level of ₹ **520183 cr** as at June 2016, registering an increase of ₹ **37317 cr** showing a growth rate of **8.22%**.

Credit-Deposit Ratio:

The Credit Deposit Ratio as of June 2017 was **74.07%** vis-à-vis **74.64%** as of June 2016 showing a decrease of **0.57%**. The CD ratio was at **106%** in Rural areas, **81%** in Semi-Urban, **62%** in Urban and **72%** in Metro areas.

The Chief Secretary, GoK has observed that there is low CD ratio in some of the Districts like Uttar Kannada (only 36.8%) and also in some of the Banks like Tamilnadu Mercantile Bank (27%), Karnataka Bank (48%). He requested the Banks to improve their CD ratio and also to increase their lending in those Districts where CD ratio is low.

Priority Sector Advances:

The outstanding level of total **priority sector advances** of Banks stood at ₹ **238080 cr** as of June 2017 as against ₹ **230042 cr** as at June 2016 showing an increase of ₹ **8038 cr** recording a growth of **4.39%**. The percentage of priority sector advances of Banks works out to **42.70%**.

The total **agricultural advances** as at June 2017 were to the tune of ₹ **117840 cr** constituting **21.14%** of the total advances.

The outstanding **Advances to Weaker Sections** by Banks as of June 2017 was ₹ **83322 cr** constituting **14.95%** of the total Advances with an increase of ₹ **10546 cr** over the corresponding previous year level. The outstanding advances to **Small & Marginal farmers** was to the tune of ₹ **58472 cr** covering about **59.48 lac** accounts, constituting **49.62%** of the total Agriculture credit. The outstanding advances to **SCs/STs** were ₹ **15034 cr** constituting **2.70%** of the total advances.

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

AGENDA 11.0: IMPLEMENTATION OF ANNUAL CREDIT PLAN (2017-18)

The progress in disbursement under Annual Credit Plan for the quarter ended June 2017 Sector-wise & Agency-wise was furnished to the House.

The Comparative analysis of disbursement y-o-y June 2016 and June 2017 is furnished below:

(₹ In Cr)

Sector	June 2016			June 2017		
	Target	Achievement	% Ach.	Target	Achievement	% Ach.
Crop Loan/ KCC	48908	9990	20.43	58563	9168	15.65
Agri Term Loan	23984	9373	39.08	28127	11901	42.31
Total Agri Loans	72892	19403	26.62	86690	21069	24.30
MSE	30314	10204	33.66	34703	17829	52.33
Export Credit	597	796	133.33	2327	500	21.49
Education	2915	147	5.04	3857	188	4.87
Housing	15191	937	6.17	16977	4389	25.85
Social Infra.	464	8	1.72	1101	115	10.45
Renewable Energy	675	11	1.63	1599	112	7.00
Others	12140	604	4.97	12766	1361	10.66
Total PSA	135188	32110	23.75	160020	45563	28.47

The Chief Secretary, GOK informed that there is a good progress under Agriculture (24.30%), MSME (52.33%) sectors and there is an improvement under Housing sector (26%) over the corresponding quarter of the previous year. He called upon the Banks to keep up the momentum and consider the proposals under the Housing sector to achieve the national goal of providing housing facilities all by 2022. He observed very poor progress under Education (5%) Renewable Energy (7%) and Social Infrastructure (10.45%). He called upon the Banks to assess the reason for the poor progress and improve the achievement in the second quarter.

The Convenor informed that the Banks could achieve 28.47% of the targets under PSA, 24.30% under agriculture advances. He called upon the Banks to improve lending under Crop Loans/KCC as it is comparatively low to Term Loan lending. He requested the Banks to accelerate lending in all the sectors to accomplish the set targets.

(Action : Banks)

AGENDA 12.0: COVERAGE UNDER CREDIT GUARANTEE SCHEME OF CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES [CGTMSE] –

Under guarantee scheme of CGTMSE, Banks have covered **7459** units with an approved amount of ₹ **556.86 cr** during the QE June 2017 and the cumulative progress was **254507** units amounting to ₹ **12806.01 cr**.

AGENDA 13.0 : CENTRAL AND STATE SPONSORED SCHEMES

TARGETS FOR 2017-18

The following Line Departments have allocated the target for the year 2017-18 and the same have been communicated to all the LDMs / Banks for implementation and the same has been placed before the House for approval. The House approved the same.

GSS TARGETS FOR 2017-18			
Sl. No.	Name of the scheme	Physical Target	Financial Target (₹ in lakhs)
1	SHG	250000	-
2	JLG	90000	-
3	Pashu Bhagya	10292	3398.90
4	Dr. B.R. Ambedkar Dev. Corporation	18966	29780.00
5	D. Devaraj Urs Backward Classes Dev. Corporation Tourist Taxi / Goods Vehicles	1137	3261.00
6	Karnataka Bhovi Dev. Corporation	1796	1801.00
7	Udyogini	4734	1600.00
8	KMDC - Self-Employment Scheme	4000	3050.00
9	Animal Husbandry - Amrutha Yojana (Unspent 422)	723	-
10	Animal Husbandry - Amrutha Yojana (Unspent 423)	261	-
11	Animal Husbandry – Women (Sheep/Goat)	11107	-
12	Animal Husbandry – Women (Dairy)	1418	-
13	Rajiv Gandhi Loan Scholarship (RGLS)	3000	
14	Rajiv Gandhi Chaitanya Yojana (RGCY)	35100	5265.00
15	Karnataka Maharshi Valmiki ST Dev. Corporation Ltd. Schemes	7311	11500.00
16	DAY-NULM	6215	-

PERFORMANCE UNDER GOVT SPONSORED SCHEMES FOR 2017-18

The performance of Banks under various Govt sponsored schemes of 2017-18 as on 30th June 2017 is furnished herebelow:

SI No.	Name of the Schemes	Target	Achievement	% of Ach.
1	CMEGP			
a	DIC	1500	1063	70.87
b	KVIB	1000	341	34.10
c	Total	2500	1404	56.16
2	PMEGP			
a	KVIC	675	253	37.48
b	KVIB	675	255	37.78
c	DIC	900	335	37.22
	Total	2250	843	37.47
3	KARNATAKA M.V. ST DEV. CORPN.			
a	Self Employment Programme (SEP)	4286	982	22.91
b	Dairy Scheme	0	329	0.00
c	Skill Development Scheme	600	0	0.00
d	ISB	925	459	49.62
e	Tourist Taxi	1500	0	0.00
	TOTAL	7311	1770	24.21

Sl No.	Name of the Schemes	Target	Achievement	% of Ach.
4	DR. B.R AMBEDKAR DEV. CORPN			
a	Self Employment Programme (SEP)	8640	946	10.95
b	ISB	3136	322	10.27
c	Dairy Scheme	2290	288	12.58
d	Tourist Taxi Scheme	3500		
e	Skill Development Scheme	1400		
	Total	18966		
5	NATIONAL RURAL LIVELIHOOD MISSION (NRLM)			
a	SHG Bank Linkage Groups	281320	47274	16.81
b	Rajiv Gandhi Chaitanya Yojana (RGCY)	35100	29450	83.90
6	PASHU BHAGYA			
a	Dairy Development	8710	Nil	0.00
b	Sheep & Goat Development	1037	Nil	0.00
c	Piggery Development	202	Nil	0.00
d	Poultry Development	343	Nil	0.00
	Total	10292		
7	KARNATAKA BHOVI DEV. CORPORATION			
	SEP Scheme – Unit Cost			
a)	upto ₹ 1.00 lac	1500		
b)	from ₹ 1.00 lac upto ₹ 5.00 lacs	136		
c)	from ₹ 5.00 lacs upto ₹ 10.00 lacs	100		
d)	from ₹ 10.00 lacs upto ₹ 20.00 lacs	60		
	Total			
8	NATIONAL URBAN LIVELIHOOD MISSION (NULM)			
A	Self-Employment			
a)	Individual	4803		
b)	Groups	162		
B	SHG Bank Credit Linkage	1250		
9	D. DEVARAJ URS BC DEV. CORPN.			
	Chaitanya Subsidy Scheme	5000	155	3.10
	Tourist Taxi / Goods Vehicle Purchase for BC Youths	1000	4	0.00
	Vehicle Purchase for the youths belonging to Nomadic / Semi-Nomadic Tribes	62	Nil	0.00
	Vehicle purchase for the youths belonging to Madival Samaja	75	Nil	0.00
	Total	6137	159	2.59
10	KARNATAKA MINORITY DEV. CORPN. (KMDC)			
a)	SEP Scheme (Unit Cost upto ₹ 1.00 lac)	3000	Nil	0.00
b)	SEP Scheme (Unit Cost above ₹ 1.00 lac)	1000	Nil	0.00
	Total	4000	Nil	0.00
11	KARNATAKA STATE WOMEN DEV. CORP.			
	Udyogini	4734	1692	35.74
12	WEAVERS CREDIT CARD (MUDRA Scheme)	2185	235	10.76
13	PMAY (Housing for All 2022) – CLSS	25000	985	3.94
14	RAJIV GANDHI LOANS SCHOLARSHIP	3000	2	0.07
15	ANIMAL HUSBANDRY DEPT SCHEMES			
	I. Unspent SCSP-TSP - SCP (422) Scheme			
a)	Dairy	360		
b)	Sheep & Goat	301		
c)	Pig	62		
	Total	723		
	II. Unspent SCSP-TSP - SCP (423) Scheme			
a)	Dairy	121		
b)	Sheep & Goat	121		
c)	Pig	19		
	Total	261		
	III. Women Scheme - Sheep Unit (3 Sheep/Goat)			
a)	SCP (422)	3010		
b)	TSP (423)	1508		
c)	Gen (059)	6589		
	Total	11107		

Sl No.	Name of the Schemes	Target	Achievement	% of Ach.	
	IV. Women Scheme – Dairy Units				
	a) SCP (422)	275	Targets allotted during current Qtr		
	b) TSP (423)	137			
	c) Gen (059)	1006			
	Total	1418			

The Chief Secretary advised the Principal Secretaries and Secretaries of all the Departments to complete the process of selection of beneficiaries and sponsoring of the applications to the Banks under Govt sponsored schemes by the end of Sep. 2017 and requested Banks to process the applications and accord sanction to the eligible applications and achieve the set targets.

(Action : Line Depts/Banks)

Implementation of PMEGP

The Convenor informed that during the Zonal (South Zone) review on PMEGP held on 30.8.2017 at Hyderabad under the chairmanship of the Jt. Secretary, Ministry of MSME, Govt of India / CEO, KVIC, Mumbai, the following decisions have been taken for implementation.

- The target for 2017-18 has been enhanced @ 2.5 times of the existing targets. Accordingly, the target allocated to Karnataka is as follows.

Present Target			Proposed Target @ 2.5 times		
Projects	Margin Money	Employment	Projects	Margin Money	Employment
2250	4462.97	18000	5625	11157.43	45000

(Amt in ₹ lacs)

- In order to mobilize the applications under SC/ST categories to meet the backlog in the targets, it was decided to launch special drive by implementing agencies from 1.9.2017 for a period of one month.
- The pending 109 projects involving Margin money of ₹ 403.92 lacs with Banks for Margin Money disbursements should be completed before 15th Sep. 2017.
- In case of pending sanctions (pertaining to 2015-16 and 2016-17) numbering to 947 involving Margin Money of ₹ 3191.46 lacs, the sanctions should be completed by 30th Sep. 2017.

The House approved the revised targets. All the implementing agencies were requested to take note of the above decisions for strict implementation.

(Action : Line Depts / Banks)

The representative of **BC Dev. Dept** informed that for Tourist Taxi scheme, the LDMs of Bagalkote, Bengaluru Rural, Belagavi, Haveri, Chickmagalur, Tumkur, Uttara Kannada & Yadgir Districts are yet to furnish Bank-wise targets. Similarly, the representative of **ST Dev. Corporation** informed that only 13 Districts have furnished Bank-wise targets and others are yet to furnish the same. The Convenor advised the concerned LDMs to furnish the Bank-wise targets to the Dept. early.

(Action : LDMs)

The representative from **Dept of Handlooms & Textiles** said that in some of the Districts applications have been received 4 times the targets fixed for the District. He sought the cooperation from LDMs and Banks to accept the enhanced targets in those Districts. The Convenor advised the Dept to furnish the revised targets to SLBC for seeking approval.

(Action : Dept of Handlooms & Textiles)

The CS : GoK suggested to have threadbare discussions on implementation of Govt sponsored schemes. The Convenor assured of organizing a separate meeting under the chairmanship of ACS & DC soon for the same.

(Action : SLBC)

AGENDA 14.0 :SPECIAL FOCUS PROGRAMMES

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

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

14.5 : DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME (DEDS)

Entrepreneurship Development & Employment Generation (EDEG) & Dairy Entrepreneurship Development Scheme (DEDS) of NABARD

The Convenor informed that the Commissioner, Animal Husbandry & Veterinary Services, Govt of Karnataka has communicated that the subject schemes are continued for the year 2017-18 also. Many animal husbandry activities are financed with back end subsidy in EDEG & DEDS. These activities are beneficial in improving the economic condition of the weaker section of the society and to provide adequate employment opportunity in the rural areas the State. He requested the Banks to extend necessary credit facilities to the needy beneficiaries under the schemes.

The CGM : NABARD said that a web portal has been developed where the process of application enrolment, scrutiny and communication of sanctions have been automated and hence forth no physical submission of application under the scheme. Further he said that presently the applications received/sanctioned are for purchase of milch animals only but there are 9 activities to be considered as per the scheme. He requested Banks to entertain the proposals for those activities under DEDS. He said that NABARD has sensitized the Bankers in this regard.

(Action : Line Depts / Banks)

AGENDA 15.0: IMPLEMENTATION OF SPECIAL SCHEMES

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

AGENDA 16.0 : RECOVERY

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

On the issue of Non Performing Assets position, the Chairman, SLBC said that there are 8,38,928 NPA A/cs involving ₹ 24,249 cr, which accounts for 4.31 % of total advances as on 30th June 2017 and the Govt of India had expressed its concern over rising of NPAs and stressed the need for recovery and advised all the Banks to initiate steps to contain the NPA. He said that in case of advances under Govt sponsored schemes also there is alarming rise in NPAs and hence he solicited the support and cooperation of the line departments in extending assistance to the Banks in recovery of such loans.

The Chief Secretary and The ACS & DC have assured the support and cooperation of the line departments to the Banks in recovery of such loans.

(Action: Banks / Line Depts)

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

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

(Action : Banks)

AGENDA 18.0 SELF HELP GROUPS/ JOINT LIABILITY GROUPS

As against the target for credit linkage of 2,50,000 of SHGs for the year 2017-18, Banks have credit linked 29,178 SHGs amounting to ₹ 603.55 cr up to the quarter ending June 2017. Consolidated progress by Banks under SHG Bank linkage program as at June 2017 was presented to the House.

A target for credit linkage of 90,000 JLGs has been fixed for the State for 2017-18. As per the information gathered, the Banks have credit linked 21,056 JLGs with a credit limit of ₹ 312.06 cr up to June 2017.

The Pr. Secretary, Skill Dev., GoK informed that there is low performance in Bagalkote, Chickballapur, Yadgir Districts and requested the Banks to improve their performance.

The ACS & DC, requested the Banks to extend more advances to SHGs as the recovery percentage is very good.

The CGM : NABARD said that there is still a gap of 2.5 lakh accounts for credit linkage and expected that the performance under **SHG financing** will be good as it was in the past. Further on the issue of Banks refusing to accept deposit of cash of more than ₹ 50,000/- who are not having PAN card, he suggested that the Banks may obtain Form No.60 from the beneficiaries of SHGs / JLGs

(Action : Banks)

AGENDA 19.0 : ESTABLISHMENT OF RURAL FARM MACHINERY SERVICE CENTRES BY AGRICULTURE DEPT GOK

The Convenor informed the House that the Hon'ble Chief Minister, GoK during the budget speech 2017-18 has announced establishment of Rural Farm Machinery Service Centres in all the 174 Taluk centres in the State. The GO bearing No. ಕೃ.ಇ 63, ಕೃಮಸ 2017, ಬೆಂಗಳೂರು dated 22.6.2017 containing salient features has been issued.

- The rural youths with qualifications with Diploma in Agri Engineering / Agriculture / Automobiles / Mechanical, ITI, PUC are eligible.
- A back ended subsidy of 50% (max. ₹ 5 lacs) for General category and 75% (max. ₹ 7.5 lacs) for SC/ST category, of the loan amount availed from Scheduled Commercial Banks, RRBs, KASCARD, Coop. Banks, NABARD, whichever is less is eligible for one time.

Further, he requested the Banks to consider sanctioning of loans based on the hypothecation of the machinery as security as per norms.

The Commissioner, Agriculture informed that the District Level Committee headed by CEO, where Lead Bank managers are one of the members, will scrutinize for sponsoring the applications of service centres.

(Action: Banks)

AGENDA 20.0 NABARD AGENDA NOTES:

The CGM : NABARD took up the review on (I) (i) GLC – 2017-18; (ii) Incorporation of data on agri term loan in the SLBC agenda (II) Stand up India Scheme (SIS) – Conduct of Post-Disbursement Handholding Events (III) SHGs/JLGs related issues; (i) Quoting of PAN Card in all the existing SHG bank accounts (ii) Digitisation of SHGs (iii) Village Level Programme (IV) Financial Inclusion (i) Assistance for BHIM Aadhaar pay; (ii) BHIM- Cash back Scheme for Merchants and BHIM- Referral Bonus Scheme for Individuals; (iii) Support under FIF for purchase of hand held projector and portable speaker to facilitate Financial Literacy efforts by FLCs and rural branches (iv) Grant Assistance under Financial Inclusion Fund (FIF) for conduct of Financial Literacy Programmes (FLP) – Support for “Going Digital”.

On the issue of V –Sat to cover the locations with no / intermittent connectivity, the Convenor requested the Banks to submit the progress and bills early in view of the completion of the implementation period.

The CGM : NABARD informed that out of 507 centres with no / intermittent connectivity, 479 centres have been covered and only 28 centres are left out as they are located in the hilly and forest areas.

(Action : Banks)

The meeting was concluded with vote of thanks by Sri M.M. Chinivar, General Manager, Canara Bank.

Agency-wise participants list is enclosed.
