

**STATE LEVEL BANKERS' COMMITTEE – KARNATAKA  
CONVENOR**



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**Ref : 659/2015/2944/SLBC/101-132**

**Date : 26<sup>th</sup> October 2015**

All the Controlling Offices of Commercial Banks,  
RRBs, Cooperative Banks, Lead District Managers, Line Departments,  
LIC of India, General Insurance Companies & Other Invitees.

Dear Sir,


**Sub: Proceedings of 132<sup>nd</sup> SLBC Meeting held on 18<sup>th</sup> September 2015**

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We are forwarding herewith the proceedings of 132<sup>nd</sup> SLBC Meeting held on **Friday, 18<sup>th</sup> September 2015** at 11.00 am in the Conference Hall, Vidhana Soudha, Bengaluru.

Kindly submit compliance report to the action points wherever applicable on top priority at your earliest.

Yours faithfully,

  
**(M. Mohan Reddy)**  
**Convenor – SLBC &**  
**GM, Syndicate Bank**

Encl : a.a.

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

**MINUTES OF THE 132<sup>nd</sup> MEETING OF SLBC HELD ON 18.09.2015**

The 132<sup>nd</sup> SLBC Meeting was held on 18<sup>th</sup> September 2015 at the Conference Hall, Vidhana Soudha, Bengaluru under the Chairmanship of Sri Arun Shrivastava, Managing Director & Chief Executive Officer, Syndicate Bank in the august presence of Sri Siddaramaiah, Hon'ble Chief Minister of Karnataka, Sri T.B. Jayachandra, Hon'ble Minister for Law & Parliamentary Affairs, Govt of Karnataka.

**The Chairman-SLBC in his welcome speech** extended warm and hearty welcome to Sri Siddaramaiah, Hon'ble Chief Minister of Karnataka, Sri T.B. Jayachandra, Hon'ble Minister for Law & Parliamentary Affairs, Govt of Karnataka.

He also extended warm welcome to Sri Kaushik Mukherjee, Chief Secretary : GoK; Smt Latha Krishna Rao, Additional Chief Secretary and Dev. Commissioner : GoK; Sri Eugene E Karthak, Regional Director : RBI, Sri Sharad Sharma, MD : State Bank of Mysore, Dr. Shashank Saksena, EA (SS), DFS : MoF : Govt of India, Sri M.I. Ganagi, Chief General Manager : NABARD, 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-operative Banks, Chairmen of RRBs, SIDBI, other Financial Institutions, UIDAI, LIC of India & General Insurance Companies, NGOs, Media personnel & other participants present in the meeting.

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

He said the State is reeling under severe drought, which is attracting the serious attention of all the concerned. The Govt of Karnataka has declared 136 Taluks covering 27 Districts as drought affected. It is Bankers' endeavour to extend all possible relief measures following RBI guidelines to mitigate the hardships faced by the farming community in the affected areas.

Touching upon Farmers' suicide in the State, he said that the incidence of farmers' suicide in the State is a matter of grave concern and attracting the attention of all the concerned. The Govt of Karnataka has initiated several steps to address the problem and requested the LDMs / Banks to initiate relief measures to the affected farmers in tune with RBI guidelines.

Continuing his address, he said that in order to assist the distressed farmers, the Govt of Karnataka had organised a meeting of Bankers, Corporate Houses, NGOs, etc., in connection with "**Save the Farmer**" campaign chaired by Sri T.B. Jayachandra, Hon'ble Minister for Law, GoK, recently, wherein the Hon'ble Minister appealed the Banks, Corporate Houses for their support to this noble cause. He appealed to all the Banks to join hands with the Govt and extend full cooperation and support.

He said that during the quarter ended June 2015 the Banks have disbursed ₹ 22331 cr. as against the annual target of ₹ 112460 cr. recording an achievement level of 19.86% under Priority Sector Credit. He attributed the reasons for low disbursements is due to widespread drought situation prevailing in the State and he hoped the performance to improve if favourable monsoon prevails.

With regard to implementation of Social Security schemes, he requested the Banks and Insurance Companies to strive their best to enrol maximum beneficiaries under the scheme as the Govt has extended the last date for enrolment under PMSBY & PMJJBY, i.e., upto 30.9.2015 and Banks shall continue to take up enrolment without insisting for certificate of good health.



He also dealt with the new schemes, viz., Pradhan Mantri Mudra Yojana (PMMY), Skill Loan Scheme and requested the Banks to accord priority for implementation of the scheme.

Further, he expressed his concern that CD Ratio of the State is not increasing and remains static continuously since the last few years ranging between 73% to 76%. He appealed to Bankers to take immediate steps to step up lending so as to boost the CD Ratio especially towards Agriculture, MUDRA, MSME, Housing, Education.

Before concluding his address, the chairperson welcomed once again all the participants to this meeting and requested to make the deliberations fruitful.

**Sri Eugene E Karthak, RD, RBI** in his address said that increased farmers' suicide in the State is a matter of concern. He also informed the house that a special Bankers' meeting was convened under the chairmanship of the Chief Secretary, GoK wherein it was decided to conduct counselling of farmers in association with connected line departments of GoK. Several such camps have already been organized and RBI has actively participated in these by deputing its officers. He further said that the Research & Monitoring Unit of RBI has conducted a study in this regard and it was found that the crop failure, borrowing at exorbitant rate of interest from money lenders and cohesive recovery measures by them are some of the reasons for this extreme step. He added that in order to assist the distressed farmers, RBI has issued revised guidelines for relief measures by banks in areas affected by natural calamities w.e.f. 21.8.2015, in terms of which relief measures can be taken up if the crop loss is 33% and more as against earlier limit of 50% or more. As regards repayment period, banks can allow a maximum period of up to 2 years (including the moratorium period of 1 year) if the crop loss is between 33% and 50% and if the crop loss is 50% or more banks can extend the restructured period for repayment to a maximum of 5 years (including the moratorium period of one year). He further opined that with the cooperation of all agencies including NABARD, GoK and GoI, the situation will improve further.

**Sri M I Ganagi, CGM, NABARD** in his address assured that the banking fraternity would continue to extend full support to the State Government in the matter of agrarian distress. He briefly outlined the findings of the Study on Agrarian Distress and Farmers Suicides in Karnataka undertaken by NABARD in the wake of spurt in suicides by farmers in the State recently, for the information of Hon'ble Chief Minister. The major reasons for farmers suicides were mounting debt, harassment by moneylenders, crop failures, un-remunerative prices, irrigation related issues, increase in health and education expenses, high labour cost. Drought proofing, watershed approach and assured irrigation are the main strategies proposed to counter the present crisis. CGM also apprised the House of the ₹ 350 crore National Adaptation Fund for Climate Change and the Green Climate Fund for which NABARD is the NIE and indicated that the State Govt and other agencies can formulate projects under the same. He drew the attention of the Hon'ble Chief Minister to the concept of 'Loan Eligibility Card' facility introduced by Andhra Pradesh Government whereby Tenant Farmers(TF)/Oral lessees(OL) can avail loan from Banks on the strength of these Cards issued without affecting the rights of the owner on the land cultivated by the former. Hon'ble CM evinced keen interest in this and it was decided to forward a copy of the notification issued by AP Govt to GoK for considering a similar initiative in the State for financing TF/OL.

**Sri Siddaramaiah, Hon'ble Chief Minister of Karnataka** in his address said that he was glad to learn that State Level Banker's Committee, Karnataka, has been able to provide an effective and interactive mechanism between the policy makers and the Banking sector. He said that a major part of the State is reeling under drought and the Government of Karnataka has declared 136 Taluks as drought affected and there is immediate necessity to assist the farmers in the drought affected areas by Banks. The State is also witnessing farmers' committing suicide due to various reasons including that of burden of indebtedness.



He requested the Banks to extend helping hand to farmers in distress to enable them to come out of the present crisis and avoiding taking extreme step.

He noted with concern that the average size of loan per farmer, for a long time has been around ₹ 30,000 to ₹ 35,000, which is very low. He suggested that the interest subvention schemes should be pursued in the right spirit by adhering to scheme guidelines, not creating hassles by asking for unnecessary surety or collateral security and disposing pending applications.

Touching upon the CD Ratio of the State, he said that the same is remaining static continuously, which is ranging between 73 per cent to 76 per cent. Bankers must endeavor to initiate steps to increase CD Ratio by stepping up lending under all priority sectors.

He noted that the ratios for Priority Sector Advances, Agricultural Advances and Scheduled Castes and Scheduled Tribes Advances to the Total Advances are just above the stipulated level of bench mark ratios and there is need to increase the same substantially.

Continuing his address, he said that the Banks need to accord priority for implementation of various schemes sponsored by Departments or the Corporations and advised to ensure that the targets are surpassed by a substantial margin.

He expressed concern that during the quarter ended on June 2015, the Banks have disbursed ₹ 22,331 cr as against the annual target of ₹ 1,12,460 cr recording an achievement level of only 19.86 per cent under Priority Sector Credit. While it is explained that low disbursements are due to the widespread drought situation prevailing in the State, and advised the Bankers to formulate a creative annual credit plan facilitating investment in high tech agriculture. Bankers should think of paradigm shift in their approach to Agriculture, so that, this constant dependence on favourable monsoon conditions reduces.

He said that during 2015-16, 136 taluks have been declared as drought hit by the Government. To assist the farming community on the informal credit side, the State Government is trying to curb the usurious interest being charged by moneylenders while on the formal side, the Government of Karnataka is providing Interest Subsidy of 1 per cent for crop Loans up to ₹ One Lakh. However, bankers need to step in a big way in order to provide relief to farmers.

He informed that as on date, relief has been extended by banks by conversion of crop loans of ₹ 197.38 Crore to term loans and re-phasing of term loans amounting to ₹ 67.50 Crore during the first quarter June 2015. However, Bankers must continue to provide relief measures in the remaining quarters in a timely manner and pass on the benefits to the eligible farmers by providing more number of crop loans.

In the past, the Government has been actively using the SLBC forum to focus relief efforts on occurrence of natural calamity like unseasonal rains and hailstorms in the case of areca, pomegranate, grape and coffee growers. The support from bankers has not been up to our expectations and with the current crisis, Bankers need to intensify their efforts.

In order to boost the agriculture sector, the Govt has introduced Krishi Bhagya Scheme and the Pashu Bhagya Scheme. These schemes are important for development of agriculture sector in the State and have an important role for bankers. Banks must be efficient in ensuring that farmers avail the benefits without hassle and in minimum time.



Further, he said that Human capital development is essential factor for sustainable growth. Our Government has schemes which require support from bankers. For instance, the Rajiv Gandhi Loans Scholarship Scheme, for encouraging higher education for students of economically weaker sections, whose parental income is below ₹ 2.5 Lakh is not picking up as desired. As per the information provided by the Department of Collegiate Education, the colleges have sponsored 4,037 applications to various Bank branches out of which only 134 applications have been sanctioned and the remaining applications are reported to be pending with the Banks. Though credit flow to education sector by Banks in Karnataka is ₹ 5503 Crore, it is not commensurate with the demand existing in the State. Banks must speedily disburse education loans, but also, ensure that population in both rural and urban areas are covered.

The Housing Sector is vital not only for providing housing space, but for employment generation too. The Banks have financed ₹ 29,297 Crore towards this sector. But, however, it is not known, out of this amount how much is towards priority sector, especially towards economically weaker section and low income group. Considering the demand under this sector, he requested the Bankers to intensify financing under the sector, more particularly towards weaker sections of the society in rural areas, which has to be closely reviewed by the SLBC.

An area of concern is the credit flow to Micro, Small and Medium Enterprises. Though advances to MSME showed some increase in overall volumes, but micro enterprises have not been benefitted. In order to provide self-employment to youth in the State, the Govt has brought out a novel scheme Chief Minister's Employment Generation Programme. The inadequate progress shows that Bankers have not taken this scheme on priority and requested the Bankers to do so.

He said that Karnataka has established a separate society, Karnataka State Rural Livelihood Promotion Society under National Rural Livelihood Mission (NRLM) to encourage all aspects of development of Self Help Groups (SHGs). Presently, there are nearly Five lakh SHGs, which have been disbursed loans amounting ₹ 6,810 Crore. The average lending per SHG is ₹ 1.25 Lakh, which is on lower side and needs to be increased to ₹ 2.75 Lakh as advised by NABARD and expect Banks to firm up strategies to strengthen this segment to have wider inclusion of population, covering weaker sections and women.

He informed that the National Urban Livelihood Mission and the State Urban Livelihood Mission are the new schemes, which are implemented in Karnataka from Financial Year 2014-15. The Directorate of Municipal Administration, which is the State Level Nodal Agency for implementation of State SULM, has forwarded 14,268 applications to the various banks out of which only 3,225 applications have been sanctioned by the Banks.

He said the Govt has a Weavers Credit Card under the Comprehensive Financial Package, but he noted that as against the target of 10,000 cards, the Banks have issued only 1364 cards and expect the Banks to be supportive to any such financial package implemented by the Government.

To ensure that benefits of growth reach one and all, that Financial Inclusion needs to be implemented in all earnestness. While bank accounts have been opened under Pradhan Mantri Jan Dhan Yojana (PMJDY), he noted that, as against 132 Lakh households in the State, there are 194 Lakh JAN DHAN accounts, which throws up the issue of multiplicity of accounts. He requested the Bankers have to ensure that Zero balance accounts reduce and that these bank accounts are operated regularly by encouraging transfer of benefits like scholarships and subsidies through accounts.



Both Public Sector and Private Sector Banks must support electronic benefit transfer efforts of Government and not keep away from challenges. Karnataka has been a leader in promoting Direct Benefit Transfer through use of Unique Identification (UID) numbers.

He said that increasing enrolments under social security schemes namely, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jivan Jyothi Bima Yojana and Atal Pension Yojana is another effort towards financial inclusion and must be implemented successfully.

He further said the Government is committed to protecting and encouraging the art, culture and rich heritage of our State. Since Kannada is the Administrative language in Karnataka, the Government wishes to take firm steps for implementing Kannada in all official activities. It has been observed that the banks, while preparing Challans, Pass Books, Loan applications, account opening forms, fixed or term deposit certificates are not practicing the compulsory Tribhasha Sutra. Hence, the facilities provided by the Nationalized Banks and local banks are not reaching the rural masses. It is the desire of our Government to encourage use of Kannada in the day to day banking activities. Further it is required to ensure that employment opportunities are expanded for persons knowing Kannada in the Banking services.

Before concluding his speech, he congratulated the Banking sector and Administration for their efforts, till date and suggested that the partnership needs intensification of efforts, so that, welfare goals are achieved and development targets are met.

**Thereafter, the ACS & DC, GoK** requested the Secretaries of the concerned line departments to share their views with regard to implementation of the Govt sponsored schemes.

The Pr. Secretary, Backward Classes Department, GoK informed that they have sponsored 12411 applications during previous year, of which only 4500 applications have been sanctioned, 2200 applications rejected and balance 5711 applications are pending with Banks and requested for immediate disposal, as the beneficiaries are pressing for knowing the fate of their applications.

The Pr. Secretary, Cooperation, GoK informed that the NABARD has reduced the refinance facility from 50% to 40% to Cooperatives, which is coming in the way of providing credit to all the needy farmers due to shortage of funds. Hence, he requested to restore the earlier limit of 50%. Further, he said that SHGs are taking care of financial requirements of the farmers to meet their consumption needs and avoid farmers from going to the moneylenders. But, the rate of interest charged by NABARD is 9.2%, which is on higher side and hence needs to be reduced. Intervening in the discussion, the Hon'ble Chief Minister informed that he has allocated an amount of ₹ 10000 cr in the Budget 2015-16 for agriculture finance and if the refinance by NABARD is reduced to 40%, it is going to affect the budgeted plan. The Chairman, PKGB also raised the issue of reduction in quantum of refinance from 40% to 25% for ST Refinance.

CGM, NABARD explained that the reduction was due to reduction in the Short Term Cooperative Rural Credit Refinance Fund (STCRC) by GoI which is contributed by SCBs out of the shortfall in their PSL. The Hon'ble CM informed that he would write to GoI to increase the quantum of Refinance by NABARD for Crop loans.



The Pr. Secretary, Agriculture, GoK informed that under crop insurance schemes, the Banks are required to cover loanee farmers who have availed finance from the financial institutions and also non-loanee farmers who approach Banks for insuring their crops. For loanee farmers, insurance is compulsory and non-loanee farmers, it is optional. As per the data available, the Banks have disbursed crop loans to the tune of ₹ 35000 cr in the State, against which only crop loan amounting to ₹ 2000 cr were covered under insurance, accounting for 5% of the total disbursement. He further said that after settlement of insurance by the Company, Banks are required to credit the amount within 15 days to the farmer's account. But, there is unreasonable delay in crediting the proceeds. Some of the Banks are not entertaining non-loanee farmers when they approach the Banks for insuring their crops.

Intervening in the discussion, the ACS & DC, GoK said that the insurance premium being paid by the farmers, GoK & Gol and Banks are required to be proactive in covering all the farmers under crop insurance. Responding in the matter, the GM, Canara Bank informed that the Banks are covering 100% of the loanee farmers who have availed loans for taking up eligible crops as notified by the Insurance Company and not the other crops.

The Commissioner, Dept of Collegiate Education, GoK informed that under Rajiv Gandhi Loan Scholarship scheme, 4,037 applications have been sponsored to various Bank Branches out of which only 135 applications have been sanctioned and remaining are pending with Banks. He further said that Banks are insisting for forwarding the applications to their service area Banks where the parents of the students are residing.

The LDM: Belagavi informed that the College authorities are not forwarding applications with full particulars as per the scheme guidelines and there is no clarity on the Colleges / Courses which are eligible for financing under the scheme.

Responding to the above, the ACS & DC, GoK informed that insisting for forwarding the applications to the concerned service area branch where the parents of the student reside seems to be illogical and causing hardships to the students. Hence, she suggested that the RBI and SLBC to jointly explore the possibility of modifying this condition to facilitate students to avail loans easily.

The GM, Vijaya Bank informed that out of 134 subsidy claims submitted to the Dept under the scheme, the Dept has not considered the same on the grounds that College / Courses are not eligible under the scheme. Reacting to this, the Commissioner, DCE, GoK informed that the above details are hosted in their Website. However, the ACS & DC, GoK advised the GM, Vijaya Bank and the Commissioner, DCE to sit together and sort out the issue coming in the way of sanctioning the interest subsidy.

The Pr. Secretary, Industries & Commerce, GoK informed that though the Govt of India is giving importance for financing MSE sector, the percentage of progress during the last year under CMEGP was 49.46% and under PMEGP it was 61%. He further said that some Banks have not fully released the sanctioned loans due to which beneficiaries are unable to complete their project. He requested the Banks to accord priority for improving the position and accomplishing the set targets.

He further said that the senior level executives/officials of the Banks/Departments are not attending the Departmental meetings but deputing their lower level officials, who are not empowered to take decisions. He requested the Banks/Line Departments to depute senior level officials to the meetings to make it more meaningful.

The Director of Municipal Administration, GoK informed that as per the latest data, they have sponsored 15282 applications to different Bank Branches under ISB (Individuals) pertaining to 2014-15, of which, Banks have sanctioned only 4521 applications and rejected / returned 2877 applications and still 7884 applications are pending. She requested to dispose the applications immediately.



Further, representatives from Banks informed that subsidy under PMEGP, in many cases are yet to be received from the Department. For which, the Pr. Secretary informed that about ₹ 24 cr has been released recently and the balance will be released sooner.

Intervening in the discussion, the Hon'ble Chief Minister advised SLBC to convene the meeting of the Line Departments and Banks to sort out the issues and work out strategy for speedy disposal of pending applications. Responding to this, the Chairman-SLBC informed that he would arrange for convening a meeting and come out with reasons for pendency of applications and any other issue in implementation of Govt sponsored schemes.

Reacting to the above, the Chief Secretary, GoK also advised the SLBC and the concerned Departments to sit together to assess the issues and remove bottlenecks in implementation of Govt sponsored schemes.

Further, the Chairperson opined to have a permanent mechanism to address the issues related to implementation of Govt sponsored schemes by Banks. He said that as a part of redressal mechanism, all the implementing departments to take up the issues, if any, pertaining to Banks in implementation of the scheme with SLBC before 15<sup>th</sup> of every month. The SLBC in turn shall refer the matter to concerned Banks for redressal and reply to the concerned department before 25<sup>th</sup> of the month. Likewise, the implementing Banks / Lead District Managers, if they have any issues with any department, may take up with SLBC for resolution. Thus, the routine problems shall be solved with this mechanism and only the policy issues shall be taken up in regular SLBC meetings. Further, he opined SLBC has already constituted a Sub-Committee on Weaker Section Advances, which looks into the issues of advances to Weaker Sections, in which the Govt Sponsored Schemes is also one of the focus areas. He suggested that the Committee instead of meeting quarterly may meet once in a month to sort out the issues in implementation of Govt sponsored schemes, which will go a long way in smooth implementation of the same. The House after detailed deliberations decided to adopt the above suggestions.

The Pr. Secretary, Horticulture Dept informed that as per the decision taken for providing relief to the growers of Pomegranate & Grape by way of waiving of penal and overdue interest, Banks have not passed on the same to the affected growers. The Convenor-SLBC informed that all Banks have agreed to waive the overdue and penal interest subject to the condition that remaining balance is paid by the farmers. This has already been conveyed to the Dept.

**Sri T.B. Jayachandra, the Hon'ble Minister for Law, GoK** advised the Pr. Secretary, Horticulture to issue Govt Order to this effect so that all the affected farmers are made aware of the offer and avail the benefit from Banks.

**Dr. Shashank Saksena, EA (SS), DFS, GoI** said that the present message of the Govt is inclusive growth by way of financial inclusion. The GoI has taken number of steps starting from Jan Dhan to Jan Suraksha and also MUDRA Yojana. He further said that Atal Pension Yojana is a very good scheme but has not picked as expected. He requested Bankers and State Govt to accord utmost priority to popularize the scheme and take up maximum enrolment of beneficiaries.

Thereafter, regular Agenda was taken up for deliberations by Sri M. Mohan Reddy, the Convenor & General Manager, Syndicate Bank, after due permission from the Chair.

#### **AGENDA 1.0 CONFIRMATION OF THE MINUTES OF 131<sup>ST</sup> SLBC MEETING**

The Minutes of 131<sup>st</sup> SLBC Meeting held on 27.06.2015 were circulated vide letter No. 439/2015/2944/SLBC/101-131 dated July 8<sup>th</sup>, 2015 and a corrigendum to proceedings was issued vide letter No.487/2015/2944/SLBC/101-131 dated 30.7.2015. The Minutes were approved as no further amendments were received.



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

The Progress in implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY) Providing Banking Outlets in all villages with population above 2000, Roadmap for Providing Banking Services in villages with population below 2000, Financial Literacy Centres, Implementation of Social Security Schemes, i.e., PMJJBY, PMSBY & APY were presented and reviewed.

## **AGENDA 2.1 : ROLL OUT OF PRADHAN MANTRI MUDRA YOJANA (PMMY)**

Pradhan Mantri MUDRA Yojana was launched to 'fund the unfunded' enterprises to the formal financial system and extending affordable credit to them. The progress presented to the House and reviewed.

### **Organising Mega Credit Camp of MUDRA Loans (PMMY):**

The Convenor-SLBC said that the DFS/MOF/GOI vide their letter F.No. 27/01/2015-CP/RRB (Part-I) dated: 20<sup>th</sup> August, 2015 has advised all the Banks for Organising Mega Credit Camp of MUDRA Loans (PMMY) during 25th September, 2015 to 2nd October, 2015 in all States and directed the banks to adhere to the following guide lines while organising the camps:

- The main emphasis of Camp would be on disbursement of loans under 'Shishu' category to the extent of targets allotted to each bank.
- Banks were advised to make preparation such as finding the potential borrowers, collecting application forms and processing of loan application, deciding on the venues, etc. As far as possible, the Camps shall be organised during the period of 25th September to 2nd October 2015.
- Banks were requested to make suitable strategy/plan/arrangement to organise mega credit camp in all states. They may also get in touch with lead banks/SLBC Co-ordinators of for implementation of the same.
- All Banks may follow standardised design for MUDRA Cards with fresh consultation with NPCI/MUDRA.
- The Banks may finalise their State wise target and convey the same to respective SLBCs within a maximum period of one week.

All the Banks were requested to implement the scheme on priority.

**(Action : All Banks/LDMs/Line Depts.)**

## **AGENDA 3.0: FARMERS' SUICIDE INCIDENCES IN THE STATE - PROVIDING RELIEF MEASURES TO THE DISTRESS FARMERS**

The Convenor-SLBC said that there is an alarming increase in the farmers' suicide in the State and is attracting the immediate attention of all the concerned. There is an urgent need to come to the rescue of the farmers by providing relief measures by Banks following the RBI guidelines and counselling them not to resort to such an extreme step. As per the reports, it is observed that the "indebtedness" is one of the reasons for suicide of farmers. The GoK has already initiated several steps to prevent the same.

He further informed that the SLBC has initiated several steps, viz.,

- All the LDMs / Banks have been advised to extend relief measures in tune with RBI guidelines to the distressed farmers by way of rephasingment / reschedulement of loans and also provide fresh finance to take up crops and other income generating activities to needy farmers, wherever required.



- All the LDMs / Banks been advised to organise camps / meeting in the affected villages in the area of operation of the Branch and create awareness about the relief measures available to the farmers as per RBI guidelines and also debt swap schemes of the Banks for taking over liabilities from money lenders. In all the camps they were advised to ensure to have debt counselling and credit counselling as an important issue.
- The Lead District Managers, depending upon the severity of the issues locally, were advised to explore the possibility of convening a Special DCC Meeting in consultation with CEO, Z.P. / Dy. Commissioners and work out strategies for resolving the issue in the District following the extant RBI guidelines.
- A Special Bankers' meeting was convened on 22.7.2015 under the Chairmanship of Chief Secretary, GoK, wherein it was decided to organize counseling camps /meetings at selected Raitha Seva Kendras by involving District Administration, Banks, connected line departments, representatives of RBI, NABARD and other stakeholders.
- A meeting of all the LDMs was convened by SLBC on 08.08.2015 and impressed upon the LDMs to organize counselling camps for distressed farmers and also to step up relief measures following the RBI guidelines.

In pursuance of the above directions, Counselling camps/Jagruthi Jatras are being organized by LDMs/Banks involving Insurance companies, District Administration, connected Line Departments, Matadipathis, religious and farmers leaders in various districts.

(Action : Banks / LDMs/Line Depts.)

### **AGENDA 3.1: DECLARATION OF DROUGHT AFFECTED TALUKS BY GOVT OF KARNATAKA**

The Government of Karnataka has declared 114 taluks as drought affected during the current year 2015-16 vide Notification bearing No.ಕಂಇ 273 ಟಿಪನ್ಆರ್ 2015, Bengaluru, dated 17<sup>th</sup> August 2015. The said GO containing details of Taluks has already been circulated to all the Banks/LDMs.

All the Banks / LDMs were requested to initiate action for providing need based relief measures following the guidelines issued by RBI from time to time.

(Action : All Banks / LDMs)

### **AGENDA 3.2 : RECOMMENDATIONS OF THE REPORT OF THE COMMITTEE FOR STRENGTHENING THE NEGOTIABLE WAREHOUSE RECEIPTS (NWRs) BY WAREHOUSING DEVELOPMENT ALND REGULATORY AUTHORITY (WDRA) IN THE COUNTRY**

The Convenor-SLBC informed that by DFS: MoF: GoI vide their letter F.No.3/49/2013-AC dated 17<sup>th</sup> July 2015 that the Committee constituted by Govt of India for strengthening the Negotiable Warehouse Receipts (NWRs) by WDRA in the country has since submitted the report, which is available on the website of the WDRA ([www.wdra.nic.in](http://www.wdra.nic.in)). RBI / NABARD / PSBs have been advised to take necessary action on the relevant recommendation of the said report.

The gist of recommendations of the Committee requiring immediate action was presented to the House.



In this regard, RBI, FIDD, Bengaluru vide their letter FIDD(BG)No.107/02.03.020/2015-16 dated 10.8.2015 has advised us to review the progress on the above scheme in the SLBC Meetings regularly and also to provide quarterly District-wise data for review beginning quarter ended Sep. 2015.

The GOK has initiated several steps for online trading of agriculture commodities in all the APMCs in the state and as already launched the same at Gadag APMC. The initiative of the above scheme will supplement the efforts of GOK in strengthening the trading at all the APMCs in the state.

All the Banks were requested to take note of the guidelines and act accordingly. LDMs were advised to review the progress in the DCC / DLRC meetings as an agenda item regularly.

**(Action : All Banks / LDMs)**

### **AGENDA 3.3 : SKILL LOAN SCHEME**

Continuing the deliberations, the Convenor-SLBC informed that given a huge thrust on skill development in recent years, a need is felt to provide institutional credit to individuals for taking skill development courses aligned to National Occupations Standards and Qualification Packs and leading to a certificate/diploma/degree by the Training Institutes as per National Skill Qualification Framework (NSQF). Thus, "Skill Loan Scheme" has been developed to support the national initiatives for skill development. The objective of the Skill Loan Scheme aims at providing a loan facility to individuals who intend to take up skill development courses as per the Skilling Loan Eligibility criteria.

It is informed by IBA vide their letter No.RB/CIR/SLS/1051 dated 10.7.2015 that the DFS: MoF: Gol has formulated Skill Loan Scheme and have forwarded the scheme guidelines along with the simplified application form requesting the IBA to circulate amongst the Member Banks for adoption. The Member Banks may adopt the Skill Loan Scheme and the application form. It is further said that Skill Loan Scheme replaces the IBA Model Loan Scheme for Vocational Education & Training circulated by IBA vide their Cir. No.CE/209 dated 31.5.2012.

The Scheme guidelines and the simplified application forms have been circulated. All the Banks were requested to accord importance for its successful implementation.

**(Action : All Banks / LDMs)**

### **AGENDA 6.0: WEAVERS CREDIT CARD UNDER THE COMPREHENSIVE FINANCIAL PACKAGE:**

As against the target of 8000 cards for 2015-16, the Banks have issued 191 Cards with a limit of ₹ 84.00 lakhs as on 30.6.2015, leaving a big gap. In this regard, the house advised the Banks / Handloom / Textile Dept to create awareness amongst the weavers.

**(Action : All Banks / LDMs)**

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

The progress in conduct of training programmes was presented and reviewed.



### **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 proposes 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 into 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, BTDA in their Board meeting dated 22.4.2015 passed the following resolution in respect of land allotted / construction of campus building as below:

"KFRC has been allotted with eight acres of land in unit-2 of Bagalkot as on 4.12.2010. After four years, KFRC has obtained permission for construction in 20 guntas of land, and it appears that the Institute has been allotted with excess land than it requires. Hence, leaving 2 acres of land, Institute shall give undertaking letter to surrender remaining 6 acres of land and for demolition of parapet constructed over and above 2 acres of land. After obtaining the acceptance letter from the Institute, permission will be granted for construction of building. Officer, Rehabilitation & Chief Engineer, Bagalkot are authorised to take action in this regard". The ED, KFRC brought to the notice of the House that the entire 8 Acres of land is necessary for the Institute as it was earlier allotted for the purpose of activities of KFRC.

In the previous SLBC meeting, the above issue was discussed and the Chief Secretary, GoK had assured to look into the matter. The ACS & DC, GoK assured to discuss with the competent authority to resolve the issue.

**(Action : GoK)**

### **AGENDA 9.0: 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 No.F.10/ 03/ 2010-AC dated 13<sup>th</sup> January 2012 advised NABARD 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 30.6.2015, 67962 term loans were rescheduled involving ₹ 382.77 crore. The amount of penal interest waived was ₹ 11.43 crore. As many as 9263 crop loan accounts with an aggregate amount of ₹ 84.86 crore were converted into term loans. 5862 fresh loans were issued involving an amount of ₹ 73.57 crore.



## **AGENDA 9.1 FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE PREVIOUS SLBC MEETING**

### **AGENDA 9.1.2 : SCALING UP OF AADHAR ENROLMENT KITS BY NON-STATE REGISTRARS**

In pursuance with the decision taken in the meeting convened to review the progress under Aadhaar enrolment on 25.4.2015 under the chairmanship of ACS & DC, GoK, it was advised the Banks enrolled as Non-State Registrars to ramp up their kits to at least 1000 numbers and the Banks having lead bank responsibilities and not enrolled as Non-State Registrars to enroll themselves as Non-State Registrars and make all arrangements for deployment of Aadhaar enrolment kits and take up enrolment in their respective lead districts in consultation with respective Dy. Commissioners.

SLBC had also advised all the Banks in this regard vide letter No.470 dated 28.7.2015. The Banks were requested to inform the latest progress made to SLBC.

The CEO: E-Governance, GoK informed that as decided in the previous SLBC Meeting, for deploying 1000 Aadhaar enrolment kits by the Banks in the State as non-State Registrars, some Banks have not yet initiated any steps in this regard. The ACS & DC, GoK expressed her concern over the same and advised the non-State Registrar Banks and also the Banks having lead bank responsibilities to take immediate steps for establishing Aadhaar enrolment kits in consultation with concerned Dy. Commissioners.

**(Action : concerned Banks)**

### **AGENDA 9.1.3 : REVISION OF STAMP DUTY UNDER KARNATAKA STAMP ACT, 1957**

The GoK has issued Gazette Notification dated 31.3.2015 amending the Karnataka Stamp Act, 1957, wherein apart from other amendments, the amendment with regard to deposit of title deeds or instruments constituting or being evidence of the title to any property whatever (other than a marketable security), where such deposit has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt, in case where the loan or debt amount exceeds ₹ 10 lakhs, the stamp duty payable is 0.2 percent on the loan or debt amount subject to a maximum of ₹ 10 lakhs.

In this regard, we have received feedback from Banks / borrowers that the upper limit of ₹ 10 lakhs fixed by the Govt is on higher side and coming in the way of availing high value loans by the borrowers. Thus, it has adverse effect on credit expansion by Banks in the State. Hence, it is requested that the Govt may revisit its decision to facilitate increase in credit growth in the State.

In response to the discussion held in the 131<sup>st</sup> SLBC Meeting, the Inspector General of Stamps & Registration, Govt of Karnataka has informed vide his letter No.STP/42/2015-16 dated 13.8.2015 that the Registration fees of Karnataka State when compared to other neighbouring States are low and if the upper limit is reduced, causes loss to the Govt. exchequer. All the Banks are requested to take note of the same.

### **AGENDA No. 9.1.4 : PRESENTATION OF WHITE PAPER ON**

- (a) OPENING OF BANK ACCOUNTS UNDER PMJDY**
- (b) FARMERS' SUICIDE DUE TO INDEBTEDNESS**

In the 131<sup>st</sup> SLBC Meeting, detailed deliberations took place with regard to implementation of PMJDY and increased farmers' suicide in Karnataka. After detailed discussion, the Chief Secretary, GoK requested the SLBC to prepare a White Paper on "Opening of Bank a/cs under PMJDY" and NABARD on "Farmers' suicide due to indebtedness".



Accordingly, CGM : NABARD presented White Paper on "Agrarian distress and farmers' suicide in Karnataka: a perspective". The gist of the same is as under:

- The study revealed that mounting debt burden, crop failure, fluctuating commodity prices and harassment by moneylenders were the main factors for increasing agrarian distress and farmers' suicide. Most of the deceased farmers with tiny holding had taken others land on lease and raised cash crops by borrowing money from different informal sources such as moneylenders, Micro Finance Institutions and relatives. Most of them could not cope up with the excess debt beyond their capabilities; failure of investment in bore well, repeated crop failures and fluctuating commodity prices, and under stress and helplessness, they ended their lives.
- The maximum number of the select deceased farmers was marginal farmers in the age bracket of 30-49 years with agriculture as their principal source of income. On an average, the loan size per acre of land was Rs.1.04 lakh, out of which the share of informal credit was 60.8 percent.
- Based on the findings, the study suggested a set of policy measures such as introducing Loan Eligibility Card for tenant farmers and oral lessee as prevalent in Andhra Pradesh, issuing 'Certificate of ownership' to the children/grandchildren who cultivate land of the deceased parents/grandparents, incentivizing marginal farmers for taking up additional jobs in allied and non-farm sectors, promoting watershed concept, improving health infrastructure and social security measures and strengthening rural infrastructure to mitigate the distress. Further, proper nurturing of the Joint Liability Groups, Farmers' Clubs and Self Help Groups would be useful in creating awareness on crops, markets, technology, financial discipline, family budgeting and prudent use of credit among the farming community.

#### **Strategies to reduce agrarian distress**

- Introduce 'Loan Eligibility Card', as in Andhra Pradesh to facilitate easy credit to tenant farmers and oral lessee from formal agencies (**State Government**)
- Issue 'Certificate of ownership' to the wards of the deceased for getting bank loan (**State Government**)
- Incentivise marginal farmers to take allied activities and non-farm activities along with agriculture as part-time job (**State Government**)
- Put in place farm income crop insurance scheme with low premium affordable to all farmers for all crops with Village Panchayat as the unit for assessing crop loss (**State Government**)
- Improve irrigation facilities, provide assured power supply, backward & forward linkages, strengthen extension facilities and increase coverage of area under watersheds (**State Government**)
- Provide extension facilities to farmers at their door steps (**State Government**)
- Create effective health infrastructure in rural areas and increase the penetration of health insurance schemes such as Yeshashwini and Sanjeevini and make all farmers eligible under the scheme (**State Government**)
- Promote FPOs of farmers and provide support services, especially to small and marginal farmers, for reducing cost of cultivation and improving price realisation (**State Government**)
- Promote and finance JLGs/SHGs of Tenant Farmers, Oral lessees & Landless Farmers (**State Government and Banks**)
- Review and re-assess Individual Member's Borrowing Power (IMBP) of farmers, increase resource base of Primary Agricultural Cooperative Societies by mobilizing funds/deposits and re-fix the credit limit of farmers to match scale of finance (**Banks**)



- Popularise the Debt Swap Scheme and help indebted farmers to redeem their outstanding dues to non-institutional lenders (**Banks**)
- Educate farmers on suitability of their land for growing specific crops through soil testing, scientific crop management practices, crop rotation, integrated farming practices, etc (**State Government**)
- Discourage drilling of bore wells in critical and semi-critical areas (**State Government and Banks**)
- Create awareness on social security schemes, financial discipline, family budgeting and prudent use of credit (**State Government and Banks**)
- Counsel farmers on unproductive use of the loan money and adverse impact of borrowings from informal sources (**State Government and Banks**)

Thereafter, the Convenor-SLBC presented White Paper on “opening of accounts under PMJDY”

- Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet. PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfil minimum balance criteria.

#### Benefits of opening an account under PMJDY Scheme

- Gateway for Banking transaction
- Gateway for financial literacy
- Micro savings: No minimum balance required. Interest on deposit.
- Micro remittance: Easy Transfer of money across India
- Micro insurance: Rupay card issued to all the account holders with accidental insurance cover of Rs.1.00 lac for which the RuPay Debit Card must be used at least once in 45 days. Participation in Social Security deposit schemes such as PMSBY, PMJJBY and APY for which opening of savings account is essential.
- Microcredit: After satisfactory operation of the account for 6 months, an overdraft facility will be permitted. Overdraft facility up to Rs.5000/- is available in only one account per household.
- Can join either SHG/JLG group for his/her livelihood/improving his/her family income.
- Opportunity for channelizing all Govt. Benefits through DBT.
- Access to Pension, insurance products.
- With the introduction of new technology introduced by National Payments Corporation of India (NPCI), a person can transfer funds, check balance through a normal phone which was earlier limited only to smart phones so far.
- Mobile banking for the poor would be available through National Unified USSD Platform (NUUP) for which all banks and mobile companies have come together.
- Access to door step banking through Bank Mitra there by wage earners can be safeguarded of their daily wage earnings.
- With more and more financial/insurance products in the offing, participants will be drawn to mainstream banking fold over period of time.

#### **AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF JUNE 2015**

The Banking Statistics as of June 2015 on Branch Network, ATMs, Deposits, Advances, CD Ratio, Outstanding level & Disbursements under Priority Sector Advances comprising, Agricultural, MSE, Housing, Education and other Priority Sector Advances, Credit flow to Minority, Women, SHGs, KCC, lending through MFI were presented and reviewed.

Further, the progress under Special Schemes, viz., Agri-clinic/Agri-Business, Rural Godowns, NHB Scheme were also presented and reviewed.



## **HOUSING FOR ALL – 2022 – CREDIT LINKED SUBSIDY SCHEME**

The Convenor-SLBC informed that MoHUPA's vide letter F. No.I-11016/06/2014-PPG/FTS - 11733, dated 25.06.2015, has informed that the schemes RAY/RRY were discontinued and new Mission for "Housing for All – 2022", for urban areas, with comprehensive scope has been launched. GoI introduced 4 components; Credit Linked Subsidy Scheme is one of them. The guidelines have been circulated to all the stakeholders vide our Agenda Notes of the present meeting. All the stakeholders were requested to take note of the above and accord priority for its implementation.

(Action : Banks / LDMs)

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

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

The Convenor-SLBC informed that the guidelines of Rajiv Gandhi Loan Scholarship Scheme of Govt. of Karnataka have already been circulated to all the Banks.

As per the latest information provided by Collegiate Education Dept., the Colleges have sponsored totally 4037 applications to various Bank Branches. Out of which, 134 applications have been sanctioned and the remaining applications are reported to be pending with the Banks. The Banks were advised to dispose the remaining applications at the earliest. On verification with Banks/LDMs, it is observed that so much of applications have not been sponsored by the Dept but the applications disbursed to the students have been reckoned as applications sponsored to the banks. The same has been informed to the Dept by SLBC. The Dept was requested to furnish the actual number of applications sponsored to bank branches and latest progress report for review.

Intervening in the deliberations, the ACS & DC, GoK expressed her concern over the pendency of applications for long time and advised the Banks to expedite sanctions of all eligible cases immediately.

(Action : Collegiate Education Dept / Banks)

### **12.2: CHIEF MINISTER'S EMPLOYMENT GENERATION PROGRAMME (CMEGP)**

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.

The Pr. Secretary, Industries & Commerce, GoK informed that the percentage of progress during the last year under CMEGP was 49.46%. He requested the Banks to accord priority for improving the position and accomplishing the set targets.

(Action : Banks)

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

The progress under PMEGP for the year 2015-16 (as on 30.06.2015) was presented to the House.



It is informed by the State Director, KVIC that M/s. Kitco Ltd., Kochi who had been selected as agency for conducting 100% physical verification of PMEGP units for the year 2012-13 & 2013-14, have withdrawn from the contract as they are unable to proceed with the physical verification of PMEGP units for 2012-13 & 2013-14. In view of the above, the Selection Committee in the meeting held on 6.8.2015 has decided to award the work order to M/s. APITCO Ltd., Hyderabad for conducting the physical verification of PMEGP units for the year 2012-13 & 2013-14 as per PMEGP guidelines. All the Banks were requested to take note of change in the verification agency and cooperate with them in completing physical verification of PMEGP units for 2012-13 & 2013-14.

(Action : Banks / LDMs)

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

The representative from KSRLPS informed that they have sponsored about 20000 applications to various Bank Branches under Rajiv Gandhi Chaitanya Yojana and shortly they will be calling the meeting of Bankers to work out strategy for speedy disposal of the applications under the scheme.

(Action : Banks / LDMs)

#### 12.5: NATIONAL URBAN LIVELIHOOD MISSION (NULM) & STATE URBAN LIVELIHOOD MISSION (SULM)

The Convenor-SLBC informed that the scheme guidelines of NULM & SULM as received from the Dept has been circulated to all the Banks, with an advise to implement on priority.

The Director, Municipal Administration presented the Physical Achievement of the schemes as of June 2015 to the House.

The ACS & DC, GoK expressed her concern over the pendency of 7884 applications under Individual and 44 applications under Group of NULM scheme and 6537 applications under individual and 153 applications under SULM Scheme and advised the Banks to accord sanction for all the eligible cases and ensure non-pendency at their end at earliest.

(Action : Banks / LDMs)

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

The progress report and District-wise achievement as of June 2015 under the Self Employment Programme (SEP & ISB schemes) was presented to the House.

[Amt. ₹ in lacs]

Sl No	Name of the Programme	Physical Target	Financial Target		Achievement for the end of June 2015			
			Subsidy from Corpn.	Bank Loan	Physical Target	Financial		
						Subsidy	Bank Loan	Total
a)	Self-Employment Programme (SEP)	5429	1902.00		1253	424.04	831.99	1256.03
b)	I.S.B. Scheme	1071	2142.00		158	246.50	620.46	866.96
c)	Dairy Scheme	995	506.00		729	157.53	221.39	378.92
	Total	7495	4550.00		2140	828.07	1673.84	2501.91

The District-wise achievements were presented to the House.

The Corporation was advised to furnish the Bank-wise achievements to facilitate to take up review with individual Banks.



The Dy. Commissioner Kolar vide their letter No.7596 dated 20.7.2015 has requested to allocate the target of 2500 under Special package under Dairy Development to carry over the previous year's backlog of 766 applications to this financial year. The representative from the Dept also requested for approval of the same by the House.

The House after deliberations approved the same.

(Action : Banks / LDMs)

#### 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 progress for June 2015 is as follows.

(Amt ₹ in lacs)

Name of the scheme	Target for 2015-16		Progress as at 30.6.2015			Total
	Physical	Subsidy	Physical	Subsidy	Bank loan	
Self Employment	0	0	1657	501.25	833.37	1334.62
ISB Scheme	0	0	143	213.54	607.12	820.66
TOTAL	0	0	1800	714.79	1440.49	2155.28

The District-wise Progress was furnished to the House. The representative from the Dept informed that the Corporation has finalized the targets for the year 2015-16. Under Self Employment, the physical target is 3115 and financial ₹ 1090 lacs; under Self-Employment Dairy Scheme, the physical target is 1500 and financial ₹ 750 lacs and under Entrepreneurship Development, the physical target is 500 and financial ₹ 1000 lacs. He requested the House to approve the same. The House after deliberations approved the same.

(Action : Banks / LDMs)

#### 12.8 : SCHEME OF KARNATAKA MINORITIES DEVELOPMENT CORPORATION

The Corporation is implementing the Swavalambana scheme. Progress as at June 2015 is as under:

[Amt. ₹ in lacs]

TARGET 2015-16		ACHIEVEMENT AS ON 30.6.2015		
Physical	Financial	Physical	Financial	
			Subsidy & MM	Bank Loan
4000	600	1161	484.45	1323.98

The District-wise achievement was furnished to the House.

The Commissioner from the Corporation informed that some Banks have black listed particular areas in Bengaluru City for entertaining the loan proposals under the scheme. The ACS & DC, GoK advised the Banks to desist from such practice and entertain all eligible loan proposals under the scheme.

Further, he said that few Banks are retaining the unutilized subsidy with them since long time and requested such Banks to return the subsidy amount immediately to the Corporation. SLBC has already advised all such Banks to return the unutilized subsidy amount immediately.

(Action : Banks / LDMs)



## 12.9: SCHEME OF D. DEVARAJ URS BACKWARD CLASSES DEV. CORPN. LTD.

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

District-wise target for 2015-16 as provided by the Corporation has been communicated to LDMs for distribution among Banks vide letter No.366 dated 16.6.2015 with an advise to reallocate amongst Banks.

As against the physical target of 5250 for 2015-16, the Dept has sponsored 1378 applications, against which, Banks have sanctioned 528 loans, rejected 36 applications and pending 814 applications as on July 2015. The representative from the Corporation requested the Banks to return the applications over and above the target to the Corporation and not to retain the same with them.

The District-wise & Bank-wise performance as on June 2015 was presented to the House.

(Action : Banks / LDMs)

## 12.10 : IMPLEMENTATION OF PASHU BHAGYA SCHEME

It is informed by the Secretary to Govt., Animal Husbandry & Fisheries Department vide their letter D.O.No.AHF/143/Secy 2015 dated 20.4.2015 that the Govt of Karnataka has announced "Pashu Bhagya" Scheme for the year 2015-16. The scheme guidelines have been communicated to all the stakeholders. Further, they have vide their letter No.AHF.62.papayo.2015 dated 12.8.2015 have communicated the District-wise physical and financial targets under the following categories for approval of the House.

Activity	Physical Target	Financial Target in ₹ lacs
Dairy	10395	3614.40
Sheep / Goat	5190	--
Pig Rearing	1215	350.00
Poultry	1280	--

The House after deliberations approved the same.

The Convenor-SLBC informed that some of the LDMs / Banks had sought some clarification with regard to implementation of the scheme and SLBC has taken up the same with the Department. The representative from the Dept said the point-wise clarification has been issued by them, which are -

- 1) Even though the scheme is based on demand driven concept in order to implement the scheme successfully, the Districts have been given the targets under the scheme based on which the District Dy. Directors of the Dept will allocate the targets to Taluks and to implementing officers. The implementing officer will obtain application from the beneficiary and forward the same to area Bank for sanction of the loan of the loan land implementation of the scheme.
- 2) The construction of shed – After the Bank gives in principle sanction to the Dept / beneficiary, then only the construction of sheds / sheep pens etc, under MGNREGA will be taken up. Without the guarantee of sanction of loan from the Banks, the shed construction cannot be started. Hence, Banks should sanction the loan pending its release to the beneficiary, then only the shed construction will be started and will be completed within the specified period.
- 3) The selected beneficiaries after the sanction of the loans will be trained under NRLM of RDPR Dept. The training will be imparted to the beneficiaries at District / Taluk level.



All the Banks are requested to take note of the above clarifications issued by the Dept for successful implementation of the scheme.

(Action : Banks / LDMs)

#### **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 2015-16 is as under:

No. of Stree Shakti Groups formed	: 140000
No. of Groups credit linked	: 128957
Target for credit linkage for 2015-16	: 11043

The progress under Stree Shakti Programme as furnished by the Women & Child Development Department, Govt. of Karnataka for June 2015 and the District-wise performance was presented to the House and reviewed.

#### **AGENDA 17.0: UDYOGINI SCHEME OF KARNATAKA STATE WOMEN'S DEVELOPMENT CORPORATION [KSWDC]**

Karnataka State Women's Development Corporation is the Nodal agency for implementation of Udyogini Scheme. The Corporation has allocated a physical target of 15000 and financial target of ₹ 1100 lacs for the year 2015-16 and the same have been communicated to all the LDMs for re-allocation amongst Banks. The Dept was requested to inform the progress.

(Action : KSWDC)

Thereafter, the position of Recoveries under Govt Sponsored Schemes, NPAs, SARFAESI/DRT/Lok Adalat, KPMR & KACOMP Acts was presented to the House.

The General Manager : Vijaya Bank expressed his concern over some of the Dy. Commissioners issuing notices to Banks advising them not to initiate recovery action for farm loans. He further said this action may vitiate the recovery atmosphere and hinders recycling of funds and extending further advances to the farmers. Hence, he requested the ACS & DC to advise the Dy. Commissioners in this regard.

#### **AGENDA 21.0 : NABARD AGENDA NOTES:**

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

##### **1. GOVERNMENT SPONSORED SCHEMES:**

###### **(i) AMIGS & ISAM**

- All the controlling offices of the financing banks have been advised to submit the applications along with the required documents for the projects in respect of which term loan has been sanctioned on or before 05 August 2014 positively by 31 August 2015.
- The banks have also been advised to submit the additional documents by 31 August 2015 as indicated in the list attached to our letter sent to the controlling offices through e-mail dated 21 July 2015 and 10 August 2015. NABARD will be constrained to return the applications if details are not received by 31 August 2015.
- For the year 2015-16 the scheme is operational only for the SC/ST promoters as advised by DMI, GOI.



## **(ii) SOLAR SUBSIDY SCHEMES:**

### **a. SOLAR PHOTOVOLTAIC HOME-LIGHTING SYSTEM:**

The scheme is closed as on 31 March 2015. However, some cases are pending at NABARD's level mainly because of non-submission of required information in the prescribed proforma. The banks are being advised accordingly.

### **b. Solar Water Pumping System for Irrigation:**

The scheme is in operation. NABARD has been receiving applications from a few banks towards subsidy under the scheme. However, the overall response under the scheme is poor. Banks were requested to create awareness among beneficiaries about the scheme.

## **2. SHORT-TERM FINANCE:**

### **(iv) Reform, Rehabilitation and Relief Package for Handloom Sector:**

(a) It is gathered that fresh financing to (a) Apex Weavers' Cooperative Societies, (b) Primary Weavers' Cooperative Societies, and (c) Individual Weaver-beneficiaries of Reform, Rehabilitation and Relief Package for Handloom Sector are not extended due to non-availability of NoC from the banks. SLBC may ensure that financing branches extend fresh finance or issue NoC for availing fresh finance from other institutions.

(b) Ministry of Textiles, Government of India is closely monitoring the flow of credit to the handloom sector and is regularly seeking status and progress in submission and sanction of fresh financing extended by PWCS, engagement of Bunkar facilitators etc. SLBC may provide the details in this regard to NABARD on monthly basis so as to update the Gol on the issue.

(c) The ultimate borrower is required to pay interest @ 6% only under the comprehensive package and banks are advised to claim margin money/interest subvention in advance as provided in the Scheme based on the number of beneficiaries that the banks intend to cover in a period of 6 months. The margin money claimed in advance has to be disbursed upfront to the beneficiary.

(d) Department of Handlooms was requested to create awareness about the various schemes available for the handloom sector like Margin Money assistance (for weavers and their SHGs, JLGs) and Interest Subvention among their district Offices, Weavers and the PWCSs.

## **3. PREPARATION OF BANKING PLANS FOR WATERSHED DEVELOPMENT PROJECTS:**

The banking plans have been prepared for 33 watershed project areas covering a total financial outlay of ₹ 103.80 crore. These plans have been prepared by the DDMs in association with the concerned branch managers / controlling officer of the banks in watershed areas. Totally, 33 Banking Plans prepared amounting to ₹ 10380.29 lacs covering 7 Districts in the State were presented to the House.

To ensure that Credit Plans in the watershed area are implemented in right earnest, SLBC was requested to issue necessary instructions to the concerned LDMs to place the issue of monitoring of Banking Plans in Watershed areas as an agenda in BLBC/DCC and report the progress in implementation of the Banking Plans to NABARD on quarterly basis.

**(Action : SLBC / LDMs)**



#### 4. AGRICULTURAL CREDIT (TERM LENDING) FOR THE YEAR 2015-16:

An amount of ₹ 21,020 crore has been earmarked for term lending for agriculture and allied sector in the annual credit plan for the year 2015-16. The Cooperative banks and RRBs may take suitable steps to provide more term loans to farmers for facilitating capital formation by diversifying their lending to non-traditional areas.

#### 5. RURAL INFRASTRUCTURE:

As on 31 July 2015, 3008 number of irrigation projects has been completed in the State under RIDF. These projects have created an irrigation potential of 2,81,835 hectare in 29 districts. District-wise details of the completed projects were presented to the House. The Banks were requested to take earnest efforts in assessing the additional credit requirement of farmers in the command area of these projects.

The meeting concluded with vote of thanks by Sri T.K. Srivastava, ED, Syndicate Bank.

Agency-wise participant list is enclosed.

#### IMPORTANT DECISIONS TAKEN IN THE MEETING

- 1) Banks in association with District Administration & Line departments to continue organizing counseling camps and provide relief measures to distressed farmers in the affected areas.
- 2) Banks to extend relief measures in tune with RBI guidelines in all the 136 drought affected Taluks as declared by Govt of Karnataka.
- 3) The Banks which are registered as Non-State Registrars and also the Banks having lead bank responsibilities to increase deployment of Kits to facilitate speedy Aadhaar enrolment.
- 4) As suggested by the Hon'ble Chief Minister, the SLBC to convene the meeting of Line Departments & the implementing Banks to sort out issues in implementation of Govt sponsoring schemes and clearing pending applications in about 15 days.
- 5) It was resolved to have a permanent mechanism to address the issues related to implementation of Govt sponsored schemes by Banks. All the implementing departments to take up the issues pertaining to Banks in implementation of the scheme with SLBC before 15<sup>th</sup> of every month. The SLBC in turn shall refer the matter to concerned Banks for redressal and reply to the concerned department before 25<sup>th</sup> of the month. Likewise, the implementing Banks / Lead District Managers, if they have any issues with any department, may take up with SLBC for resolution and only the policy issues shall be taken up in regular SLBC meetings. The SLBC Sub-Committee on Weaker Section Advances, which looks into the issues of the Govt Sponsored Schemes may meet once in a month to sort out the issues in implementation of Govt sponsored schemes.
- 6) As a part of relief measure to the affected growers of Pomegranate & Grapes, Banks have decided to waive penal and compound interest provided the affected farmers repay the remaining balance in the account. As advised by the Hon'ble Minister for Law & Parliamentary Affairs, Gok, the Pr. Secretary, Horticulture to issue Govt Order to this effect so that all the affected farmers are made aware of this offer and avail the benefit.
- 7) The ACS & DC, GoK advised the GM, Vijaya Bank and the Commissioner, DCE to sit together and sort out the issues coming in the way of sanctioning the interest subsidy under Rajiv Gandhi Loan Scholarship scheme.

  
SIDDARAMAIAH  
CHIEF MINISTER