

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

AGENDA NOTES FOR 133rd MEETING OF SLBC
& BANKING STATISTICS PERTAINING TO SEPTEMBER 2015

AGENDA 1.0 CONFIRMATION OF THE MINUTES OF 132nd SLBC MEETING

The Minutes of 132nd SLBC Meeting held on 18.09.2015 were circulated vide letter No. 659/2015/2944/SLBC/101-132 dated October 26, 2015. The Minutes may be approved as no suggestions for amendments were received.

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

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

Since the launch of the programme and upto 25.11.2015, the Banks have opened 83.22 lakh BSBD accounts. Of which, 28.87 lakh accounts are with 'zero' balance and the remaining 54.35 lakh accounts with balance of ` 878.98 cr. The total number of accounts with Aadhaar seeding is 49.15 lacs. The number of a/cs in rural areas is 49.24 lakh and in urban areas is 33.98 lakh. The Banks have so far issued 73.16 lakh Rupay cards. The Bank-wise / District-wise details are furnished in the Annexure-A-1 & A-2.

Although the Banks have opened 83.22 lakh BSBD accounts and they have issued only 73.16 lakh Rupay Cards and hence immediate attention is to be paid by Banks to issue Rupay Cards to balance account holders. Further, the activation percentage of Rupay Card is around 60%, which is on lower side. Due to this the BSBD a/c holders will be deprived of insurance coverage. Hence, issuing Rupay Card and its activation needs to be done on war footing by Banks.

Further, it is informed by the DFS: MoF: GoI that NPCI has extended 45 days usage condition to 90 days for Rupay Classic Cardholders w.e.f. 25.11.2015. **Accident arising on or after 25th Nov 2015 will only be considered for extended period.** Claim intimations on RuPay Classic Cards where accident has occurred before 24th Nov 2015 will not be eligible for claim benefit under 90 days usage condition. Such cases will be reviewed in light of the 45 days usage condition only. It may be noted that 45 days usage condition will remain unchanged for RuPay Platinum Cardholders.

Issues related to BCs / Bank Mitras

Out of 7,627 SSAs allotted, 5,318 are covered under fixed BC locations (including 5 covered through Mobile Vans) and 2,309 covered through Branches as on 30.09.2015. The Bank-wise / District-wise details are furnished in Annexure-B-1 & B-2.

SLBC has advised all the banks to provide training to all Bank Mitras to enable them to take up IIBF exam. So far 2618 Bank Mitras have been trained and 2695 yet to be trained. All the banks are requested to provide training to the remaining Bank Mitras immediately through the respective R-SETIs/RUDSETIs.

It is informed by DFS: MoF: GoI that as per the feedback received from survey and other departments, Bank Mitras sometimes are not available in the allotted villages / SSAs. Hence, they have advised SLBC to make verification calls through their executives of call centers set up in the State to ascertain / verify the availability of Bank Mitras. As such, out of the total 5313 Bank Mitras in the State, 3116 Bank Mitras have responded and the remaining could not be ascertained for the reasons furnished below:

- some Banks have not furnished mobile numbers of Bank Mitras
- some mobile numbers given are wrong
- some Bank Mitras have left the job
- some mobiles are switched off
- some mobiles are out of coverage area

All the Banks are requested to ensure their Bank Mitras are available in their allotted SSAs and provide the updated information to enable SLBC to complete the task given by the DFS.

Capacity Building of BCs (IIBF Certification)

The IBA vide their letter No.SB/FI/BC/1634 dated 16.11.2015 has communicated 3 options for training and certification of BCs and Bank Mitras viz. through IIBF, In-house training and certification by bank and eLearning Portal.

Further, the Managing Committee of IBA has advised member banks to create necessary awareness amongst the BC agents on the eLearning Module, and strictly adhere to cut off dates set-out by DFS in training and certifying the BCs and Bank Mitras through any of the three (3) options now available to them.

In this connection, IBA vide their Cir. No.SB/CIR/FI/1477 via mail dated Oct. 14, 2015 has informed member banks of the time scheduled for examination and dates for online registration designed by IIBF, to achieve 100 percent certification of Bank Mitra/BC/BF by December, 2015, and also requesting banks to send to IBA their plan for achieving 100 percent certification of Bank Mitra/BC/BF well within the given timeline.

We reiterate the time schedule herebelow:

- 25%by 30th September 2015
- 50%..... by 31st October 2015
- 75%.....by 30th November 2015
- 100%....by 31st December 2015

It was further noted that with effect from 1st November 2015 only certified candidate could be engaged as BC agent by the banks.

All the Banks are requested to take note of the above schedule for certification of BCs and also engaging certified BCs.

Providing Banking Outlets in all villages with population above 2000

All the identified **3395 unbanked villages** have been provided with banking outlets by the Banks, thereby achieving **cent percent coverage**. It comprises BCAs-2845 (including BCAs in 1519 USBs), B & M Branches-523 and Mobile Vans-27, aggregating to 3395 as on September 2015.

In tune with the directions of the RBI, the Banks in Karnataka are required to ensure that 15% of these villages covered with Brick & Mortar Branches. Presently, Brick & Mortar Branches have been opened constituting around 15.41%, thus achieving the stipulated target.

The Mission PMJDY envisages that villages with population more than 2000 which were covered by BCAs under Swabhimaan campaign will be considered for conversion into full fledged **Brick & Mortar Branches** with the staff strength of 1+1 / 1+2. Further, it is informed that there are around 74000 such villages in the country and 3395 in Karnataka. In the State, 523 B&M Branches have been opened so far. Banks to initiate immediate steps to comply with DFS directions in opening of **B&M Branches** in their remaining allotted villages.

The bank wise number of villages covered & progress made are furnished in **Annexure-C**.

Roadmap for Providing Banking Services in villages with population below 2000

In terms of guidelines of RBI Cir. RPCD. CO. LBS. No. 86/02.01.001/ 2011-12 dated 19.6.2012, SLBC had informed all the Banks and LDMs to finalise Roadmap with details of allocated villages (district-wise) as per the formats prescribed by RBI.

Action Taken:

In terms of RBI guidelines, Banks have been allocated the villages having population less than 2000 based on Gram Panchayat model in their respective districts. There are **23126** villages identified with < 2000 population and all villages are provided with banking services as envisaged. Further, RBI has advised that at-least 5% of the villages allotted under this category shall be provided with banking outlets in the form of Brick & Mortar branches. Accordingly, **301** villages are covered by B & M branches up to Sep. 2015. All Banks are requested to inform the details of the new B & M Branches opened to LDMs / SLBC without fail.

The details as on September 2015 are furnished in Annexure-D.

FINANCIAL LITERACY CENTRES (FLCs):

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

In terms of decision taken at the State Level Monitoring Committee on FLCs, Banks are requested to open FLCs at taluka level as per the allocation made at DCC. LDMs are advised to follow up the matter in the DCC/DLRC, revisit allocation already made wherever required and pursue with the Banks/ Trust to open the FLCs at taluka level. Totally **133** FLCs are opened so far. Some Banks are yet to initiate action in this regard. Some Banks have closed the FLCs opened and attached with their nearest Branch, which is contrary to the directions of RBI. RBI vide their letter RPCD(BG)No.1851/02.03.052/2014-15 dt 24.4.2015 clarified that the guidelines issued earlier vide letter RPCDFLC No.12452/12.01.018/2011-12 dated 6.6.2012 in this regard stand unaltered.

In this regard, SLBC had convened a Meeting of the Bankers, Trustees of FLCs on 24.7.2015 in order to work out strategy for opening of FLCs in the remaining 46 centres by allowing swapping / mutually agreed by Banks / FLCs Trusts. Accordingly, the reallocation is finalized for opening of FLCs for the following Banks.

1) Syndicate Bank

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|-----------|--------------|---------|------------|----------|
| 1. | Holalkere | Chitradurga | 3. | Raibag | Belgaum |
| 2. | Sringeri | Chickmagalur | 4. | Jamakhandi | Bagalkot |

2) State Bank of India

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|-------------------|-----------------|---------|--------------|----------------|
| 1. | Lingsugur | Raichur | 9. | Bilgi | Bagalkot |
| 2. | Hosadurga | Chitradurga | 10. | Hirekerur | Haveri |
| 3. | Basavana Bagewadi | Bijapur | 11. | Gangavathi | Koppal |
| 4. | Nelamangala | Bangalore Rural | 12. | Nanjangud | Mysore |
| 5. | Honnali | Davanagere | 13. | Kudligi | Bellary |
| 6. | Channarayapatna | Hassan | 14. | Ankola | Uttara Kannada |
| 7. | Chintamani | Chickballapur | 15. | Jewargi | Gulbarga |
| 8. | Navalgund | Dharwad | 16. | Shidlaghatta | Chickballapur |

3) State Bank of Mysore

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|-------------|----------------|---------|------------------|---------------|
| 1. | Bhadravathi | Shimoga | 6. | Kadur | Chickmagalur |
| 2. | Molkalmuru | Chitradurga | 7. | Harihara | Davanagere |
| 3. | Joida | Uttara Kannada | 8. | Gudibanda | Chickballapur |
| 4. | Madhugiri | Tumkur | 9. | Hungund | Bagalkote |
| 5. | Turuvekere | Tumkur | 10. | Huvina Hadagalli | Bellary |

4) Vijaya Bank

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|--------------|---------------|---------|-----------|----------------|
| 1. | Hiriyur | Chitradurga | 3. | Gundlupet | Chamarajanagar |
| 2. | Gouribidanur | Chickballapur | | | |

5) Corporation Bank

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|---------------|-----------------|---------|----------|--------------|
| 1. | Doddaballapur | Bangalore Rural | 4. | Tarikere | Chickmagalur |
| 2. | Sandur | Bellary | 5. | Koppa | Chickmagalur |
| 3. | Mudigere | Chickmagalur | | | |

6) State Bank of Hyderabad

| Sl. No. | Block | District | Sl. No. | Block | District |
|---------|----------|----------|---------|-------|----------|
| 1. | Afzalpur | Gulbarga | 4. | Aurad | Bidar |
| 2. | Sedam | Gulbarga | 5. | Manvi | Raichur |
| 3. | Bhalki | Bidar | | | |

8) Andhra Bank

| Sl. No. | Block | District |
|---------|-----------|----------|
| 1. | Siruguppa | Bellary |

10) Karnataka Vikas Gramin Bank

| Sl. No. | Block | District |
|---------|------------|----------|
| 1. | Muddebihal | Bijapur |

11) Pragathi Krishna Gramin Bank

| Sl. No. | Block | District |
|---------|---------|------------|
| 1. | Jagalur | Davanagere |

Further, the Banks who are yet to open the FLCs as committed earlier, i.e., before 30.9.2015 are requested to expedite opening of FLCs immediately.

A list of FLCs opened is furnished in Annexure-E.

IMPLEMENTATION OF SOCIAL SECURITY SCHEMES BY GOVT OF INDIA

- (1) PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY),**
- (2) PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY) &**
- (3) ATAL PENSION YOJANA (APY)**

The Progress in enrolment of applications as on 30.11.2015 is furnished herebelow:

(No. in lakhs)

| Scheme | Total No. of a/cs eligible | Achievement | No. of applications recd in rural areas | No. of applications recd in urban areas | No. of applications recd from males | No. of applications recd from females |
|---------------|----------------------------|--------------|---|---|-------------------------------------|---------------------------------------|
| PMJJBY | 385.23 | 28.66 | 13.92 | 14.74 | 16.97 | 11.69 |
| PMSBY | 518.36 | 60.17 | 29.63 | 30.54 | 36.31 | 23.86 |
| APY | 175.17 | 1.10 | 0.32 | 0.78 | 0.66 | 0.44 |
| Total | 1078.76 | 89.93 | 43.87 | 46.06 | 53.94 | 35.99 |

The Bank-wise status as on 30.11.2015 of the 3 schemes is furnished in Annexure-F.

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.

This segment mainly consists of non-farm enterprises in manufacturing, trading and services whose credit needs are below ` 10.00 lakh. It has been now decided that the loans to be given to this segment for income generation will be known as MUDRA loans under the Pradhan Mantri MUDRA Yojana (PMMY) and branded accordingly. The overdraft amount of ` 5,000 sanctioned under PMJDY may also be classified as MUDRA loans under PMMY and in turn all need to be classified as Priority Sector Advances.

It is, therefore, requested that all advances granted on or after 8th April 2015 falling under this category be classified as MUDRA loans under the PMMY. All such loans can be covered under refinance and/or credit enhancement products of MUDRA. The application forms for such loans shall also carry the name "Pradhan Mantri MUDRA Yojana". Further, MUDRA will work on creating a common charter applicable to PMMY loans which are to be adopted by all the Banks. The charter will apply to all eligible loans; irrespective of the fact whether or not the bank concerned obtains / receives support from MUDRA for such loans.

Further, Banks have sanctioned ` 4039.79 cr as against the financial target of ` 7868.86 cr as on 25.11.2015. The Bank-wise targets and achievement for the current financial year comprising categories under Shishu, Kishore & Tarun are furnished in the Annexure-G.

The Banks are also requested to submit the monthly progress report on such advances to SLBC, MUDRA and DFS: CP/RRB: Ministry of Finance, Gol on regular basis.

Organising Mega Credit Camps of MUDRA Loans (PMMY):

The DFS: MoF: Gol vide their letter F.No. 27/01/2015-CP/RRB (Part-I) dated 20th Aug. 2015 had advised all the Banks for organising Mega Credit Camps of MUDRA Loans (PMMY) during 25th Sep. 2015 to 2nd Oct. 2015 in all the States and directed the Banks to give main emphasis on disbursement of loans under 'Shishu' category to the extent of targets allotted to each bank.

A review meeting with Bankers was convened on 18.9.2015 by the Economic Advisor (SS), DFS : Gol on preparedness for organizing MUDRA Mega Credit Camps, wherein all the Banks were advised to organize camps and accord sanctions to all the eligible beneficiaries under MUDRA as per Gol directions.

Accordingly, 33 camps have been organised by LDMs involving all the Banks and other stakeholders, wherein 214685 loans under "Shishu" were sanctioned amounting to ` 523 cr.

Mapping of ITIs (Industrial Training Institutes) with FLCs (Financial Literacy Centres)

As per the directions of DFS: MoF: Gol for mapping of the existing Govt ITI Institutes with the FLCs, SLBC has mapped the existing 144 ITIs with the FLCs for the purpose of imparting financial literacy / skill development training.

Observance of ITI Day on 6th Nov. 2015

The DFS: MoF: Gol vide their letter No.27/1/2015-CP/RRB dated 23.10.2015 directed all the Bank Branches closest to the ITI to observe 6th Nov. 2015 as ITI Day by contacting all the ITI heads for obtaining the list of passed out trainees, examining their suitability for micro enterprises setting up / financing to the one found suitable before 6.11.2015.

As such, all the LDMs / Banks have observed 6th Nov. 2015 as ITI Day and have sanctioned 1096 loans under MUDRA amounting to ` 7.55 cr.

2.2 : Electronic Benefit Transfer Scheme (EBT) in Dharwad district

- Representation of Axis Bank regarding withdrawal from the project in Dharwad District

EBT scheme is under implementation in 7 Districts on a pilot basis under "One District-Many Banks" Model in 4 Districts and under "One District-One Bank" Model in 3 Districts. The details of Lead Banks are given below.

A) One District – Many Banks Model

| Sl. No. | Name of the District | Name of the Lead Bank |
|---------|----------------------|-----------------------|
| 1. | Bellary | Syndicate Bank |
| 2. | Chitradurga | Canara Bank |
| 3. | Gulbarga | State Bank of India |
| 4. | Yadgir | State Bank of India |

B) One District – One Bank Model

| Sl. No. | Name of the District | Name of the Implementing Bank |
|---------|----------------------|-------------------------------|
| 1. | Chamarajanagar | State Bank of Mysore |

| | | |
|----|---------|-------------|
| 2. | Dharwad | Axis Bank |
| 3. | Mandya | Vijaya Bank |

Now, Axis Bank, which is implementing EBT in Dharwad District has made a representation regarding its withdrawal from EBT project in the district.

In this connection, the DSSP, GoK had convened a meeting on 15.7.2015 of Executives from Finance Dept : GoK, SLBC, Axis Bank, the LDM of Dharwad, Vijaya Bank (Lead Bank in Dharwad District) to discuss on the issue and take an appropriate decision in the matter. In the said meeting, it was decided as under:

- Upon request, Vijaya Bank agreed to take over the project as they are the lead bank in the District, on “One District-Many Banks” model as service area concept is required to be considered.
- Axis Bank to share all the existing data-base of SSP beneficiaries to Vijaya Bank so that they can go ahead with the procedure of opening of a/cs.
- Axis Bank to continue pension payment to the beneficiaries in 3 Taluks, which are under Smartcard project, without any inconvenience until the process of handing over to Vijaya Bank is completed.
- The LDM, Dharwad to make arrangements for opening new a/cs of beneficiaries based on the data base shared by Axis Bank and send the details to DSSP for verification and doing the needful. As on date, 83,689 active beneficiaries have accounts with Axis Bank as per DSSP portal. It was decided to fix a time frame of 3 months or the completion of the process, whichever is later.

The LDM, Dharwad has scheduled meeting in this connection on 27.11.2015 to sort out the issue. The LDM, Dharwad / DSSP, GoK to inform the progress.

AGENDA 3.0: PROVIDING RELIEF MEASURES TO THE DISTRESS FARMERS AND FARMERS’ SUICIDE INCIDENCES IN THE STATE

The Government of Karnataka has declared 136 taluks as drought affected during the current year 2015-16 and the same has been communicated to all the Banks/LDMs with an advise to initiate immediate steps for providing relief measures in tune with the RBI guidelines.

SLBC has taken several measures to mitigate the hardships faced by the distressed farmers. The matter was discussed in 132nd SLBC Meeting, wherein the Hon’ble Chief Minister of Karnataka participated and expressed concern over the same and had advised to the Banks to hand hold the farmers in distress.

In response, the SLBC had advised all the LDMs to continue to organize Counselling camps and extend relief measures to the distressed farmers. Accordingly the LDMS have organized Counseling Camps/Jagruthi Jatras involving District Administration, connected Line Departments, Matadipathis, religious and farmers leaders in various districts. So far, LDMs have conducted 74 such camps. The Chairman-SLBC has personally attended one of the camps held at Chikkodi.

In order to discuss the issue threadbare, a conference of all the LDMs of the State along with RBI, NABARD and important Line Depts was organized on 4th Nov. 2015, wherein the Chairman-SLBC advised all the LDMs to continue to hold counseling camps and handhold the farmers in distress.

In the meanwhile, Banks have restructured / rescheduled 15301 Agricultural Term Loan a/cs involving ` 253.88 cr; converted 31,057 Crop Loan / Kisan Credit Card a/cs into Term

Loan involving ` 400.66 cr; and provided 12,042 fresh Crop Loan / Kisan Credit Card to the extent of ` 180.25 cr and fresh agricultural term loans of 12183 a/cs involving ` 165.74 cr. as a relief measure extended in drought affected areas.

AGENDA 3.1 : RECOMMENDATIONS OF THE REPORT OF THE COMMITTEE FOR STRENGTHENING THE NEGOTIABLE WAREHOUSE RECEIPTS (NWRs) BY WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY (WDRA) IN THE COUNTRY

It is informed by DFS: MoF: GoI vide their letter F.No.3/49/2013-AC dated 17th 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). 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 discussed in the 132nd SLBC Meeting and circulated to all the members.

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.

So far, 1501 Loans have been disbursed amounting to ` 18.90 cr., and the outstanding is 6427 a/cs amounting to ` 223.25 cr as on 30.9.2015 under the scheme. The Bank-wise/District-wise position is furnished in Annexure-H.

All the Banks / LDMs are requested to accord priority for accelerate lending under the scheme. Further, the LDMs are advised to review the progress in the DCC / DLRC meetings as an agenda item regularly.

AGENDA 4.0: IMPLEMENTATION OF BHOOMI-BANK INTEGRATION:

The Banks have carried out 2,75,142 online transactions under Bhoomi Project as on 4.12.2015 since inception. The Revenue Dept, GoK, has informed that noting of lien in ROR and EC simultaneously is not possible due to limitation of technology under Bhoomi-Bank Project. However, it is informed that they have taken up improved version of Bhoomi Project "NAMMA BHOOMI" where the above request for noting of lien simultaneously in ROR & EC would be considered by merging 'Kaveri' project with 'Bhoomi' project. Revenue Department has already selected Software Developer to integrate "Bhoomi" with "Kaveri" and role of each stakeholder defined.

SLBC has requested the stakeholders to hasten up the process to help the farming community.

Bank wise details are furnished in the **Annexure- I.**

Remittance of Mutation Charges by Banks to Revenue Dept. GoK

It is informed by the Dept of Revenue, Bhoomi Monitoring Cell, Govt of Karnataka vide their letter No.RD.100.MRR.201 dated 26.11.2015 that the pledge and release mutation transactions have been initiated by Banks after the State-wise implementation of Bhoomi-Bank Integration in 2011-12. It was informed at the time of launching of Bhoomi-Bank

Integration to collect mutation charges of ` 35/- per transaction, while no clear directions were issued on where to remit the collected amount since it was planned to integrate payment gateway with Bhoomi. The proceedings of the meeting to this effect was also circulated by SLBC vide letter ref:418/2944/SLBC/F-485 dated 4.10.2011.

Now, the Dept has decided to remit the collected amount from various Banks till 31.10.2015 to the respective Dy. Commissioner's PD account as a onetime measure and thereafter to remit as and when the amount is collected. The Dept has also requested SLBC to communicate their decision to all the Banks and advise them for remitting the amount collected as mutation charges to the a/cs of respective Dy. Commissioners. Accordingly, the SLBC has communicated the same to all the Banks vide letter No.736 dated 1.12.2015 by providing the list of Bank/Branch-wise amount to be remitted to the Dept., by Banks as well as a/c of concerned Dy. Commissioners.

All the Banks are requested to remit the mutation charges as demanded by the Dept.

AGENDA 5.0: INTEREST SUBSIDY SCHEME ON CROP LOANS TO FARMERS UPTO ` 100000/- THROUGH PSBs/RRB

The Interest subsidy claims in respect of **65,301** farmers to the tune of ` **3.59** cr has been submitted to Dept of Agriculture up to September 2015. The amount settled during the FY is ` **1.94** cr involving **44,479** farmers. The claims to the extent of ` **11.92** cr involving **3,01,749** farmers are pending with the Dept. All the Banks are requested to lodge claims under the scheme to SLBC for doing the needful. The Dept of Agriculture is requested to clear the pendency at the earliest.

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

As per Gol instructions Banks are required to issue Weavers Credit Card (WCC) to the eligible farmers who are availing working capital limit. Ministry of Textiles, Gol has allocated State-wise targets of WCC for the financial year 2015-16, and the target for WCCs for Govt. of Karnataka is 8000. The Dept of Textiles & Handlooms, GoK has allocated the District-wise targets and communicated to all the Districts.

As the progress is being reviewed by the Ministry of Textiles, NABARD is required to submit the progress in issue of WCC, amount sanctioned and amount disbursed to Gol. The Banks are requested to submit the progress report by 5th of the following month and take effective steps to issue weavers' credit cards and achieve the target by the year end.

As against the target of 8000 cards, the Banks have issued 476 Cards with a limit of ` 181.00 lakhs as on 30.9.2015, leaving a big gap.

In this regard, the house requests the Handloom/Textile Dept to create awareness amongst the weavers and sponsor eligible applications to Banks as Banks are not getting the suitable loan applications.

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

Karnataka Farmers' Resource Centre [KFRC] is set up at Bagalkot through SLBC with the support of Govt. of Karnataka, NABARD, 10 Banks [Viz., Syndicate Bank, Canara Bank, Corporation Bank, Vijaya Bank, State Bank of India, State Bank of Mysore, State Bank of

Hyderabad, Karnataka Vikas Grameena Bank, The Karnataka Bank Ltd and Krishna Grameena Bank] and B.V.V. Sangha, Bagalkot. KFRC is an Apex State Level Institute constituted under Charitable Trust. Any institution/individual making donations / contributions to KFRC, is eligible to claim Income Tax exemptions under section 80G of IT Act.

The KFRC has conducted 72 training programmes involving 47015 participants during the current fiscal 2015-2016 up to 30.11.2015. The cumulative works out to 464 programmes and 33600 participants since inception.

Problems faced by KFRC in construction of new Campus Building

The KFRC has been allotted 8 Acres of land by Bagalkot Town Development Authority (BTDA) for development of the campus of the Institute. The Institute 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 KFRC has taken up the matter with the Hon'ble Chief Minister of Karnataka vide letter No.KFRC/BGK/64/2015-16 dated 19.9.2015 seeking his intervention in resolving the issue.

AGENDA 8.0: REPORT OF THE HIGH LEVEL COMMITTEE TO REVIEW LEAD BANK SCHEME - IMPLEMENTATION OF THE RECOMMENDATIONS

RBI had advised SLBC to implement the recommendations of the High Level Committee on Lead Bank Scheme. In compliance,

- 1) SLBC, Karnataka has launched its website. SLBC has hosted in their website the salient features of various Govt. sponsored schemes, both Central and State which are in operation in Karnataka.
- 2) SLBC has advised Lead banks/Commercial Banks and LDMs to take appropriate steps for implementing the recommendations pertaining to them.
- 3) Formation of Sub-Committees: Presently, the following 6 Sub-Committees are functioning.

- a) Sub-Committee on Agriculture & Allied Activities
- b) Sub-Committee on MSME
- c) Sub-committee on Retail Loans
- d) Sub-Committee on Weaker Section Advances
- e) Sub-Committee on Recovery & Rehabilitation & Other Measures
- f) Sub-Committee on SHG-Bank Linkage & R-SETIs

The meetings on (a) Sub-Committee on SHG Bank Linkage & R-SETIs held on 29.9.2015 (Annexure-J1), (b) Sub-Committee on Retail Loans held on 6.10.2015 (Annexure-J2), (c) Sub-Committee on Recovery & Rehabilitation & Other Measures held on 1.12.2015 (Annexure-J3) have been convened and the minutes are furnished in Annexures as indicated. The Convenors of other Sub-Committees are requested to convene the meetings at the earliest and submit the proceedings.

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 13th 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 30.9.2015, 68133 term loans were rescheduled involving ` 384.40 cr. The amount of penal interest waived was ` 11.64 cr. As many as 9262 crop loan accounts with an aggregate amount of ` 84.76 cr were converted into term loans. 7481 fresh loans were issued involving an amount of ` 88.50 cr.

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

| Action Points | Action Taken |
|---|--|
| Banks in association with District Administration & Line departments to continue organizing counseling camps and provide relief measures to distressed farmers in the affected areas. | LDMS / Banks have conducted so far 76 camps for counseling for distressed farmers in association with District administration / NABARD / RBI. |
| Banks to extend relief measures in tune with RBI guidelines in all the 136 drought affected Taluks as declared by Govt of Karnataka. | Banks have restructured / rescheduled 13113 Agricultural Term Loan a/cs involving ` 199.72 cr; converted 36,647 Crop Loan / Kisan Credit Card a/cs into Term Loan involving ` 393.17 cr; and provided 10,368 fresh Crop Loan / Kisan Credit Card to the extent of ` 160.98 cr and fresh agricultural term loans of 3890 a/cs involving ` 24.69 cr. as a relief measure extended in drought affected areas. |
| The Banks which are registered as Non-State Registrars and also the Banks having lead bank responsibilities to increase | SLBC has reminded the Banks involved to take steps to deploy Aadhaar kits to facilitate speedy enrolment vide letter No.716 dated |

| | |
|--|---|
| <p>deployment of Kits to facilitate speedy Aadhaar enrolment.</p> | <p>25.11.2015. But, a few Banks have represented that no service provider is coming forward to deploy kits in view of (a) non-viability (b) identification of persons yet to enroll.</p> |
| <p>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.</p> | <p>The meeting of Line Departments and the Banks was convened on 13.10.2015 under the Chairmanship of ACS & DC, GoK and advised all the stakeholders to initiate immediate steps to clear all pending applications under Govt sponsored schemes.</p> |
| <p>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 15th of every month. The SLBC in turn shall refer the matter to concerned Banks for redressal and reply to the concerned department before 25th 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.</p> | <p>SLBC has communicated the decision to all the Banks / Line Departments vide letter No.585 dt 19.9.2015.</p> |
| <p>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.</p> | <p>The Pr. Secretary, Horticulture Dept has been requested to inform the action taken on the decision taken by SLBC vide letter No.717 dated 25.11.2015.</p> |
| <p>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.</p> | <p>The Commissioner, DCE & Convenor-SLBC Sub-Committee on Retail Loans had a meeting in this regard on 18.11.2015 and discussed the issues coming in the way of sanctioning the Interest subsidy under the scheme. It was informed by the Dept that Interest Subsidy cannot be claimed for the financial year 2013-14 as the GO for the scheme was passed only on 5.2.2014. Banks can claim for those a/cs sanctioned after the date of GO, i.e., 5.2.2014.</p> |

AGENDA 9.2 : START-UP INDIA PROGRAMME LAUNCHED BY HON'BLE PRIME MINISTER

The Reserve Bank of India vide their letter ref No.FIDD.MSME&NFS/06.02.31/2015-16 dated 19.10.2015 has informed that the Hon'ble Prime Minister in his address to Nation on Independence Day had launched "START-UP INDIA" Programme which envisages to disburse loans by all the 1.25 lakh Bank Branches in the country for start-ups to the tribals in the locality where there is any tribal habitation and where there is no tribal habitation, the branch can provide the loans to a dalit or a tribal, give financial support to them and thus 1.25 lakhs dalit entrepreneurs to come up. Banks to give them new dimensions to start up and secondly these 1.25 lakh branches can formulate a special scheme for women entrepreneurs.

In view of the above, all the Banks are requested to take note of the directions of RBI in implementing the above programme by disbursing loans for start-ups to the tribal / dalit / women entrepreneurs through bank branches in alignment with and complementary to existing RBI instructions to increase credit flow to the Micro sector and Priority Sector Lending guidelines. Further, Banks are requested to report compliance on the above directions to SLBC covering the loans disbursed to tribal / dalit / women entrepreneurs.

AGENDA 9.3 : UDYOG AADHAAR MEMORANDUM (UAM)

The Secretary, Ministry of MSME, GoI vide their mail dated 1.12.2015 have informed that they had a discussion about UAM in a video conference held with Principal Secretaries / Secretaries in-charge of MSMEs in various States and UTs.

Further, he has informed that the Government of India had notified UAM, a simple one-page registration process for the micro, small and medium entrepreneurs. Though it contains word "Aadhaar" in its name, it is not mandatory to obtain Aadhaar. Those who do not have Aadhaar can file for such registration off-line. If the applicant has an Aadhaar number then the application can be on-line.

During discussion in the video conference, it was brought to their notice that some banks are still unaware of UAM and insisting on production of EM-I / EM-II, as the case may be. It may be noted that with effect from 18th September 2015, EM-I and EM-II have been replaced by UAM. Prior to 18th September 2015, whatever EM-I and EM-II have been issued would continue to be valid.

In respect of enterprises registered after 18th September 2015, EM-I and EM-II should not be insisted, production of UAM would suffice. Further, he has requested the Banks for registration details with them.

In view of the above, all the Banks are requested to take note of the above and furnish the registration details to the Secretary, MSME at the earliest.

AGENDA 9.4 : PRUDENTIAL NORMS FOR CLASSIFICATION OF ADVANCES IN THE FARM SECTOR

In the 67th Meeting of Empowered Committee of RRBs held on 1.10.2015, the representative from Finance Dept., GoK made a suggestion that there is a need to have a pragmatic view in a scientific and logical method while applying prudential norms for classification of advances in the Farm Sector. It was decided to refer the matter to SLBC for conducting a study in the matter.

The House may deliberate on the issue.

AGENDA 9.5 : SUGGESTIONS EMANATED FROM THE LDMs CONFERENCE HELD ON 4.11.2015

A Conference of LDMs was convened on 4.11.2015, wherein apart from other issues, the following suggestions were made by LDMs for smooth implementation of Lead Bank system.

- In order to get the entire data from the Banks, it is suggested to strengthen the Feedback Statement and Banks are requested to furnish the properly drawn data.
- Some of the Banks and Line Departments are not attending the BLBC / DCC meetings regularly, especially Private Sector Banks, thereby affecting the review of developmental activities.

All the Banks / Line Departments to take note of the above suggestions and take immediate remedial steps by advising their Branches / officials concerned.

AGENDA 9.6 : CONTRIBUTION TOWARDS FUND FOR PUBLIC AWARENESS CAMPAIGN

The Chief Secretary GoK vide their letter no CS 653 CHS 2015 dated 3.10.2015 has informed that as a part of public awareness for protecting investors falling into the trap of unauthorized agencies who mobilize deposits by offering attractive returns, it has been decided in the State Level Coordination Committee (SLCC) that advertisements prepared in the vernacular be displayed on BMTC / KSRTC Buses and in Bus shelters across the State. The approximate budget for a period of 3 months for advertising on buses would be ` 50 lakhs and for the bus shelters ` 50 lakhs. Consequently, the financial support of Banks is solicited for an amount of ` 1 crore. The SLCC is chaired by the CS : GoK and RD : RBI as the Convenor.

The financial literacy is critical for protecting investors falling into the trap of unauthorized agencies who mobilize deposits by offering attractive returns. This encompasses providing basic financial education to investors through types of advertisements cautioning the general public of such illicit schemes in various media.

While the advertisement material would be provided by the RBI, the SLBC will coordinate with all the Banks to support the public awareness. The SLCC has sought the co-operation of all the major Banks in this advertisement campaign through financial assistance as part of CSR activity by sharing the total cost of ` 1 crore. The cost to be shared equally among the Major Banks having larger exposure in the State. There are totally 15 banks including RRBs having more than 100 branches in the state and the cost to be shared among these 15 banks. Accordingly, the share of each Major Bank comes to ` 6.80 lacs. SLBC vide their letter No.673 dated 21.10.2015 has requested the following Banks to contribute their share of cost.

Canara Bank, Corporation Bank, State Bank of Hyderabad, State Bank of India, State Bank of Mysore, Syndicate Bank, Vijaya Bank, Bank of Baroda, Bank of India, Central Bank of India, Indian Overseas Bank, Union Bank of India, Karnataka Vikas Gramin Bank, Kaveri Gramin Bank & Pragathi Krishna Gramin Bank.

In this regard, SLBC has received the contribution from Syndicate Bank on 4.12.2015 towards their share.

All the remaining Banks are requested to make arrangements for remitting the amount at the earliest.

AGENDA 9.7 : SOLAR ROOFTOP PHOTO VOLTAIC (SRTPV) PROJECTS – TRIPARTITE AGREEMENT FOR SRTPV PROJECTS WITH BESCOM

As a part of the promotion of Solar Energy, MNRE has given a target of supporting Solar Power Generation to the tune of 400 MW to BESCO. In this connection, BESCO had a meeting with all the stakeholders on 27.11.2015. During the meeting, BESCO explained modalities of the scheme and Tripartite agreement to be executed between the Bankers, BESCO and the rooftop developer.

The various parties to the scheme are as under:

1. Developer is the person who invests in the roof tops to be installed on willing parties like individual households, schools, colleges, hospitals, large corporate houses, warehouses, etc.
2. Project financier is the Banker who offers finance to the developer for the installation of the roof top solar systems.
3. Roof top owner is the party who offers their roof top for installation of the solar system on their roof tops.

Wherever the developer installs the solar power generation systems on the roof tops of the parties (roof top owners), the owner uses a part of the solar power generated for self consumption and the balance is supplied to the BESCO grid. There will be an agreement between the roof top owner and the Utility (BESCO) and Solar Roof Top Developer for sale of power, and at present the rate fixed per unit is ` 9.56, which is fixed for 25 years, for the net exported energy to the grid. The rate per unit is kept at a higher level, mainly as a promotional offer. However, the same remains fixed for 25 years, and the rate is feasible to BESCO in the long run.

The self-use of the power by the roof top owner is assessed by past history, and the power consuming equipments like Bulbs, ACs, Heaters, etc., installed at the premises of the roof top owner.

There will also be an agreement between the roof top owner and the developer who installs the solar systems on the roof top on the sharing of the revenues on the surplus power supplied to the Grid. Percentage of power supplied to the Grid is the sole criteria for the revenue sharing between the developer and roof top owner.

The deliberations of the meeting are furnished herebelow:

1. Where the developer is installing the systems through his own funds, and no Bank loan is involved, there will be a tripartite agreement between the developer, roof top owner and BESCO on sharing of the revenues for the supplies made to the Grid. There will be a fixed ratio of revenue for sharing for both parties, depending upon the power used by the roof top owner for his own consumption and the extent of power supplied to the grid. This revenue sharing ratio is informed / documented in the agreement and made available to the Banker.
2. Banker has to open a collection account for each power sale contract, as per the revenue sharing arrangement. As and when BESCO credits the payment for the supplies made by the roof top owner to the Grid, Banker has to transfer the proceeds to the account of the developer and the roof top owner in the ratio already agreed as per the agreement. For the purpose of convenience, Banker may insist on opening the accounts of the developer and also the roof top owner with them, so that Banker gets float funds for some time. Such credits will normally come once in a month.
3. Same is the case where the developer has availed loan from the Bank for installation of the roof top equipments. In such a case, the revenue share of the developer will be appropriated to the loan instalments.
4. BESCO is operating in eight districts in Karnataka, namely, Bengaluru, Bengaluru Rural, Kolar, Ramanagar, Tumkur, Davanagere, Chitradurga and Chickballapur, where it proposes to implement the project.

All the LDMs in the above Districts and also the Banks are requested to accord priority for implementation of the project.

AGENDA 9.8 : PROMOTION OF FARMER PRODUCER ORGANISATIONS

Sri Arun Jaitely, the Hon'ble Finance Minister in his Budget speech had said as follows:

“the issue of profitability of small holding based agriculture has assumed importance in view of increasing proportion of small and marginal farmers in the country. I propose to supplement NABARD's Producers' Organisation development fund for Producer's development and upliftment called PRODUCE with a sum of ` 200 cr which will be utilised for building 2000 producers organisations across the country over the next two years.”

The promotion of sustainable producers organisations involves comprehensive process including observing the legal formalities, developing sound organisational structure and effective capacity building. To achieve this, there is need for proper understanding of the basic concept of producers organisation, key design variables, legal formalities, social capital building, process management, etc.

The NABARD, Karnataka Regional Office being the coordinator of this scheme had convened the first State Level Consultative Committee Meeting on 7.12.2015. During the meeting, it has been spelt out that there are 150 promoting agencies of Farmers Promotion Organisations (FPOs) in the State, which are badly in need of finance assistance. Hence, NABARD has sought the support of all departments of Govt of Karnataka and all the Banks to extend needed support to these FPOs for successful implementation of the scheme to enable us to mitigate at least problems of SF / MF of the State.

All the Banks are requested to take note of the above and formulate policies for extending finance to the promoting agencies.

AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF SEPTEMBER 2015

The Bank-wise position as of September 2015 is furnished in **Annexure IA** in respect of Branch Net Work, Deposits and **Annexure IB** for Advances and CD ratio.

Branch Network:

As at the end of Sep. 2015, the total number of bank branches in the State was **10184**, out of which, Commercial Banks-**7560**, RRBs-**1699**, KSCARD Bank-**201**, DCC Bank-**692** and KSFC- **32** Branches.

ATMs : There are **14244** ATMs in the State, out of which, **2314** are in rural, **2672** are in S. Urban, **3376** are in Urban and **5882** are in Metro areas.

Deposits:

The aggregate deposits of Banks was ` **643929 cr** as at the end of September 2015, when compared to the level of ` **561007 cr** as on September 2014, registering an increase of ` **82922 cr** showing a growth rate of **14.78%**.

Advances:

The total outstanding Advances of Banks was ` **470179 cr** as at the end of September 2015 as compared to the level of ` **416627 crore** as at September 2014, registering an increase of ` **53552 crore** showing a growth rate of **12.85%**.

Credit-Deposit Ratio:

The Credit Deposit Ratio as of September 2015 was **73.02%** vis-à-vis **74.26%** as of September 2014 showing a decline of 1.24%. The CD ratio was at 97% in Rural areas, 84% in Semi-Urban, 71% in Urban and 68% in Metro areas.

Further analysis indicates that some banks with good presence are having CD Ratio below the bench mark level of 60%. [Central Bank of India – 59%, Indian Bank – 54%, Indian Overseas Bank – 59%, HDFC Bank – 59%, Karnataka Bank - 45%, Kotak Mahindra Bank – 59%]. Banks which are having CD Ratio below 60% need to take necessary steps immediately to increase flow of credit to productive sectors of the economy.

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

Priority Sector Advances:

The outstanding level of **total priority sector advances** of Banks stood at ` **202668 cr** as of September 2015 as against ` **169764 cr** as at September 2014 showing an increase of ` **32904 cr** recording a **growth of 19.38%**. The percentage of priority sector advances of Banks works out to **43.10%**, above the Benchmark level of **40%** stipulated by RBI.

The total **agricultural advances** as at September 2015 were to the tune of ` **95793 cr** constituting **20.37%** of the total advances of Banks against mandatory level of 18%.

The outstanding **Advances to Weaker Sections** by Banks was ` **63680 cr** constituting **13.54%** of the total Advances with an increase of ` **4542 cr** over the corresponding previous year level. The outstanding advances to Small & Marginal farmers was to the tune of ` **54167 cr** covering about **57.08 lakh** accounts, constituting **56.54%** of the total Agriculture credit. The outstanding advances to SCs/STs were ` **11646 cr** constituting **2.48%** of the total advances.

The position of Priority Sector and Weaker Section Advances as at September 2015 is presented in **Annexure II A and B** respectively.

AGENDA 10.1: COVERAGE UNDER CREDIT GUARANTEE SCHEME OF CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES [CGTMSE] –

Under guarantee scheme of CGTMSE, Banks have covered 10292 units with an approved amount of ` **571.36 cr** during the QE September 2015 and the cumulative progress was **174675** units amounting to ` **9037.64 crore** [Source: Credit Guarantee Fund Trust for Micro & Small Enterprises].

AGENDA 11. 0: IMPLEMENTATION OF ANNUAL CREDIT PLAN (2015-16)

The progress in disbursement under Annual Credit Plan for the quarter ended Sep. 2015 Sector-wise & Agency-wise is furnished in the **Annexure IV**. The Bank-wise progress under Crop Loan/ KCC is furnished in the Agenda No.13.3 Annexure-XII.

(` in Crore)

| Sector | Agency-wise Disbursement | | | | | | | | % Ach. |
|---------------------|--------------------------|--------------|--------------|-------------|----------------------|-------------|---------------|--------------|--------------|
| | Comm. Banks | | RRBs | | Coop. Banks & Others | | Total | | |
| | Target | Ach. | Target | Ach. | Target | Ach. | Target | Ach. | |
| Agri & Allied-Total | 39111 | 23913 | 11335 | 5074 | 12174 | 5238 | 62620 | 34225 | 54.66 |
| MSE | 15617 | 14175 | 1026 | 906 | 1462 | 169 | 18105 | 15250 | 84.23 |
| Education | 2663 | 634 | 230 | 37 | 96 | 0 | 2989 | 671 | 22.45 |
| Housing | 13530 | 2025 | 588 | 184 | 341 | 0 | 14459 | 2209 | 15.28 |
| Others | 10929 | 2205 | 1907 | 464 | 1451 | 0 | 14287 | 2669 | 18.68 |
| Total PSA | 81850 | 42952 | 15086 | 6665 | 15524 | 5407 | 112460 | 55024 | 48.93 |
| Crop Loan / KCC | 25452 | 5959 | 6136 | 3885 | 10012 | 5047 | 41600 | 14891 | 35.80 |

FIXATION OF SCALE OF FINANCE FOR CROP LOANS

SLBC has been receiving series of complaints with regard to fixation of scale of finance for crop loans and Co-op. Banks being the leader of technical committee is not fixing realistic scale of finance in view of paucity of funds, which is leading to under financing and not fulfilling the entire cultivation cost by the farmers. Further, this is not only causing financial stress to the farmers and also affecting the accomplishment of targets under Agriculture sector. Hence, there is a need to fix the realistic scale of finance in the District level technical committee to avoid under financing. The matter also came up for discussion during the Conference of LDMs held on 4.11.2015 and it was decided to take up the issue in SLBC meeting.

The House may deliberate on the issue.

Credit Flow to Micro & Small Enterprises [MSE] – September 2015

As per the guidelines issued by GoI/RBI, the Banks have taken steps for increasing the flow of credit to Micro & Small Enterprises. The outstanding level of credit to Micro & Small Enterprises stood at ` **59416 cr** as at September 2015 (**Annexure IIA of Agenda 10**). The percentage of advances to Micro & Small Enterprises was at the order of **12.64%** to the total advances.

EDUCATION LOANS:

With an objective of providing financial support to deserving and meritorious students to pursue higher studies, Banks have formulated Education Loan scheme as per IBA guidelines. As at September 2015, the outstanding level of education loans stood at ` **5128 cr** covering **230657 a/cs** (Annexure-IIA of Agenda No.10). Banks have disbursed loans to

61326 students amounting to ` 671.21 cr up to the end of Sep. 2015 (Annexure-IV of Agenda No.11).

HOUSING LOANS AND REVERSE MORTGAGE LOAN SCHEME:

The Banks have been financing for construction of houses under different schemes to encourage housing sector and to increase the availability of residential houses to the needy people. The outstanding level of advances under Housing as at September 2015 stood at ` 29210 cr covering 415998 accounts (Annexure-IIA of Agenda No.10). During 2015-16, the Banks have disbursed ` 2208.98 cr involving 52424 accounts (Annexure-IV of Agenda No.11).

Public Sector Banks have formulated Reverse Mortgage Loan Scheme for the benefit of the Senior Citizens. The Banks assisted 4124 persons with a loan amount of ` 377.22 cr as at Sep. 2015.

Under Golden Jubilee Rural Housing Scheme (GJRHS), Banks have disbursed 2148 loans with credit limit of ` 122.46 crore up to Sep. 2015. The outstanding level was ` 239.73 crore spread over 22905 a/cs.

Under RRY, the outstanding was 1872 a/cs involving ` 16.80 cr. Under EWS and LIG categories, 1847 and 2317 loans with loan amount of ` 2.52 cr & ` 61.51 cr have been disbursed, respectively and the outstanding amount was ` 4754.59 cr (29442 a/cs) & ` 1549.34 cr (76349 a/cs), respectively. Under DRI loans the outstanding balance as on Sep. 2015 was ` 140.50 cr (2830 a/cs).

HOUSING FOR ALL – 2022 – CREDIT LINKED SUBSIDY SCHEME

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. Govt introduced 4 components; Credit Linked Subsidy Scheme is one of them.

Credit-Linked Subsidy Scheme

1. Beneficiaries of EWS and LIG availed loans for new construction and addition of rooms, would be eligible for an interest subsidy at the rate of 6.5 % for tenure of 15 years or during tenure of loan whichever is lower. The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9 %.
2. The subsidy will be available only for ` 6 lakhs and additional loans beyond ` 6 lakhs will be at nonsubsidized rate. Subsidy will be credited upfront to beneficiaries' account through PLIs resulting in reduced effective housing loan and Equated Monthly Installment (EMI).
3. The carpet area should be up to 30 sq mt & 60 sq mt for EWS and LIG respectively. The beneficiary can build a house of larger area but interest subvention would be limited to first ` 6 lakh only.

4. HUDCO and NHB have been identified as CNAs to channelize this subsidy and for monitoring the progress. Ministry may notify other institutions as CNA in future. PLIs can register only with one CNA by signing MoU.
5. CNAs will implement and monitor scheme and will put in place appropriate mechanisms for the purpose. CNAs will provide periodic monitoring inputs to the MoHUPA.
6. Preference should be given to Manual Scavengers, Women/widows, persons belonging to SC/ST/Other Backward Classes, Minorities, Persons with disabilities and Transgender.
7. State Level Nodal Agency will facilitate the identified eligible beneficiaries in getting approvals and documents, etc.
8. An applicant will submit self-certificate/affidavit as proof of income.
9. Beneficiaries can take advantage under one component only. Since other three components are to be implemented through ULB/IAs etc. and this component is to be implemented by PLIs, therefore, in order that beneficiaries do not take advantage of more than one component, PLIs should take NOCs quarterly from designated agency of State for the list of beneficiaries being given benefits under credit linked subsidy. Designated agency should furnish the NOC within 15 days of receipt of such request.
10. State/ULBs/PLIs shall link beneficiary identification to Aadhaar, Voter card, any other unique identification or a certificate of house ownership from Revenue Authority of Beneficiary's native district to avoid duplication.

Release of Central Assistance:

1. An advance subsidy will be released to each CNA at the start of the scheme. Subsequent amounts of subsidy will be released to the CNAs after 70 % utilization of earlier amounts, on quarterly basis, and based on claims raised by CNAs.
2. Based on the loan disbursed by a PLI, CNA will release subsidy to PLIs directly based on the claims submitted on the total loans disbursed. Subsidy will be released to the PLI by the CNA in maximum of four installments.
3. 0.1% of total fund disbursement by the CNAs to the PLIs will be paid to the CNAs for their administrative expenses.
4. Subsidy will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount of the borrower. The borrower will pay EMI as per lending rates on the remainder of the principal loan amount.
5. PLIs will be given ` 1000 per sanctioned application. PLIs will not take any processing charge from the beneficiary.
6. Beneficiary can apply directly or through ULB or local agencies identified by the State/ULBs. In order to incentivize the designated staff of ULBs or NGOs a sum of ` 250 per sanctioned application would be paid.

The targets under the scheme are yet to be communicated from the implementing agency. As the year ending is fast approaching, SLBC has requested the DMA to inform the targets.

All the stakeholders are requested to take note of the above and accord priority for its implementation.

AGENDA 12.0: CENTRAL AND STATE SPONSORED SCHEMES

12.1: RAJIV GANDHI LOAN SCHOLARSHIP SCHEME

As per the latest information provided by Collegiate Education Dept., the Colleges have sponsored totally 1358 applications to various Bank Branches. Out of which, 181 applications have been sanctioned and 1177 applications are reported to be pending with the Banks. The Bank-wise applications sanctioned / pending as on 30.11.2015 is furnished in Annexure-J4.

In the LDMs Conference held on 4.11.2015, the problems coming in the way of smooth implementation of the scheme was discussed in detail and the following suggestions were made by the LDMs.

- Though it was resolved in the meeting with Bankers held on 13.11.2014 under the chairmanship of the Principal Secretary, Higher Education, GoK, that the students of other states studying in Karnataka shall also be covered under the scheme. But, there is need to have clarification in respect of adopting KYC norms by Banks while considering such applications and also for recovery of such loans.
- There is provision of 20% of the total cost towards subsistence in the centrally sponsored education loan scheme as per IBA norms. As the fee structure in Govt and Aided colleges in the State is low it was resolved to consider up to 50% of the total cost for subsistence i.e., up to a maximum limit of ` 30000/- and balance amount may be considered for purchase of computer /instruments essential for his/her study.
- To adopt 0.5% interest concession for women as per IBA norms.
- Releases for the subsequent years may be considered even the student fails but secures admission to the next year under the carry over system.
- A Nodal Officer from the College / Taluk / District level shall be nominated for implementation of the scheme.
- The Nodal Officer of the College shall scrutinize the applications and forward those along with the required testimonials / certificates / documents duly certified to the Taluka Nodal Officers.
- The Taluka level Nodal Officers shall scrutinise the applications for their eligibility with regard to approved colleges / courses, etc., and forward the applications complete in all respects to the concerned service area Bank Branch. The list of service area bank branches is available with Taluka BLBC Convenor / LDM. The Taluka Nodal officer shall also attend the BLBC meeting to facilitate review of progress in the Taluk.
- The Nodal Officer at the District Level shall attend the DCC / DLRC meetings to facilitate review at District level. He shall make available the progress report for the District to DCC/DLRC.
- The College Principal to certify that the Lap Top / Computer is absolutely essential for completion of the course.
- **The Scheme may be renamed as Rajiv Gandhi Education Loan Scheme of Govt of Karnataka keeping in view of recovery prospects.**
- The insurance scheme is to be finalized as per the existing policy following extant guidelines.
- The list of Aided Colleges and Aided Courses shall be circulated in the beginning of the academic year.
- As per the MOU entered between Vijaya Bank and Dept of Collegiate Education, the interest subsidy is available only once, either for the first undergraduate degree/diploma or the postgraduate degree/diploma, and five year integrated course. So the student cannot take loan both for UG and PG courses. The clarification in this regard from the

Department shall be adopted. The ACS & DC, GoK in the meeting of Bankers & Line Depts held on 13.10.2015 had advised the Dept to revisit the scheme on the issue.

- The Principal Secretary, Education, GOK, informed that all the banks which have got licence of RBI shall participate in the scheme. However, the Dept to specify which are the Banks shall participate in the scheme.
- For claiming interest subsidy, the guidelines as in central education loan scheme may be followed and the software for claiming interest subsidy shall be developed as in other Education Loan schemes.
- The applications should be sponsored to the Service area Branches, where the parents of the students reside.

The SLBC has requested the Vijaya Bank, the Convenor-SLBC Sub-Committee on Retail Loans to examine the above suggestions for its adoption in the ensuing SLBC Sub-Committee on Retail Loans.

Further, as per the directions of ACS & DC, GoK given in the meeting of Bankers & Line Depts held on 13.10.2015, the Commissioner, DCE & Convenor-SLBC Sub-Committee on Retail Loans had a meeting on 18.11.2015 to discuss the issues coming in the way of sanctioning the Interest subsidy under the scheme. It was informed by the Dept that Interest Subsidy cannot be claimed for the financial year 2013-14 as the GO for the scheme was passed only on 5.2.2014. Banks can claim for those a/cs sanctioned after the date of GO, i.e., 5.2.2014. All the Banks are requested to take note of the same and submit the revised Interest Subsidy claims.

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

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

Further, it is informed that the Dept. proposes to extend the benefit for 2000 unemployed youth during 2015-16.

The Govt. Order bearing No.CI:73:CSC:2014 dated 20.9.2014 containing the detailed guidelines of the scheme and also the District-wise targets are already circulated.

The District-wise targets under DIC & KVIB for 2015-16 are furnished in the (Annexure-K).

12.3: PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME [PMEGP]

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

The progress under PMEGP for the year 2015-16 (as on **01.12.2015**) is as follows:

(` in lacs)

| Sr. No | Agency | Revised Target for 2015-16 | | | No. of projects received | No. of applications placed before DLTFC | No. of applications recommended by DLTFC | No. of applications forwarded to Banks | No. of Projects sanctioned by bank (2015-16) | No. of Projects returned / rejected by bank | No. of Subsidy Claim Settled during current year (claims pertain to 2013-14 & 2014-15) | | | No of subsidy claim pending at Nodal Banks for release of MM subsidy | |
|--------|--------------|----------------------------|-------------|--------------|--------------------------|---|--|--|--|---|--|----------------|---------------|--|----------------|
| | | Proj. | MM | Emp. | | | | | | | Proj. | MM | Emp. | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 1 | KVIC | 717 | 1434.60 | 5736 | 11496 | 0 | 0 | 0 | 0 | 0 | 275 | 1265.55 | 1787.5 | 351 | 1164.89 |
| 2 | KVIB | 718 | 1434.60 | 5744 | 4239 | 0 | 0 | 0 | 0 | 0 | 370 | 1205.15 | 2220 | 674 | 1233.59 |
| 3 | DIC | 956 | 1912.80 | 7648 | 4120 | 0 | 0 | 0 | 0 | 0 | 754 | 1617.25 | 5240.3 | 757 | 1996.47 |
| | Total | 2391 | 4782 | 19128 | 19855 | 0 | 0 | 0 | 0 | 0 | 1399 | 4087.95 | 9247.8 | 1782 | 4394.95 |

All the Banks are requested to advise their Nodal Branches to release the pending subsidy, if any and submit Utilisation Certificate to KVIC.

12.4: NATIONAL RURAL LIVELIHOOD MISSION (NRLM):

The Govt. of India has approved restructuring of SGSY as National Rural Livelihood Mission (NRLM) and accordingly Karnataka has remodeled the Scheme under the banner 'Sanjeevini'.

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

The State Office has informed that totally 62826 SHGs have been credit linked by all the Banks involving an amount of ` 1553.83 cr., with an average lending per SHG to ` 2.47 lakhs. The Bank-wise /Dist-wise achievement are furnished in the Annexure-L.

RAJEEV GANDHI CHAITANYA SCHEME

The KSRLPS has allocated a target of 98884 loans for 2015-16 under the scheme. It has sponsored 70105 applications against which, 43023 applications have been sanctioned, 13349 applications rejected and 13,733 applications are pending with Banks.

The District-wise applications sanctioned / pending under the scheme for 2015-16 is furnished in the Annexure-L1.

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

National Urban Livelihood Mission:

The Dept has revised the District-wise targets for 2015-16 under the scheme and the same has been communicated to all the LDMs vide letter No.695 dt 17.11.2015 for allocation amongst Banks in their District.

Status of Physical Achievement of the NULM Cities

| NATIONAL URBAN LIVELIHOODS MISSION | | | | | | | | | |
|--|------------------------------|---------------------------------|--|--------------------------------|---------------|------------------------------|---------------------------------|--|--------------------------------|
| Progress for the year 2015-16 by end of NOV. 2015 | | | | | | | | | |
| Self Employment Program (Individual & Group) | | | | | | | | | |
| Individual | | | | | Groups | | | | |
| Target | No. of applications received | No of Applications Sent to Bank | No of application sanctioned by the bank | Applications Pending with Bank | Target | No. of applications received | No of Applications Sent to Bank | No of application sanctioned by the bank | Applications Pending with Bank |
| 4765 | 9343 | 7606 | 709 | 6348 | 105 | 105 | 106 | 19 | 82 |

1. Under SEP (Individual) as against a target of 4028 (Excl. BBMP Target 737) Banks have sanctioned only 709 applications and keeping 6348 applications pending. Percentage achievement is 18%
2. Under SEP (Group) as against a target of 94 (Excl.BBMP Target 11) Bank have sanctioned 19 loans and keeping 82 applications pending. Percentage achievement is 20%

Status of Physical Achievement of the Non-NULM Cities

| STATE URBAN LIVELIHOODS MISSION (SULM) | | | | | | | | | |
|--|------------------------------|---------------------------------|--|--------------------------------|---------------|------------------------------|---------------------------------|--|--------------------------------|
| Progress for the year 2015-16 by end of NOV. 2015 | | | | | | | | | |
| Self Employment Program (Individual & Group) | | | | | | | | | |
| Individual | | | | | Groups | | | | |
| Target | No. of applications received | No of Applications Sent to Bank | No of application sanctioned by the bank | Applications Pending with Bank | Target | No. of applications received | No of Applications Sent to Bank | No of application sanctioned by the bank | Applications Pending with Bank |
| | | | | | | | | | |

| | | | | | | | | | |
|------|------|------|------|------|-----|-----|-----|-----|-----|
| 3182 | 8810 | 8539 | 1528 | 5567 | 357 | 460 | 460 | 135 | 289 |
|------|------|------|------|------|-----|-----|-----|-----|-----|

All the Banks are requested to dispose of the pending applications.

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

The Corporation has submitted the progress report as of Sep. 2015 under the Self Employment Programme (SEP & ISB schemes). The details are as under.

[Amt. ` in lacs]

| Sl No | Name of the Programme | Physical Target | Financial Target | Achievement for the end of September 2015 | | | |
|-------|---------------------------------|-----------------|---------------------|---|-----------|-----------|---------|
| | | | Subsidy from Corpn. | Physical Target | Financial | | |
| | | | | | Subsidy | Bank Loan | Total |
| a) | Self-Employment Programme (SEP) | 5429 | 1902.00 | 1707 | 579.61 | 1047.73 | 1627.34 |
| b) | I.S.B. Scheme | 1071 | 2142.00 | 186 | 271.59 | 721.68 | 993.27 |
| c) | Dairy Scheme | 995 | 506.00 | 1127 | 252.59 | 355.80 | 608.39 |
| | Total | 7495 | 4550.00 | 3020 | 1103.79 | 2125.21 | 3229.00 |

The District-wise achievement are furnished in the Annexure-M.

The Corporation to furnish the Bank-wise achievements to facilitate review of the same.

12.7: SCHEME OF KARNATAKA MAHARSHI VALMIKI SCHEDULED TRIBES DEVELOPMENT CORPORATION LTD.

The Corporation is implementing 3 schemes, viz., Self-Employment Scheme, ISB Scheme and Self-Employment Dairy Scheme for the benefit of persons belonging to Scheduled Tribes.

The progress for Sep. 2015 is as follows.

(Amt ` in lacs)

| Name of the scheme | Target for 2015-16 | | Progress as at 30.9.2015 | | | Total |
|------------------------------|----------------------|-----------------------|--------------------------|---------|-----------|---------|
| | No. of Beneficiaries | Fin. Target (Subsidy) | Physical | Subsidy | Bank loan | |
| Self Employment | 3115 | 1090.00 | 2526 | 774.38 | 1234.10 | 2008.48 |
| ISB Scheme | 500 | 1000.00 | 182 | 278.35 | 698.60 | 976.95 |
| Self Employment-Dairy Scheme | 1500 | 750.00 | 0 | 0.00 | 0.00 | 0.00 |
| TOTAL | 5115 | 2840 | 2708 | 1052.73 | 1932.70 | 2985.43 |

The District-wise Progress is furnished in Annexure N.

Allocation of Targets under Special package programme declared to Ballari Assembly Constituency (Rural)

The Managing Director, Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation Ltd. vide their letter No.3767 dated 3.11.2015 has informed that Govt of Karnataka vide its Order No:ಸಕಇ 98 ಎಸ್ ಡಿ ಸಿ 2015 dtd.23.03.2015 has sanctioned Project cost of ` 26.87 cr of which ` 22.65 cr is subsidy and 4.22 crore is loan for implementation of various schemes in Bellary Assembly Constituency (Rural) under special package programme. The Corporation is implementing Self-Employment Programme (SEP) and Industries Service Business scheme in collaboration with Banks. Apart from the target already fixed in the Action plan 2015-16, under the declared special package programme, an **additional physical target of 2012 under SEP and 223 under ISB Scheme is fixed for financial assistance.** He has requested the SLBC to allocate the targets to Ballari District.

We have already allocated the above targets to the LDM : Ballari as requested by the Corporation. The same may be approved.

All the Banks are requested to take note of the above targets and advise their Branches for implementation.

12.8 : SCHEME OF KARNATAKA MINORITIES DEVELOPMENT CORPORATION

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

[Amt. ` in lacs]

| TARGET 2015-16 | | ACHIEVEMENT AS ON 30.9.2015 | | |
|----------------|-----------|-----------------------------|--------------|-----------|
| Physical | Financial | Physical | Financial | |
| | | | Subsidy & MM | Bank Loan |
| 5000 | 1300.00 | 1702 | 746.97 | 2324.30 |

The District-wise achievement is furnished in the Annexure O.

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 5121 for 2015-16, the Dept has sponsored 11678 (including previous years 5493 applications), against which, Banks have sanctioned 832 loans, rejected 351 applications and pending 10495 applications as on Sep.2015.

The District-wise & Bank-wise performance as on September 2015 is furnished in the Annexure P.

Allocation of targets under Special Package for Dairy Development in Kolar & Chickballapur District

The D. Devaraj Urs Backward Classes Development Corporation, Bengaluru vide their letter No. ದೇಹಿನೀ/ವಿಪಾ್ಯ/ ಸಿ.ಆರ್-01/2015-16 dated 20.10.2015 has requested us to allocate the target of 2200 units for dairy development covering 11 Assembly Constituencies with 200 units per constituency in Kolar & Chickballapur Districts under the above scheme.

The salient features of the scheme are :

| | |
|------------------------------|--|
| Purpose | For purchase of 2 animals for Dairy Development |
| Total Beneficiaries | 2,200 |
| Cost of the project | ` 1,10,000 |
| Subsidy from the Corporation | ` 10,000 |
| Bank Loan | ` 1,00,000 |
| Release of Loan | First release of ` 45,000/- shall be made for purchase of first animal along with subsidy of ` 10,000/- and 2 nd release of ` 55,000/- to be made after six months of first release for purchase of 2 nd animal. |

We have already allocated the above targets to the concerned LDMs as requested by the Corporation. The same may be approved.

All the Banks are requested to take note of the above targets and advise their Branches for implementation.

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.

The Department to inform the progress under the scheme.

AGENDA 13.0 :SPECIAL FOCUS PROGRAMMES

13.1 CREDIT FLOW TO MINORITY COMMUNITIES

The Banks have disbursed loans to **222827** beneficiaries amounting to ` **3267.97 cr** up to the quarter ended Sep. 2015. The outstanding level of advances to Minority Communities as at the end of Sep. 2015 was ` **20643.26 cr spread over 1105682 accounts**, constituting **10.19%** of PSA. The Bank wise details of credit disbursement up to September 2015 & outstanding balance as at September 2015 are furnished in **Annexure – X**.

FLOW OF CREDIT TO MINORITY COMMUNITIES IN IDENTIFIED DISTRICTS

The outstanding level of credit to minority communities in the identified districts as at Sep. 2015 is as follows –

(₹ in cr]

| Name of the District | Bidar | Kalburgi | Dakshina Kannada |
|---|------------|------------|----------------------|
| Name of Lead Bank | SBI | SBI | SyndicateBank |
| Priority Sector Advances | 2605 | 4055 | 11380.74 |
| Lending to Minority Community | 482 | 773.32 | 3449.46 |
| % of Minority Community Lending to PSA | 18.50 | 19.07 | 30.31 |
| Stipulated % of Minority Community Lending to PSA | 15 | 15 | 15 |

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

13.2 : CREDIT FLOW TO WOMEN

Banks have disbursed ` 9055.64 cr. to 702382 Women Beneficiaries up to Sep. 2015 during the financial year. The outstanding level of Advances to Women Beneficiaries was ` 36225.04 cr as of Sep. 2015 constituting 7.70% of total of advances vis-a -vis stipulated target of 5%.

The Bank wise details are furnished in **Annexure – XI**.

13.3 : KISAN CREDIT CARD

The Banks have issued **19,13,443 KCCs** up to Sep. 2015 with credit limit of ` 14891 cr. Agency-wise number of Cards issued is as under:

(₹ in crores)

| Agency | Target for 2015-16 (amount) | During the Year | | Outstanding Balance | |
|--------------|-----------------------------|--------------------|------------------|---------------------|--------------|
| | | No.of cards Issued | Limit sanctioned | No. of cards | Amount |
| Comm.Banks | 25452 | 411135 | 5959 | 1358285 | 22201 |
| RRBs | 6136 | 465301 | 3885 | 863995 | 8600 |
| Cooperatives | 10012 | 1037007 | 5047 | 2241785 | 9518 |
| Total | 41600 | 1913443 | 14891 | 4464065 | 40319 |

Bank wise position is furnished in **Annexure XII**.

AGENDA 14.0 SELF HELP GROUPS/ JOINT LIABILITY GROUPS

Progress under SHG Bank Linkage as at September 2015 –

Outstanding position of advances to SHGs as at September 2015:

| Agency | No. a/cs | Amount (₹ Crore) |
|------------------|----------|------------------|
| Commercial Banks | 432311 | 4803.76 |

| | | |
|--------------|---------------|----------------|
| RRBs | 92680 | 1158.98 |
| Cooperatives | 76154 | 726.29 |
| Total | 601145 | 6689.03 |

As against the targets for credit linkage of 1,56,250 of SHGs for the year 2015-16, Banks have credit linked 1,40,937 SHGs up to the quarter ending Sep. 2015.

Commercial Banks have directly credit linked 1,10,665 SHGs with an amount of ` 1651.91 cr and indirectly 2189 groups with a limit of ` 20.29 cr; RRBs could credit link 15059 groups with an amount of ` 307.89 cr and Co-op. Banks have credit linked 15213 groups with a limit of ` 257.37 cr up to September 2015.

A target for credit linkage of 25,000 JLGs has been fixed for the State for 2015-16. As per the information gathered, the Banks have credit linked 49,583 JLGs with a credit limit of ` 647.79 cr up to September 2015.

Consolidated progress by Banks under SHG Bank linkage program as at September 2015 is given in **Annexure – XIII A TO D**.

The LDMS are requested to submit Bank-wise SHG-BLP & JLG data on quarterly basis for compilation.

AGENDA 15.0 : LENDING THROUGH MFIs:

Association of Karnataka Micro-Finance Institutions (AKMI) is overseeing the working of various (21) MFIs. It has informed that the loan outstanding given by various MFIs in Karnataka as on September 2015 was ` 9006.24 cr covering 65,65,888 a/cs. Out of which, overdue is only ` 53.59 cr spread over 33,406 a/cs. The MFI Wise / District-wise outstanding and Overdues as on September 2015 is enclosed as **Annexure- Q**.

AGENDA 16.0 : STREE SHAKTI PROGRAMME

The Women & Child 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 | : | 129430 |
| No. of Groups having only Bank A/cs | : | 10570 |

The progress under Stree Shakti Programme as furnished by the Women & Child Development Department, Govt. of Karnataka for September 2015 is as under:

| | |
|---|--------------|
| No. of Stree Shakti Groups formed | 140000 |
| No. of groups maintaining accounts with banks | 140000 |
| Cumulative amount saved by the Group Members | ` 1695.31 Cr |
| No. of groups credit linked | 129430 |
| Loan disbursal by banks | ` 2661.14 Cr |

The District-wise performance is furnished in Annexure- R.

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 has been communicated to all the LDMs for re-allocation amongst Banks.

The Dept has communicated that as on Sep. 2015, the Banks have sanctioned 2270 applications as against 21522 applications sponsored and 19023 applications are pending with the Banks. The District-wise progress report is furnished in the Annexure-S.

AGENDA 18.0: IMPLEMENTATION OF SPECIAL SCHEMES

A] Agri-Clinics / Agri-Business

As per the information received from Banks, the outstanding under Agri-clinics/Agri-Business as of Sep. 2015 was for **2509 Clinics [` 483.47 cr] & 184 Agri-Business units (` 10.61 cr)**. During the QE Sep. 2015 Banks have financed **18 Agri-Business Centres (` 1.35 cr)** and **35 Agri Clinics (` 1.60 cr)**. Banks are requested to monitor the implementation of the scheme at the ground level and ensure sanction of the proposals received on merits and submit subsidy claims to NABARD in respect of eligible proposals. Banks have to take advantage of Capital Subsidy available to the above schemes.

B] Rural Godowns

The Banks have financed **139 Rural Godowns** with credit limit of ` **44.62 cr** up to Sep. 2015. The outstanding amount was ` **655.62 cr** comprising **2997** accounts.

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

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

During the year 2015-16, NHB has released subsidy in respect of **120** proposals under the scheme amounting to ` **2030.76** lakhs.

NHB has informed that they have revised operational guidelines of the scheme vide their Cir.No.NHB/CC/Project Appraisal Agency/2014-15 dated 22.5.2014. The details are available on the website: www.nhb.gov.in.

AGENDA 19.0 : RECOVERY

19.1 : RECOVERY OF BANK DUES UNDER GOVERNMENT SPONSORED SCHEMES

The summary of scheme-wise NPA position as at September 2015, is furnished here under:

(Amount in ` crore)

| SECTOR | | Balance O/S | NPA Level | % of NPA |
|------------------|-------------|--------------------|------------------|-----------------|
| P M E G P | | 261.98 | 29.64 | 11.31 |
| SGSY | Individuals | 83.25 | 18.01 | 21.63 |
| | Groups | 286.64 | 37.19 | 12.97 |
| SJSRY | USEP | 130.77 | 44.65 | 34.14 |

| | | | | |
|--|------|-------|-------|-------|
| | UWSP | 37.18 | 14.98 | 40.29 |
|--|------|-------|-------|-------|

Nodal agencies [DIC, RDPRD/Zilla Panchayat, KVIC/ KVIB & ULB (municipalities)] are requested to extend assistance to banks for recovery of overdues in co-ordination with Banks. Bank wise details are furnished in **Annexure XV, XV-A & XV-B.**

19.2 : NON-PERFORMING ASSETS POSITION :

There were **745397** NPA a/cs involving an amount of ` **17869.34 cr** as of September 2015, accounting for **3.80%** of total advances. The Farm sector accounts for **330691** a/cs, with a balance of ` **4929.43 cr** constituting **5.14%** of advances to agriculture. NPA under MSE and OPSA works out to **6.63%** and **0.15%**, respectively.

Bank wise details are furnished under **Annexure – XVI.**

19.3 : RECOVERY UNDER SARFAESI / DRT / LOKADALAT

Banks have recovered ` **792.29** cr against amount involved ` **2183.38** cr under **SARFAESI Act, recovered ` 184.66 cr** against amount involved ` **1025.09** cr under **DRT** and recovered ` **19.33** cr against amount involved ` **300.58** cr through **Lok Adalat** up to September 2015.

19.4: RECOVERY UNDER KPMR & KACOMP ACTS

As of Sep. 2015, **5714** cases filed by Banks under RR Act were pending before Revenue Authorities involving an amount of ` **72.49 cr**. The Banks have filed **149** applications during Sep. 2015 quarter involving loan amount of ` **1.20 cr**. There are **1794** cases pending for more than 3 years for recovery under RR Acts.

Bank wise details are furnished under **Annexure – XVII and XVII A.**

AGENDA 20.0 : LEAD BANK SCHEME – STRENGTHENING & MONITORING INFORMATION SYSTEM (LBS-MIS)

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

SLBC had advised all Banks to submit the above statements as per the periodicity of submission. The consolidated statements of LBS-MIS-I, II, III, IV & V for the State as a whole, as on September 2015 are furnished in **Annexures XVIII -1 to 4.**

AGENDA 21. 0 : NABARD AGENDA NOTES:

I. Area Development Plan / Scheme

To facilitate enhanced term lending to agriculture and hasten the process of capital formation in agriculture sector, NABARD continued its process of identifying area development plan in PLP 2016-17. The plans are prepared taking into consideration the forward and backward linkages available, agro-climatic conditions, infrastructure etc. Implementation of these projects will result in enhanced livelihood option for large number of SF/MF. The area development plan / schemes identified in the districts have been made agency specific for

proper implementation. SLBC may direct all the LDMs to incorporate the ADP identified in the PLP in the DCP and a suitable monitoring mechanism may be evolved at district/state level for proper monitoring / implementation of ADP. Coordinated efforts are required from all stake holders for successful implementation of ADPs.

II. Government Sponsored Programmes:

(a) Solar Pumping System

(i) Target allocated for the State is 1,200 pumpsets. An amount of `1.65 lakhs was sanctioned as advance subsidy to KVGB, Bidar DCCB, Yes Bank, Bijapur DCCB while an amount of `1.00 crore is being released as advance subsidy to Karur Vysya Bank and RBL Bank.

(ii) Banks may avail advance subsidy to promote pumping system in a big way. Banks may issue necessary instructions to their branches in this regard and allocate targets so as to achieve the allocated target of 1,200 units for Karnataka for the year 2015-16. The advance subsidy is required to be utilized within 3 months from the date of release by NABARD and the banks are required to furnish final details on claim / subsidy with proper documents for adjustment against advance subsidy.

(iii) The banks may also submit claims for subsidy without even availing advance subsidy with prescribed documents.

III. SHORT-TERM AND WEAVERS' FINANCE:

(a) GOI Interest Subvention Scheme on Crop Loans

Govt. of India has settled all the Interest Subvention claims up to 2013-14 (both normal and additional). A comprehensive study on the implementation of interest subvention scheme was taken up in Mysore and Belgaum districts from 17 August 2015 to 27 August 2015.

(b) Kisan Credit Cards (Position as on 31 October 2015)

| Sl. No. | Name of the Agency | Live KCC (No.) | Rupay KCC (No.) | Coverage in % |
|----------------|---------------------------|-----------------------|------------------------|----------------------|
| 1 | KSCAB | 24,66,540 | 54,976 | 2.23 |
| | RRBs | | | |
| 1 | Pragathi Krishna GB | 2,51,521 | 39,635 | 15.76 |
| 2 | Karnataka Vikas GB | 2,81,844 | 66,373 | 23.55 |
| 3 | Kaveri GB | 2,43,332 | 58,166 | 23.90 |
| | Total for RRBs | 7,76,697 | 1,64,174 | 21.14 |
| | Grand Total | 32,43,237 | 2,19,150 | 6.76 |

The progress in issue of RuPay KCC by the Cooperatives is extremely poor. SLBC may impress upon the banks to make all out efforts to issue the Rupay KCCs in large numbers.

(c) Fresh Financing to PWCS

Gol, MoT is closely monitoring the flow of credit to the handloom sector and is regularly seeking the status and progress in submission and sanction of fresh financing applications

by PWCS, engagement of Bunkar facilitators etc. SLBC may provide the details to NABARD on monthly basis so as to update the Gol on the issue.

Department of Handlooms may be requested to create awareness among their District Offices, weavers and the PWCSs about various schemes available for the handloom sector, like Margin Money Assistance (for weavers and their SHGs, JLGs) and Interest Subvention.

IV. GLC - Development of Portal by NABARD:

(i) NABARD is in the process of developing a robust digital platform for collection and reporting of data on agriculture credit as decided in the meeting held at the behest of DFS, Gol with NABARD and IBA on 23.7.2015. In this connection, NABARD HO, have issued certain instructions vide letter dated 09.09.2015, (copy enclosed) to all banks to initiate necessary action to put in place necessary mechanism for collecting state wise/ activity wise agricultural data in order to integrate the same with proposed web portal to be introduced by NABARD. Necessary formats have also been dispatched to banks for capturing the data.

(ii) KSCAB Ltd., KSCARDB Ltd. and RRBs have identified Nodal Officers for handling the work related to uploading of data on ground level agricultural disbursements onto the web portal. These banks may indicate further steps taken in this regard for early introduction of technological platform to collect information on agricultural credit.

(iii) Incorporation of information regarding ground level disbursement on agricultural term loan in the SLBC agenda (Annexure IV).

Hitherto SLBC was furnishing disaggregated data on Ground Level Credit to agriculture with break up for crop loans and term loans separately in Annexure IV to the agenda note for SLBC meeting. However since last meeting, only consolidated data for GLC for agriculture is provided. This hampers any meaningful discussion on trends in credit flow for term loan segment and crop loan segment which is quite essential for monitoring of the credit flow for this vital sector of the economy.

V. SHG-JLG:

(a) Rejuvenation of SHG-BLP

As already communicated to SLBC vide NABARD's letter dated 29 October 2015, Banks are required to take necessary steps to:

- bridge the gap between savings linkage and credit linkage of SHGs
- bring down NPAs on SHG lending
- make use of incentive scheme of NABARD for Tracking and Revival of dormant SHGs
- increase the average size of loan per SHG in the State

(b) Digitisation of SHG :

Banks operating in Mysore District may furnish data on SHG to DDM, NABARD, Mysore and also to NABARD Regional Office in the format prescribed which has already been circulated amongst all bank branches by DDM, Mysore.

VI. FINANCIAL INCLUSION:

(a) Solar Powered VSAT Connectivity in Sub Service Areas (SSA):

(i) NABARD has come out with a Scheme for extending support for setting up of Solar Powered VSAT connectivity to Kiosk/Fixed CSPs to address the issue of connectivity as also power supply in Sub Service Areas of the banks. The main purpose of the scheme is to bring the banking services to the far flung areas of the country, as connectivity is the roadblock for making available banking services in those areas.

(ii) Detailed circular (No 231/DFIBT 32/2015 dated 29.10.2015 of NABARD, HO, Mumbai) has already been issued to SLBC convenor for bringing the contents of the Scheme to the notice of all banks for submission of proposals by banks to NABARD Regional Office by 31.01.2016, with a target for completion of implementation by 31.03.2016. SLBC is requested to indicate the present status.

VII. RURAL INFRASTRUCTURE:

As on 30 November 2015, 3008 irrigation projects have been completed in the State under RIDF I to XIX. These projects have created irrigation potential of 2,81,835 ha in 29 districts of the state. District-wise details of the completed irrigation projects are furnished in Annexure-T. Banks are requested to take earnest efforts in assessing the additional credit requirements of farmers in the command area of the projects.

AGENDA 22 : ANY OTHER MATTERS WITH THE PERMISSION OF CHAIR

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