



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

MINUTES OF THE 140th MEETING OF SLBC HELD ON 14.02.2018

The 140th SLBC Meeting was held on 14th Feb 2018 at the Meeting Hall, Vikasa Soudha, Bengaluru under the Chairmanship of Sri Ch. S.S. Mallikarjuna Rao, Executive Director, Syndicate Bank.

The Executive Director extended warm and hearty welcome to Sri T.M. Vijay Bhaskar, Addl. Chief Secretary, GoK, Sri D.V. Prasad, ACS & DC, GoK, Sri.Jagadish Addl.Chief Electoral Officer, Karnataka, Sri M.I. Ganagi, CGM, NABARD and Sri P J Thomas, Officer In-Charge, RBI. He also extended cordial welcome to Addl. Chief Secretaries, Principal Secretaries, Secretaries to Govt of Karnataka, Senior Executives from Reserve Bank of India and NABARD, Senior Officers from the State Govt, representing various Line Departments, Corporations and Boards, Senior Executives from Commercial Banks, Co-op. Banks, Chairmen of RRBs, Lead District Managers other Financial Institutions, UIDAI, General Insurance Companies, NGOs & other participants present in the meeting.

Sri Ch. S.S. Mallikarjuna Rao, Executive Director, Syndicate Bank in his key note address on the issue of **Financial Inclusion Campaign – 5th to 20th February 2018**, said that Department of Financial Services, Ministry of Finance, Government of India has advised all the banks to organise campaign for Financial Inclusion from 5th to 20th February 2018, with objectives of Activation of all inactive Jan-Dhan accounts, Issue of RuPay cards, and initiating use of unused RuPay cards, Aadhaar and mobile number seeding in unseeded CASA accounts, Aadhaar Authentication of CASA accounts, Educating and motivating all Jan-Dhan account-holders to subscribe to PMSBY/PMJJBY/APY. He hoped that, all the banks have already launched the campaign and requested them to make it successful. He also requested the State Government to extend all the support to bankers in this endeavour. As per the Guidelines given by the GoI that we have to ensure that every operative account is seeded with Aadhar by 31st March 2018 besides the inoperative accounts also to be seeded by making them active by contacting the customers. Apart from that Aadhar authentication also been made mandatory through various means. He requested the bankers to undertake this exercise and ensure that the exercise is completed by March 2018

On the issue of **Digital Initiatives**, he requested the bankers to propagate Digital Transactions through BC's by creating awareness. He requested all the Banks to identify and adopt Gram Panchayats and one District for transformation as Model Digital Panchayat / District for Digital Payment award.

On the issue of **Banking Facility for Senior Citizens & Differently Aabled Persons** the Executive Director said that on considering the occasions when banks discourage or turn away senior citizens and differently abled persons from availing banking facilities in branches, Reserve Bank of India, has advised the Banks that it is imperative to be sensitive to the requirements of senior citizens and differently abled persons from availing banking facilities in branches notwithstanding the need to push digital transactions and use of ATMs.

With regard to **Visit of The ECI Team to review the Poll preparedness for the General Election to Karnataka Legislative Assembly - 2018**, the Executive Director said that a team of officials of Election Commission of India have recently conducted meeting with State Nodal Officers and discussed on the action to be taken by the Banks during Model Code of Conduct (MCC) period and issued protocol to be followed by Banks. The directions in this regard have been already circulated to the Banks by SLBC. He requested all the Bankers to strictly comply with the directions of Election Commission.



On the issue of **Investor Awareness Programme – Investor Education and Protection Fund Authority (IEPF Authority)**, the Executive Director said that a lack of awareness among potential investors, especially in rural areas about investment related matters, make them vulnerable to fraudulent investment schemes.

He requested all the stakeholders to explore the possibilities of capacity building of the counselors of Financial Literacy Centres on creating investor awareness with the support of SEBI, Bengaluru.

On the issue of **Non Performing Assets Position**, the Executive Director sought the cooperation from Government in forming the recovery team and also to advise DC's to dispose of applications under SARFAESI Act.

The Executive Director was pleased to inform the House that the State has performed well under **MUDRA and other Govt. Sponsored Schemes**. He requested all the Banks and other Stakeholders to continue with the same zeal for achieving the set targets.

However, under Stand-up India, the performance is dismal and he requested the Banks to expedite sanctions to SC/ST/Women for setting up a Greenfield enterprise. In order to accelerate the progress under the scheme, he sought the assistance of Dr. Ambedkar Dev. Corporation, Karnataka Maharshi Valmiki ST Dev. Corporation, Karnataka Women Dev. Corporation for sponsoring of applications complying with the scheme guidelines.

In case of Govt sponsored schemes, though the majority of the Line departments have allotted the targets they are yet to sponsor the applications to the Banks. As the financial year end is fast approaching, he requested all the Line Departments to immediately sponsor the eligible applications to the Banks to facilitate them to reach the targets.

He appealed to all the stakeholders that efforts are intensified to accelerate the momentum under PMJDY, PMJJBY, PMSBY, APY, MUDRA & Stand Up India, as these schemes are Govt's initiative towards bringing about meaningful Financial Inclusion.

Thereafter, **Sri T.M. Vijay Bhaskar, Addl. Chief Secretary, Government of Karnataka** addressing the House, informed that CD ratio was hovering around 75% for quite a long period. He was pleased to note that CD ratio has increased from 75.20% last year to 76.80% recording 1.60% growth. He said that enrollment of loanee farmers under Pradhan Mantri Fasal Bhima Yojana is far low compared to the previous year enrollment, though it was mandatory to cover loanee farmers under insurance. He said that it is lower than the non-loanee farmers' enrollment. He called upon the Bankers to enroll more number of Loanee farmers in the ensuing season. He advised the Dept of Agriculture to issue notification much earlier to enable the Bankers to enroll all the eligible farmers under the scheme within the cutoff date period.

On the issue of **the progress under Social Security Schemes** he said that the progress needs to be improved. Reacting to this Convenor SLBC informed that Bankers must compulsorily cover all the Loanee under the above scheme as per the directions of Dept of Financial Services, GoI. Under Stand Up India Programme ACS has advised the Dr. B.R. Ambedkar Dev. Corporation, Karnataka Valmiki ST Development Corporation and Women Development Corporation to sponsor more number of applications under the scheme as the target is huge. He informed that good progress had been achieved by NRLM and Pashubhagya Schemes and the progress from other Departments is very poor. Hence, he



advised all the Departments to sponsor applications early and achieve the set targets in time.

On the issue of **Aadhar Seeding** he said that some banks are showing less than 60% progress and he called upon them to achieve 100% by march 2018.

On the issue of **Recovery** he requested ACS & DC to instruct all the District Commissioners to dispose of the applications under section 14 of SARFAESI Act, 2002 within 30 days.

Sri D V Prasad, Add. Chief Secretary & Development Commissioner, Government of Karnataka informed that the time left for achieving the set targets is very less. He said that the low progress may be due to non-sponsoring of applications by the department or pendency of applications at the branches. Hence, he called upon both the departments and Bankers to reconcile the matter and achieve the set targets in time.

Sri P J Thomas, Officer In-Charge, RBI informed that RBI had issued a circular dated June 8, 2017 pertaining to 'Rationalisation of Branch Authorisation Policy and revised guidelines on 'Banking Outlets' with a view to facilitate financial inclusion as also to provide flexibility to banks on the choice of delivery channel for unbanked villages having population more than 5000. He requested SLBC to review the present position in this regard.

He said that it has come to the notice of the Reserve Bank of India that in certain places there is reluctance on part of traders and members of public to accept ₹ 10 coins due to suspicion about their genuineness. He said that RBI has clarified through various press releases about their distinctive features and informed that all these coins are legal tender and can be accepted for transactions. He requested all the banks to accept coins for transactions and exchange at all the Bank Branches.

He said that The Reserve Bank of India has come across some misleading information circulating in the media including social media, about closure of some Public Sector Banks in the wake of their being placed under the Prompt Corrective Action (PCA) framework. In this context he said that The Reserve Bank of India has clarified that the PCA framework is not intended to constrain normal operations of the banks for the general public and it has been in operation since December 2002 and the guidelines issued on April 13, 2017 are only a revised version of the earlier framework.

He said that RBI has cautioned users, holders and traders of Virtual Currencies (VCs) including Bitcoins through press releases regarding the potential economic, financial, operational, legal, customer protection and security related risks associated in dealing with such VCs. Further he said that RBI has not given any license / authorisation to any entity/company to operate such schemes or deal with Bitcoin or any VC.

He said that The Reserve Bank of India has launched a public awareness campaign, **Suno RBI Kya Kehta Hai** through SMSes to educate the members of the public about various banking regulations and facilities available to them. RBI has been sending messages cautioning people against falling prey to unsolicited and fictitious offers received through emails/SMSes/phone calls. He said that the public can also send their feedback on the campaign by email.

He said that as a part of spreading basic financial education across various segments of the society, the National Centre of Financial Education (NCFE) supported by the financial sector regulators launched the Financial Literacy kiosk and the digital display at the RBI Financial Literacy Resource Centre, Bengaluru on January 23, 2018. He said that the principle secretary to Government Education Department (Primary & secondary) after inaugurating the Financial literacy Kiosk, have expressed their eagerness in taking forward the mission of



spreading basic financial education among school children and teachers and making efforts to include financial awareness in the school curriculum.

He said that lack of coordination between banks and line departments with regard to processing of loan applications under various Government social welfare schemes. Non participation of District officers and Responsible officers from certain banks in BLBC/DCC/DLRC meetings is hampering the review of progress under different schemes. Hence, he requested GoK and SLBC to issue necessary instructions to all concerned in this regard.

Later on **Shi M I Ganagi, CGM, NABARD** in his address touched upon on the issue of **GLC for Agriculture**. He observed that though the banks have achieved 51% of annual target under Annual Credit Plan (ACP) 2017-18, till 30 September 2017, the achievement was less as compared to 53.3% during the corresponding period previous year i.e. till 30 September 2016. He exhorted the banks to step up the lending for agriculture especially for AGTL. He expressed his anguish that major portion of lending for AGTL is by SCBs whilst the performance of Cooperatives and RRBs is not to the desired level. He insisted that RRBs and Cooperatives have to step up their efforts to lend more under AGTL in the remaining period of the FY so as to achieve the GoI target of covering of 32% lending under Agriculture Term Loans.

As regards to reporting of GLC data, he advised all the Banks to ensure reporting of correct and consistent figures to all agencies i.e. GoI, RBI, NABARD and SLBC as this forms the basis for policy formulation related to Agriculture / priority sector lending.

He expressed his concern observing that average per branch disbursement of agri-credit by many banks are much below the per branch disbursement of agri credit required to be attained to achieve the annual targets fixed for the bank.

On the issue of **Unit Cost / Scale of Finance for lending** CGM, NABARD made an observation that many of the banks are adopting Scale of Finance (SoF) fixed by DLTC / Unit Cost fixed by State level Unit Cost Committee, without examining / considering whether the crops are grown / investments are made by adopting traditional farm practices or with hi-tech practices. On some occasions this results into under-financing and risk of investment becoming non-performing. He clarified that the SoF / unit cost fixed is normally fixed taking into account normal / traditional farm practices and in case of Hi-tech investments / improved farm practices, banks should ensure appropriate level of financing to avoid under-financing.

With regard to **SHG Bank Linkage Programme**, as regards SHG-Bank Linkage Programme during the year 2017-18, CGM, NABARD indicated that NABARD has proposed to conduct 1,700 Village Level SHG Programmes through rural branches of banks and bank branches will get financial support upto ₹ 2000 per programme.

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

AGENDA 1.0: CONFIRMATION OF THE MINUTES OF 139th SLBC MEETING HELD ON 08.09.2017

The minutes of 139th SLBC Meeting held on 08.09.2017 to review the performance as on June 2017 were circulated vide letter No. 637/2017/2944/SLBC/101-139 dated 21.9.2017. The Minutes were approved as no suggestions for amendments were received.



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

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

1. On the issue of Reimbursement of Service Charges to Banks under Crop Insurance Schemes of PMFBY / WBCIS / NAIS, the Commissioner of Agriculture informed that several rounds of discussions were held with Insurance Companies and advised them to pay the service charges to the banks immediately. He has also informed that another move is on that the service charges will be deducted from the Subsidy amount. Decision in this regard is awaited. ACS, GoK advised the Commissioner to further follow up with the Insurance Companies to resolve the issue.

(Action: Dept. of Agriculture)

2. On the issue of Aadhaar Authentication & Setting up of Centres for Aadhaar enrolment ACS, e-Governance, GoK commented that Aadhar enrollment centres opened at banks are being utilized only for enrollment and not for updation. Reacting to that Asst. Director General, UIDAI said that the process of new enrollment and also updation is being done in the enroll centres which he has visited. Convenor SLBC informed that the Aadhar centres are opened for the usage of the general public apart from the bank customers and he requested all the bankers to open Aadhar Enrollment Centres in the remaining identified centres immediately.

(Action: Banks)

3. On the issue of Opening of FLCs in the remaining centres by Banks the Chairman, PKGB and the representative from Andhra Bank informed that the FLC's will be opened by the month end.

(Action: PKGB & Andhra Bank)

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

The enrolment under PMFBY Kharif 2017 was presented to the House.

Addl. Chief Secretary, e-Governance, GoK commented that during Rabi-2017 the enrollment of loanee farmers is only 8811 as against the enrollment of 148000 during Rabi-2016 where major contribution to it is from APEX Bank. The representative of APEX Bank informed that the enrollment is very low during Rabi-2017 due to two reasons. 1. Delay in issue of notification 2. The amount waived by GoK is not received by them so far.

It was resolved that the Dept. of Agriculture to issue notification two months earlier, on crops to be covered under Insurance without waiting for bidding for selection of Insurance Companies, so that banks can cover such crops under Insurance and send the premium as soon as the agency name is communicated.

The Commissioner Agriculture, GoK informed that all the issues of M/s. Shriram General Ins. Co. Ltd. will be resolved in 3 to 4 days and it will be informed.

As far as delay in Claim settlement process under Kharif-2016, Rabi-2016 the ACS, e-Governance, GoK informed that the crop cutting experiments are coming in the way of settlement and he assured that all the issues will be resolved by Kharif-2018.

(Action: Dept. of Agriculture)



AGENDA 3.0: FINANCIAL INCLUSION

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

Executive Director, Syndicate Bank said that as per the directions of Ministry of Finance, Gol, Aadhaar enrolment/update & Authentication facilities are to be provided at Bank Branch premises and every scheduled Commercial Bank to set up centers for Aadhaar enrolment and update facility inside its bank premises at a minimum of 1 out of 10 branches. As per the information gathered, 23 Banks have identified 653 centers for opening of Aadhaar enrolment centers in the State and he was glad that 18 Banks have opened 175 centers as on date and he stressed on the importance of opening of Aadhaar enrolment centers at the earliest.

The Convenor-SLBC requested all the bankers to open Aadhar Enrollment centres in the remaining identified centres immediately.

(Action: Banks)

II. The Progress of Aadhaar/Mobile seeding of Operative CASA a/cs in Karnataka as on 01.12.2017 was furnished to the House.

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

As per the information provided by the Dept., out of the 62,72,261 total workers, 59,15,776 have been seeded with Aadhaar number in their MIS, with a percentage of 94.32 and of which, 34,32,535 workers have been converted into Aadhaar Based Payment, with a percentage of 54.73 as on 08.12.2017. The representative from RDPR Dept informed that the camps are being organised for seeding of Aadhaar.

The Dept on 24.10.2017 has informed that there are 10.48 lakh Social Security Pension beneficiaries, who receive pension through Banks, 7.73 lakh a/cs are seeded with Aadhaar and 5.37 lakh a/cs are mapped with NPCI. The Convenor advised the Dept to complete the process of Aadhaar seeding as per the timeline set out.

(Action: DSSP)

IV. Digital payments

On the issue of **On-boarding of merchants to accept digital payments** the Convenor informed that the number of PoS deployed in the State is 2,29,941 as on 30.11.2017 and number of on boarded merchants is 2,55,767, which is quite low and needs to be augmented. The Convenor requested the Banks to take necessary steps to on-board the merchants as per the target and report to SLBC for taking up review at the meetings.

On the issue of **Digital payments – Adoption of Villages by Banks for 100% cash less transactions** as per the information received 8 banks adopted 50 villages for coverage of 100% cash less transactions. Of which 34 villages are from KVGB and General Manager, Vijayabank informed that 59 villages have been adopted for Digital Transactions. Convenor-SLBC requested all the Bankers to adopt more villages for 100% digital transactions.

(Action: Banks)

V. Grant Assistance under Financial Inclusion Fund (FIF) for conduct of Financial Literacy Programmes – Support for “Going Digital”

CGM, NABARD called upon the banks (rural branches and FLCs) to conduct awareness programme @ one programme per rural branch or FLC every month for a period of one year



beginning 01 April 2017 on “Going Digital” as per the directions of RBI. The expenditure incurred for organizing “Going Digital” camps would be reimbursed @ 60% of the expenditure incurred or ₹ 5,000/- per programme whichever is less by NABARD. He requested the Banks to utilize this facility.

He further stated that in order to strengthen the outreach of rural branches of commercial banks, RRBs and Cooperative Banks and FLCs set up by the banks, NABARD would provide grant assistance under Financial Inclusion Fund (FIF) for purchase of hand held projector and portable speaker to organize outdoor visual / Audio programmes. **As cut-off date for submission of proposal for sanction of grant assistance has been extended up to 31st March 2018** he requested the banks to hasten the submission of proposals for availing of the grant assistance.

(Action: Banks)

VI. Review of Performance of BCAs –

The Convenor informed that totally, 5303 Micro ATMs have been provided to BCAs, out of which, 4826 are capable of interoperable withdrawals transactions under AEPS and 4342 are Rupay Cards enabled micro-ATMs.

As per the directions of the DFS, the SLBC is making verification calls to Bank Mitra and submitting weekly report to DFS and the respective data as of 08.12.2017 were presented to the House. He further requested the Banks to make arrangements to engage BCAs in the 63 vacant centres immediately. The Convenor requested the State Govt to provide space to BCs at Gram Panchayat offices, wherever possible to carry out their functions.

(Action: RDPR Dept / Banks)

VII. Performance under PMJDY:

The progress under the scheme upto 31.3.2016, 31.3.2017 and as on 30.11.2017 was presented to the House. Totally 80.76 lakh accounts have been seeded with Aadhaar against 107.25 lakh accounts opened, covering 75.31%. Out of total 94.33 lakhs RuPay cards issued, 79.56 lakhs are activated. The percentage of activation is 84.34%. The Bank-wise/District-wise details as on 30.11.2017 were presented to the House.

VIII. Performance under Social Security Schemes

The Progress in enrolment of applications as on 31.10.2017 was furnished to the House. Totally, 32.58 lakh accounts under PMJJBY, 71.51 lakh accounts under PMSBY and 4.00 lakh accounts under APY were enrolled and totally 15299 claims have been settled. The Bank-wise / District-wise status as on 31.10.2017 of the 3 schemes was furnished to the house. The Convenor requested the Banks to achieve 100% renewal and enroll more members under the Social Security Schemes.

(Action: Banks / Line Depts.)

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

As per the roadmap, out of the 1000 villages with population of above 5000, 790 villages were already having a brick and mortar branch of a scheduled commercial bank. Out of the remaining 210 villages, 21 B&M and 133 USBs have been opened. The remaining 56 Branches are to be opened by Karnataka Bank (9), SBI (e-SBM) (8), Vijaya Bank (7), SBI (6), Canara Bank, IOB (4 each), Corporation Bank, SBI (e-SBH) (3 each), PNB, Union Bank of India, Kotak Mahindra (2 each), BoB, BoM, Indian Bank, UCO Bank, Federal Bank, Axis Bank (1 each).



The convenor requested the bankers to be guided by the revised guide lines on branch rationalization policy of RBI for opening Branches in the remaining unbanked villages.

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

Villages inadequately covered or uncovered by financial infrastructure

Convenor SLBC informed that the list of inadequately covered or uncovered villages in the State numbering to 1540 is provided by the DFS and the same has been circulated amongst LDMs for verification. He requested the LDM's to take up verification to enable to map financial infrastructure and to propose Gram Panchayat wise action plan for uncovered / inadequately covered Gram Panchayats.

(Action: Banks / LDM's)

X. Financial Literacy Centres (FLCs):

Convenor SLBC informed that out of 7 FLCs were to be opened by Banks, SBI (e-SBH) has reported that they have opened in all the 5 centres, and the representatives from Andhra Bank & PKGB have informed that the FLC's will be opened by the end of February 2018.

Further he informed that in Karnataka, Syndicate Bank has sponsored 5 Blocks in Ballari district and Canara Bank sponsored 5 Blocks in Chitradurga District as per the pilot project of RBI to be implemented by Banks in collaboration with NGOs/agencies identified by RBI. The above CFL's started functioning from October 2017.

(Action: Andhra Bank / PKGB)

XI. Sharing of Bank Account holder names associated with Aadhaar numbers for DBT:

Addl. Chief Secretary, e-Governance, GOK, has informed that the state Govt. has embarked on a plan to create a state level centralized DBT Portal which will ensure the genuineness of the recipient of Govt. benefits. It will verify the name of the a/c holder to whose a/c the money is to be transferred.

To achieve the same, the bankers need to provide Govt. access to the names of the a/c holders of beneficiaries. To facilitate this, the state DBT Portal is putting in place a process where Aadhaar number of beneficiaries would be shared with the particular bank of beneficiary as an XML file through a secured file transfer protocol (SFTP) mode. The particular Bank would have to process this file and share the response back along with the associated names of the a/c holders of those a/cs which are associated with the given Aadhaar numbers.

Executive Director, Syndicate Bank requested the bankers to speed up the process of authentication and complete it by March 2018, to solve the problems of remitting benefits to the beneficiaries.

The House deliberated on the subject and requested the department to provide the Bank wise list of the beneficiaries with their Bank Account number for doing the needful in the matter.

**AGENDA 4.0: PRADHAN MANTRI MUDRA YOJANA (PMMY)**

The Convenor expressed his happiness over the disbursements made under the scheme and he requested them to continue their efforts. He requested the Banks to surpass the targets allotted to individual Banks for 2017-18 by DFS: MoF: GoI.

The Bank-wise progress for the period 1.4.2017 to 08.12.2017 was furnished to the House.

AGENDA 4.1 : STAND-UP INDIA PROGRAMME

Under Stand Up India Programme **ACS, Government of Karnataka** informed that the progress under the Scheme is dismal. The Bankers informed that they are not getting sufficient no. of applications under the Scheme. The ACS, GoK has advised the Dr. B.R. Ambedkar Dev. Corporation, Karnataka Valmiki ST Development Corporation and Women Development Corporation to sponsor more number of applications under the scheme as the target is huge.

GM, SIDBI informed that accounts have not yet opened in some of the districts. He requested the LDM's and Bankers to implement the scheme in true spirit.

The Bank-wise achievement as on 05.12.2017 was furnished to the House.

(Action: All the Stakeholders)

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

The Credit Linked Subsidy Scheme (CLSS) - Housing for All (Urban) Mission of Pradhan Mantri Awas Yojana (PMAY) has become effective from 17th June 2015 and will be implemented upto March 2022. The scheme guidelines have been discussed in earlier SLBC meetings.

The Convenor informed that the SLNA (State Level Nodal Agency) has fixed target of 25000 beneficiaries for 2017-18. The Dept has requested the Banks to promote new schemes, i.e., CLSS-MIG. The list of identified beneficiaries as received from the Dept has been circulated to all the Banks for further action.

Principle Secretary, Dept. of Housing informed that list of beneficiaries on CLSS scheme has been shared with SLBC and in turn it has been shared with banks. As the list contains only the name and other preliminary data, it will not suffice the purpose of building application for extending credit facilities under the said scheme. Hence, ACS, GoK advised the department to sponsor the full pledged applications along with necessary documents to the banks to enable them to process and achieve the set targets. Principle Secretary, Dept. of Housing called upon the banks to cover the housing loans extended to Middle Income Group (MIG) and encourage MIG beneficiaries to reap the benefit under the scheme.

As per the information gathered, 4355 applications have been received. Out of which, 4277 applications have been sanctioned amounting to ₹ 9884 lakhs by banks as on 30.9.2017.

(Action: Housing Dept / Banks)

AGENDA 5.0: PROVIDING RELIEF MEASURES TO THE DISTRESSED FARMERS

Convenor SLBC informed that during the year 2017-18, none of the Taluks have been declared as drought affected so far by the Govt. of Karnataka.



AGENDA 6.0: KARNATAKA FARMERS' RESOURCE CENTRE [KFRC]

The Convenor informed that KFRC has conducted 57 training programmes involving 2716 participants during the fiscal 2017-18. The cumulative works out to 660 programmes and 43459 participants since inception.

The Convenor informed that Hon'ble High Court Bench at Dharwad has issued Interim Stay Interim Stay against the order of BTDA till next date of hearing and the KFRC Board of Trustees have also decided to wait till the final outcome of the High Court Decision. As per the Information received from the Executive Director, KFRC the consulting Engineer & Contractor for building construction has requested to settle bills and close the accounts including releasing of EMD and Security Deposits since work is held up for long time due to the stay order of High Court. Convenor said that the decision can be taken in the Board of Trustees meeting.

(Action: KFRC)

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

The Convenor informed that all SLBC Sub-Committees have conducted the meeting during the review period and the minutes were presented to the House excepting the MSME Sub-Committee meeting held on 11.12.2017, Agriculture & Allied Activities Sub-Committee meeting held on 08.12.2017.

Change in Chairmanship of the Sub-Committee on R-SETIs- The Convenor SLBC informed that presently, the Sub-Committee on R-SETIs is chaired by the Pr. Secretary, RDPR Department. Now, the Addl. Chief Secretary, Skill Development, Entrepreneurship & Livelihood Dept., GoK vide their letter No.ಕೌಉಜಿಇ.76.ಉಜಿಇ, 2017 dated 27.11.2017 expressed his view to be the Chairman of the Sub-committee on R-SETIs as the R-SETIs are extending EDP training to unemployed youths for skill development and creation of self employment which are more relevant to the Skill Development Department. He sought the approval of the house and the House approved the same.

(Action: Line Dept. / Corp. Bank / Canara Bank)

AGENDA 8: BANKING FACILITY FOR SENIOR CITIZENS & DIFFERENTLY ABLED PERSONS

Convenor SLBC informed that Reserve Bank of India vide their circular dated 9.11.2017 addressed to the Banks, have observed that there are occasions when banks discourage or turn away senior citizens and differently abled persons from availing banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, it is imperative to be sensitive to the requirements of senior citizens and differently abled persons from availing banking facilities in branches.

In view of the above, he requested the banks to put in place appropriate mechanism with the following specific provisions for meeting the needs of senior citizens so that they are able to avail of the banks services without difficulty.

- a) Dedicated Counters/Preference to Senior Citizens, Differently abled persons
- b) Ease of submitting Life Certificate
- c) Cheque Book Facility
- d) Automatic conversion of status of accounts
- e) Additional Facilities to visually impaired customers
- f) Ease of filing Form 15G/H
- g) Door step Banking



He requested the Banks to implement these instructions in letter and spirit and give due publicity in their bank branches and websites.

(Action: Banks)

AGENDA 8.1: Directions of Addl. District Magistrate and Police Commissioners of Hubli/Dharwad and Davanagere - Providing Security to all Bank Branches and atms

Convenor SLBC said that as per the information received from LDM's Dharwad & Davanagere, the Additional District Magistrate and Police Commissioner Hubli/Dharwar and Davanagere have issued orders to all Bankers operating in their District for providing additional security as under.

- 1) For Providing Security Guards 24*7 in all bank branches and ATMs.
- 2) For Installation of CCTV cameras inside and outside of ATM sites.
- 3) For Installation of Burglary Alarm System at all ATMs.

It is also informed that a suitable lawful action shall be initiated against those who do not adopt above guidelines as per sec. 188 of IPC and ATM operations will be prohibited / suspended.

Now all the Banks are of the opinion that providing security guards is not practically / economically viable and the Banks may not deploy security guard in case of MOF ATMs.

In response to this The ACS & DC, GoK said that the matter will be taken up with Home Department

AGENDA 8.2: Appropriation of subsidy for Milk producers against their dues of loan accounts

Convenor SLBC informed that in response to the letter addressed by Sri H.D. Deve Gowda, Hon'ble Former Prime Minister of India to Hon'ble Finance Minister, GoI requesting him to restrain banks from adjusting the amount received towards input subsidies against the dues of loanee accounts. In this regard, the RBI had requested the IBA to look into the matter. Accordingly, the IBA had convened a meeting of Senior Executives from select Public Sector Banks and Private Sector Banks. It is informed by RBI vide their letter No. FIDD(BG)/155/02.03.026/2017-18 dated 13.10.2017 that the following points emerged from the meeting.

- a) The Banks are not agreeable to forgo their right to set off as a general rule. However, the Banks will consider forgoing their right to set off in specific instances where the relief / assistance is linked to natural calamities such as flood, cyclone, earthquakes, etc., and are as a onetime measure based on the notifications issued by the Central / State Govt.
- b) The Banks are not agreeable to extend the concession to all cases of distribution of Govt subsidy including subsidy routed through DBT, on a regular basis.

He requested the house to take note of the above decision.

(Action: Banks)

AGENDA 8.3: Dilution of language proficiency in recruitment by RRBs

Convenor SLBC informed that The Addl. Chief Secretary to GoK has observed vide their letter No.FD.12.CAM.2017 dated 10.10.2017 that there is dilution of the clause in language proficiency in recruitment of Officers, Office Assistants and others in RRBs through IBPS. The Rural Banking, Digital Banking, Financial Inclusion, Financial Literacy are essential



programmes implemented by RRBs in the rural area. These are more or less awareness programmes which need proficiency in Kannada Language. The land documents, certificates, and proceedings in the Court are in Kannada. To understand and extend required customer service needs proficiency in Kannada Language.

Further, it is informed that RRBs mainly cater to the rural populace and the need for transaction with them in their vernacular language need not be emphasized more. At this juncture, the selection procedures of the employees of RRBs is tweaked by waiving the prior knowledge of Kannada language and study of Kannada upto to 8th Standard and replacing it with acquiring the knowledge of Kannada post-employment subject to Board approved policy. Moreover, the level of knowledge of local language not specified and left to the discretion of the Boards of the RRBs, which leaves scope for much to be desired. This demands the need to revert to the earlier policy in recruitment to RRBs.

In view of the foregoing, the Convenor SLBC informed that the matter to be escalated to appropriate authority at the center as the policy is at national level.

(Action: SLBC / RRB's)

AGENDA 8.4 : Investor Awareness Programme – Investor Education and Protection Fund Authority (IEPF Authority)

Convenor SLBC informed that the Addl. Chief Secretary, Finance Dept., Govt of Karnataka vide their letter No. FD.12.CAM.2017 dated 7.12.2017 informed that Govt of India has established an Investor Education and Protection Fund Authority (IEPF Authority) under the provisions of Companies Act, 2013 to inter-alia promote Investor Education and awareness through conduct of Investors Awareness Programme. As a part of this mandate, the IEPF Authority has taken several initiatives for organizing investor awareness programmes. The awareness is being created through various media like advertisements in the newspapers, jingles on radio, crawlers on television, etc. Further, investor awareness programmes are organized in the urban areas through the professional Institutes and in rural areas through the Common Service Centres located in village Panchayat.

In view of the above, Convenor SLBC requested all the stakeholders to explore the possibilities of capacity building of the counselors of Financial Literacy Centres on creating investor awareness with the support of SEBI, Bengaluru and also in organizing programmes for creating awareness about fraudulent investment schemes.

He requested all the Lead District Managers to place the Investor Awareness Programme as a regular agenda in the BLBC / DCC meetings and review the progress from time to time.

(Action: LDM's)

AGENDA 8.5: National Scheduled Castes Finance & Dev. Corporation

Sri C Ramesh Rao, Dy. General Manager, NSFDC informed that National Scheduled Castes Finance & Dev. Corporation (NSFDC), a 'not for profit' company under Sec.8 of Companies Act, 2013, and a fully owned Gol (Ministry of Social Justice & Empowerment) undertaking is engaged in promoting economic empowerment of Scheduled Caste persons living below Double the Poverty Line (presently annual family income of upto ₹ 98,000/- in rural areas and up to ₹ 1,20,000/- in urban areas). NSFDC provides financial assistance through the Channelizing Agencies for the income generating activities for its target group in agriculture and allied, industries and services (including transport) sector. The financial assistance is provided at concessional interest rates of 3.5% to 10% p.a. for projects costing upto ₹ 30 lakh per unit. NSFDC also provides concessional loans for pursuing full time professional / technical and vocational courses.



Further he said that

- The Banks/RRBs have the opportunity to avail refinance for SC Entrepreneurs covered under Stand-Up India & MUDRA. This will reduce their loan interest burden to make their business more viable and lead to their economic upliftment.
- The Banks can also avail refinance for educational loans extended to downtrodden SC students and leverage the NSFDC's concessional credit to incentivize the regular payers and provide them credit at 3.5% to 4% p.a.
- Generating awareness on NSFDC refinance through Lead District Managers and RSETIs to incentivize regular accounts with low interest rate under NSFDC Schemes.
- Operation of NSFDC Schemes through RRBs in Karnataka – PKGB, KGB & KVGB have signed MoAs with NSFDC. However, PKGB & KGB are yet to avail refinance from NSFDC.
- Dr. B.R. Ambedkar Dev. Corporation, Bengaluru is the State Channelizing Agency of NSFDC in Karnataka. The Corporation is required to submit utilization of funds disbursed earlier and also arrange additional revolving State Govt. Guarantee for availing further disbursement from NSFDC during current financial year.

He requested all the Banks / RRBs to take the benefit of refinance facilities being extended by NSFDC by entering into MoA, if not already entered.

Further he said that there are two models through which NSFDC is extending financial assistance with their channel partners.

- Refinancing model
- Project financing model

Under Refinance Model the existing regular loans of SC are covered. The Channel partner can claim 100% refinance of balance outstanding. They can claim the same by submitting a simple format to the organization.

Under Project Financing Model, it covers future borrowers under which the Channel partners avail finance up front from the organization to finance projects of eligible borrowers and complete the same as agreed.

Dy. General Manager, NSFDC said that the organization also extends financial assistance in conducting promotional and awareness programmes. They reimburse up to ₹ 50000/- per promotional program. Dr B R Ambedkar Development Corporation is state level channel partner which has extended financial assistance to purchase agriculture. They are mostly following subsistence farming and engaged in only during season. He invited all the bankers to switch them over to High-Tech farming so that the farmers can earn good profit and work throughout the year in his own farm.

AGENDA 9.0 : CARRYING OUT PUBLIC AWARENESS CAMPAIGN ON STATE ROAD TRANSPORT BUSES

Convenor, SLBC informed that, as decided by the State Level Coordination Committee (SLCC) chaired by the Chief Secretary, GoK and convened by the Regional Director, RBI to address the issues of unauthorized collection of funds by fraudulent entities, it was resolved to educate the investors in various media through advertisement on BMTC / KSRTC Buses and in Bus Shelters across the State. During the 135th SLBC meeting held on 19.9.2016, the House permitted SLBC to issue work orders to the vendors to cover the Districts of Bengaluru, Mysuru, Kalaburgi & Belagavi Districts. The campaign was kick started on 31.12.2016 by the Chief Secretary, GoK. SLBC has taken up the campaign successfully in the above 4 Districts by incurring an amount of ₹ 33.16 lacs including applicable taxes.



He said that, it is informed by RBI, that SLCC has taken decision to continue with the same campaign in other Districts of the State, i.e., Mangaluru, Shivamogga, Haveri & Vijayapura by utilizing the remaining balance of ₹ 36.34 lacs, out of the total contribution of ₹ 69.50 lacs received from the Banks.

He further informed that the SLBC has obtained Quotations from M/s Sai Advertisers and M/s Padmashree Advertisers, the details are as follows:

- 1) M/s Sai Advertisers (Rs. 7000 per bus per month). Minimum number of buses – 100 & for each depot 10 buses. Size – 265”X20” both the side and Back Panel 4’X3’. GST – 18 % extra on bill amount.
- 2) M/s Padmashree Advertisers (Rs. 8000 per unit). Minimum 100 buses. Contract period of 6 months, GST extra 18 %.

He further informed there are 24 Bus Depots totally viz. Mangalore- 6, Shimoga – 4, Haveri- 6 and Vijayapura – 8 from all the 4 districts.

The House deliberated on the issue and decided to entrust the work to M/s Sai Advertisers and advised SLBC to go ahead with execution of the work with the available Budget to carry out public awareness campaign on state road transport buses in all the 4 districts as per the SLCC directions.

(Action: SLBC)

AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF SEPTEMBER 2017

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

Branch Network:

As at the end of September 2017, the total number of bank branches in the State was **10910**, comprising **8103** Commercial Bank; **1776** RRB; **203** KSCARD Bank; **758** DCC Bank; **38** Industrial Coop Bank; **32** KSFC Branches.

ATMs :

As at the end of **September 2017** there were **16686** ATMs in the State, out of which, **2382** are in rural, **3391** are in S. Urban, **4059** are in Urban and **6854** are in Metro areas.

Deposits:

The aggregate deposits of Banks were ₹ **751267 cr** as at the end of September 2017, when compared to the level of ₹ **727000 cr** as on September 2016, registering an increase of ₹ **24267 cr** showing a growth rate of **3.34%**.

Advances:

The total outstanding Advances of Banks was ₹ **576978 cr** as at the end of September 2017 as compared to the level of ₹ **546682 cr** as at September 2016, registering an increase of ₹ **30296 cr** showing a growth rate of **5.54%**.

Credit-Deposit Ratio:

The Credit Deposit Ratio as of September 2017 was **76.80%** vis-à-vis **75.20%** as of September 2016 showing an increase of **1.6%**. The CD ratio was at **105%** in Rural areas, **83%** in Semi-Urban, **60%** in Urban and **77%** in Metro areas.



Sri T.M. Vijay Bhaskar, Addl. Chief Secretary, GoK addressing the House informed that CD ratio was hovering around 75% for quite a long period. He was pleased to note that CD ratio has increased from 75.20% last year to 76.80% recording 1.60% growth. He complemented the Bankers for their significant efforts in increasing the CD ratio of the state. He said that CD ratio in some of the districts is less than 60% similarly some of the banks also recording less than 60% CD ratio. He called upon the banks to increase their CD ratio by taking up substantial lending activities as per the set targets.

Priority Sector Advances:

The outstanding level of total **priority sector advances** of Banks stood at ₹ **262662 cr** as of September 2017 as against ₹ **249589 cr** as at September 2016 showing an increase of ₹ **13073 cr** recording a growth of **5.24%**. The percentage of priority sector advances of Banks works out to **45.52%**.

The total **agricultural advances** as at September 2017 were to the tune of ₹ **120640 cr** constituting **20.91%** of the total advances.

The outstanding **Advances to Weaker Sections** by Banks as of September 2017 was ₹ **84923 cr** constituting **14.72%** of the total Advances with an increase of ₹ **16395 cr** over the corresponding previous year level. The outstanding advances to **Small & Marginal farmers** was to the tune of ₹ **61381 cr** covering about **59.71 lac** accounts, constituting **50.88%** of the total Agriculture credit. The outstanding advances to **SCs/STs** were ₹ **15371 cr** constituting **2.66%** of the total advances.

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

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

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

The Convenor informed that the Banks could achieve 53.52% of the targets under PSA, 50.78% under agriculture advances. He called upon the Banks to improve lending under Crop Loans/KCC as it is comparatively low to Term Loan lending. He requested the Banks to accelerate lending in all the sectors to accomplish the set targets.

ACS, GoK has complemented the Bankers for their achievement of 53% under Annual Credit Plan where as it was 47% as at corresponding period of previous year. He further pointed out that very good progress has been achieved in MSME and Agriculture Sectors and he said that there is need of improvement under Education, Housing and Export Sectors. He requested the bankers to put more efforts to improve progress under these sectors.

(Action: Banks)

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

Convenor SLBC informed that under guarantee scheme of CGTMSE, Banks have covered **14333** units with an approved amount of ₹ **1276.93 cr** during the QE September 2017 and the cumulative progress was **260920** units amounting to ₹ **13486.09 cr**.

AGENDA 13.0: CENTRAL AND STATE SPONSORED SCHEMES

TARGETS FOR 2017-18

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

1) Establishment of Rural Farm Machinery Service Centres

SI. No.	Physical Target	Financial Target(₹ in lacs)
1	174	1027.50

The District-wise targets were presented to the house.

2) Deendayal Anthyodaya Yojana National Urban Livelihood Mission (DAY-NULM)

The modified targets are as under:

SI. No.	Name of the Scheme	Physical Target
1.	Individual	4765
2.	Groups	200
3.	SHG-Bank Credit Linkage	1305

The Bank-wise targets are presented to the house.

3) Dr. Babu Jagjivanram Leather Industries Dev. Corporation Ltd.

SI.No.	Name of the Scheme	Physical Target
1.	Working Capital for Self Employment Scheme (Subsidy – Max. ₹ 50,000)	164
2.	Establishment of Direct Sales Shop (Subsidy – Max ₹ 4.00 lakh)	90
	Total	254

The District-wise targets are presented to the house.

4) Revised Targets for 2017-2018 under PMEGP

The revised agency-wise targets are:

SI. No.	Agency	No. of Projects	Margin Money Subsidy(₹ in lacs)	Employment
1.	KVIC	1688	3347.00	13500
2.	KVIB	1688	3347.00	13500
3.	DIC	2249	4463.43	18000
	Total	5625	11157.43	45000

The revised District-wise & Agency-wise targets for the year 2017-18 are presented to the house.



5) New Schemes of Karnataka Minorities Development Corporation Ltd.

Sl. No.	Name of the Scheme	Physical Target	Financial Target ₹ in lacs
1.	Minorities Taxi Welfare Scheme	500	1500.00
2.	Automobile Training & Loan	100	375.00
3.	Bidari Craft Loan (for Bidar District only)	180	225.00

The District-wise targets are presented to the house.

6) Credit link for the Scheduled Caste & Scheduled Tribe Programme of Animal Husbandry Dept for 2017-18 - Unspent Amount Act 2013 (SCP) & (TSP) – Two Milch Animals

SLBC vide letter ref. 815 dated 20.12.2017 has communicated the District-wise targets for 2017-18 of the captioned scheme of the Dept of Animal Husbandry & Veterinary Sciences, GoK to all the Lead District Managers as received from them vide their letter No.CAH/Milk.Incentive/SCP/2017-18 dated 19.12.2017 as furnished below.

1.	Special Component Plan – 422	1666 Units
2.	Tribal Plan – 423	500 Units

The District-wise targets are presented to the house.

The Commissioner, Department of Animal Husbandry & Veterinary Sciences has sought the approval of target under the scheme, Unspent Amount Act 2013 (SCP) & (TSP) Two Milch animals vide their latter No. CAH/Milk Incentives/SCP/2017-18 dated 08.02.2018

1.	Special Component Plan – 422	1666 Units
2.	Tribal Plan – 423	500 Units

The House has approved the targets.

PERFORMANCE UNDER GOVT SPONSORED SCHEMES FOR 2017-18

The performance of Banks under various Govt sponsored schemes of 2017-18 as on 30th September 2017 was presented to the House.

The Additional Chief Secretary, GoK has complemented NRLM as it has surpassed the set targets well in advance. He said that the performance under Pashu Bhagya, Babu Jagjivanram Leather Industries Dev. Corporation and Devaraj Urs BC Dev. Corporation is satisfactory. The performance of other departments is not satisfactory and time left is very short. Hence, he advised the departments to sponsor the applications immediately to the banks to process them and achieve the set targets. Convenor SLBC has also requested the Bankers to dispose of the pending applications immediately. **The Commissioner, Agriculture, GoK** informed that 84 applications as against the target of 174 received from the rural youths with qualifications with Diploma in Agri Engineering / Agriculture / Automobiles / Mechanical, ITI, PUC are eligible to setup Rural Farm Machinery Service Centers. He requested bankers to extend finance to establish service centers as they are eligible for back ended subsidy.

CGM, NABARD observed the lack of desired level of awareness about Government Schemes at branch level of various banks, which not only denied credit / benefits to some of the eligible and desirous population but also resulted in avoidable complaints / grievance. He



advised the banks to take necessary steps to create adequate awareness about GSS amongst the branch staff as also borrowers at branch level by adequate publicity, close contacts etc.

Convenor SLBC informed that the detailed review will be taken up in the afternoon session.

(Action: Line Depts/Banks)

LDM Ballari informed that the applications under PMEGP have been sponsored 5-6 times the target allocated and is causing problem at the branch level and **LDM Kodagu** reported that subsidy has not been released in 2013-14 cases and is resulting in incomplete projects. **The ACS, GoK** advised KVIC to sponsor the applications as per the targets and also advise the department to look into the pendency in release of subsidy in old cases.

Many Bankers and LDM's informed that reconciliation of applications sponsored and sanctioned could not be done as because of no participation of the Department representatives in the review meetings. **The ACS & DC, GoK** advised the departments to instruct the District level and Taluk level officers to attend the review meetings.

(Action: Line Depts)

Increase in Loan amount under Reimbursement of Differential Interest through Commercial Banks by Fisheries Dept.

Convenor SLBC informed that the scheme envisages reimbursement of differential interest up to ₹ 0.50 lakh @ 2% interest through commercial banks and RRBs. Now, the Dept of Fisheries, GoK has sought the opinion of bankers in respect of revision of the maximum loan amount from ₹ 0.50 lakh to ₹ 1.00 lakh, as there is demand from the fishermen coop. societies. He requested the Bankers to take decision in consultation with Department based on Scale of Finance / Unit cost applicable for the activities concerned.

(Action: Line Depts / Banks)

AGENDA 14.0: SPECIAL FOCUS PROGRAMMES

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

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

AGENDA 15.0: IMPLEMENTATION OF SPECIAL SCHEMES

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

AGENDA 16.0: RECOVERY

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

ACS, GoK said that there is an increase in **NPA's** under Govt. Sponsored Schemes especially under PMEGP which is more than 30%. Hence, he advised the Commissioner,



Dept. of Industries and Commerce to advise the staff to assist the banks in recovery and to reduce NPA levels by undertaking Joint Recovery Drives.

On the issue of **Non Performing Assets position, the Convenor, SLBC** said that there are 12,55,068 NPA A/cs involving ₹ 32395.92 cr, which accounts for 5.61 % of total advances as on 30th September 2017 and the Govt of India had expressed its concern over rising of NPAs and stressed the need for recovery and advised all the Banks to initiate steps to contain the NPA. He said that in case of advances under Govt sponsored schemes also there is alarming rise in NPAs and hence he solicited the support and cooperation of the line departments in extending assistance to the Banks in recovery of such loans.

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

(Action: Banks / Line Depts)

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

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

(Action: Banks)

AGENDA 18.0 SELF HELP GROUPS/ JOINT LIABILITY GROUPS

As against the target for credit linkage of 2,50,000 of SHGs for the year 2017-18, Banks have credit linked 1,46,320 SHGs amounting to ₹ 1877.36 cr up to the quarter ending September 2017. Consolidated progress by Banks under SHG Bank linkage program as at September 2017 was presented to the House.

A target for credit linkage of 90,000 JLGs has been fixed for the State for 2017-18. As per the information gathered, the Banks have credit linked 81,344 JLGs with a credit limit of ₹ 681.36 cr up to September 2017.

(Action: Banks)

AGENDA 19.0 NABARD AGENDA NOTES:

The CGM : NABARD took up the review on (I) GLC – 2017-18; (II) Govt. Sponsored Schemes (GSS) (III) SHGs/JLGs related issues; (i) Digitization of SHGs (ii) Village Level Programme (iii) Reduction in NPA's of SHG's by Banks (iv) Capacity Building Programs for Bankers (V) Financial Inclusion and Digital Banking (i) Assistance for BHIM Aadhaar pay; (ii) BHIM- Cash back Scheme for Merchants and BHIM- Referral Bonus Scheme for Individuals; (iii) Support under FIF for purchase of hand held projector and portable speaker to facilitate Financial Literacy efforts by FLCs and rural branches (iv) Deployment of PoS/mPos in Tier 5 & 6 centres.

(Action: Banks)

AGENDA 20.0 ANY OTHER MATTER WITH THE PERMISSION OF CHAIR

SARFAESI ACT 2002 – Physical Possession u/s 14 – Recent Order by the Hon'ble High Court of Karnataka – Adverse implications for Banks

The matter could not be discussed in the House.



SUPPLIMENTARY AGENDA FOR 140th MEETING OF SLBC

AGENDA 1.0: FINANCIAL INCLUSION CAMPAIGN- 05TH TO 20TH FEBRUARY 2018

Discussed in the Executive Director, Syndicate Bank Speech.

AGENDA 2.0: VISIT OF THE ECI TEAM TO REVIEW THE POLL PREPAREDNESS FOR THE GENERAL ELECTION TO KARNATAKA LEGISLATIVE ASSEMBLY – 2018

Sri Jagadish, Addl. Chief Electoral Officer, Karnataka said that in view of forthcoming Assembly Elections during the later part of April 2018 or early part of May 2018, the political parties are being using muscle and money power during the elections. He said that the Karnataka is the most Expenditure sensitive state and Candidates have been permitted a legal expenditure limit for the period from his/her nomination date for taking up campaigns, printing of posters, banners etc. The Election Commission has roles to check/control the candidates legal expenditure and the other is bribing the voters which we have no concern. The miss deed of the candidates is proved; he may be punished by barring contesting elections for one term or imprisonment for one year. With this background the role of bankers is very prominent. He sought the cooperation in controlling / checking the menace of money for free and transparent elections.

During the meeting he spelt out the action to be taken by the Banks during Model Code of Conduct (MCC) period.

1. Compulsory documents are to be carried along with vehicle carrying cash during MCC period.
2. To comply with the Protocols fixed by Commission on Cash withdrawals and informing ECI and IT authorities of heavy cash transactions should be strictly followed.
3. Banks shall ensure that the cash vans of outsourced agencies/ companies carrying the bank's cash shall not, under any circumstances, carry cash of any third party agencies/ individuals except the banks.
4. Unusual and suspicious cash withdrawal or deposit of cash in a bank account exceeding ₹ 1 lakh during the process of election, without any such instance of deposit or withdrawal during the last two months should tracked and reported .
5. Unusual transfer of amount by RTGS from one bank account to the accounts of several persons in a district/ constituency during the election process without any precedent of such transfer should be reported.
6. Any deposit of cash or withdrawal of cash exceeding ₹ 1 lakh from bank account of candidates or spouse or his dependants, as mentioned in the affidavit filed by candidates which is available in CEO's website is to be reported.
7. Any withdrawal of cash and deposit of cash exceeding ₹ 1 lakh in the account of any political party during the election process is to be reported.
8. Huge and unusual remittances / transfers to the accounts of SHG groups.

The Addl. Chief Electoral Officer requested all the Banks for strict compliance of the directions of Election Commission of India during the Model Code of Conduct (MCC) period.

Asst. Director, Dept. of Income Tax said that after Demonetization, there is movement of cash from one account to another account and there are heavy withdrawals. He sought the cooperation of the bankers in submitting of Suspicious Transaction Reports (STR) on fictitious transactions from 1st January 2018 to enable the Department to process them at the earliest and catch hold of the culprits.



The convenor SLBC informed that the SLBC has circulated the directions of the Election Commission of India to all the Banks in the state and advised them for strict compliance. He also advised the Banks having Lead Bank responsibility to advise their Lead District Managers accordingly.

(Action: Line Depts. / Banks / LDM's)

AGENDA 3.0: "DOUBLING OF FARMERS' INCOME BY 2022" AS A REGULAR AGENDA IN THE SLBC SUB-COMMITTEE ON AGRICULTURE & ALLIED ACTIVITIES

Convenor SLBC informed that the Addl. Chief Secretary to Govt, Finance Department (Fiscal Reforms), Govt of Karnataka has advised to ensure that the "Doubling of Farmers' Income by 2022" mooted by Govt. of India, be made a regular agenda item in all the Lead Bank fora such as SLBC, DCC, DLRC, BLBC to give impetus to the agriculture sector.

Strategy to achieve this goal, inter-alia, includes:

- Focus on irrigation with large budgets with a aim of "per drop, more crop"
- Provision of quality seeds and nutrients based on soil health of each field
- Investments in warehousing and cold chains to prevent post-harvest losses
- Promotion of value addition through food processing
- Creation of national farm market, removing distortions and develop infrastructure such as e-platform across 585 stations
- Strengthening of crop insurance scheme to mitigate risks at affordable cost.
- Promotion of ancillary activities like poultry, bee-keeping and fisheries

Convenor SLBC requested all the banks to take note of the above and strive to achieve the goal of "doubling of farmers' income by 2022"

(Action: Line Depts. / Banks / LDM's)

AGENDA 4.0: TIMELY DISPOSAL OF APPLICATIONS U/S 14 OF SARFAESI ACT, 2002

The Executive Director, Syndicate Bank said that Department of Financial Services, Ministry of Finance, New Delhi has written to Chief Secretaries of all states, mentioning that their department has been receiving various references requesting early disposal of applications under SARFAESI act.

Section 14 of SARFAESI act provides that, applications u/s 14 have to be disposed by the concerned District Magistrate within a period of 30 days from the date of application (extendable by another 30 days on case specific basis for reasons to be recorded in writing). In view of Mounting NPAs and to assist the Bankers in recovery of Bad Loans, He earnestly requested the Chief Secretary / Additional Chief Secretary, GoK to issue directions to the District Commissioners for timely disposal of applications u/s 14 of SARFAESI act, 2002.

(Action: Line Depts.)

AGENDA 5.0: APPROVAL OF ADDITIONAL TARGET FOR THE SPECIAL COMPONENT PLAN (SCP)/ TRIBAL SUB PLAN (TSP) FOR DAIRYING UNDER THE PASHUBHAGYA SCHEME FOR 2017-18

The Physical and Financial Additional Targets under SCP (422) & TSP (423) for the state

SCP (422)		TSP(423)	
Amount	Physical	Amount	Physical
₹ 95880000	1598	₹ 44880000	748



The House has approved the additional targets. Convenor SLBC requested the Line Department to sponsor the applications early to enable the bankers to process the proposals.

(Action: Line Depts.)

AGENDA 6.0: SHARING OF EXPENSES BY ALL BANKS ON INFRASTRUCTURE & FACILITIES PROVIDED TO DEBT RECOVERY TRIBUNAL - I & II AT BENGALURU

Convenor SLBC informed that the resolution was taken in 138th SLBC meeting, on sharing of the cost on Infrastructure & facilities provided to Debt Recovery Tribunal-I &II at Bengaluru by Canara Bank on the basis of number of Bank branches of the concerned banks in Karnataka State. As reported by Canara Bank, 17 Banks are yet to make payment. He requested the defaulting Bankers to make payment of their share without inviting further calls on the matter.

(Action: Banks)

The meeting was concluded with vote of thanks by Sri Sathish Ballal, General Manager, Vijaya Bank.

Agency-wise participants list is enclosed.
