**STATE LEVEL BANKERS’ COMMITTEE : KARNATAKA**

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

**AGENDA NOTES FOR 131st MEETING OF SLBC**

**& BANKING STATISTICS PERTAINING TO MARCH 2015**

**AGENDA 1.0 CONFIRMATION OF THE MINUTES OF 130th SLBC MEETING**

The Minutes of 130th SLBC Meeting held on 03.03.2015 were circulated vide letter No. 162/2015/2944/SLBC/101-130 dated Mar. 19, 2015.The Minutes may be approved as no suggestions for amendments were received.

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

The Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched on 28th August 2014 by the Hon’ble Prime Minister at Delhi and simultaneously at State Level and District Levels.

The programme aims to provide banking services to people in rural and urban areas particularly in the vulnerable groups such as weaker sections and low income groups. The purpose is to ensure that one bank account for each household is opened all over the country.

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

Since the launch of the programme and upto 30.5.2015, the Banks have opened 71.89 lakh BSBD accounts. Of which, 33.79 lakh accounts are with ‘zero’ balance and the remaining 38.10 lakh accounts with balance of **`** 647.96 crore. The total number of accounts with Aadhaar seeding is 41.36 lacs. The number of a/cs in rural areas is 43.46 lakh and in urban areas is 28.43 lakh. The Banks have so far issued 63.84 lakh Rupay cards. The Bank-wise / District-wise details are furnished in the Annexure-A-1 & A-2.

**Issues related to BCs / Bank Mitras**

Out of 7,627 SSAs allotted, 5,309 are covered under fixed BC locations, 2,309 covered through Branches, 5 covered through Mobile Vans and 4 SSAs are yet to be covered. The Bank-wise / District-wise details are furnished in Annexure-B-1 & B-2.

**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-2855 (including BCAs in 1527 USBs), B & M Branches-513 and Mobile Vans-27**,** aggregating to 3395 **as on Mar. 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 15.11%, 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, 513 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. A total of **22129 villages** are covered upto Mar. **2015 as against cumulative target of 22345** villages upto March 2015. A roadmap has been prepared with the provision of opening B & M Branches and submitted to RBI. Further, RBI has advised that at-least 5% of the villages allotted under this category shall be provided with banking outlets in the form of Brick & Mortar branches. Accordingly, **289** villages are covered by B & M branches upto Mar. 2015. All Banks are requested to inform the details of the new B & M Branches opened to LDMs / SLBC without fail.

The details 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. There are 126 FLCs 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 view of the above, all the Banks are requested take note of the above clarification and continue to open FLCs as an exclusive unit.

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

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

**LAUNCH 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 Hon’ble Prime Minister launched the captioned schemes on 9th May 2015 at Kolkata at the national level.** The State Level simultaneous Launching Programme was organized at Banquet Hall, Vidhana Soudha, Bengaluru on 9th May 2015 in association with Govt of Karnataka, Member Banks and Insurance Companies. Sri Siddaramaiah, Hon’ble Chief Minister, GoK, Sri Ananth Kumar, Hon’ble Union Minister for Chemicals & Fertilizers, GoI, Sri V. Srinivasa Prasad, Hon’ble Revenue Minister, GoK, Sri Ramalinga Reddy, Hon’ble Minister for Transport, GoK, Sri P.C. Mohan, Hon’ble MP of Bengaluru Central, Sri Shivkumar Udasi, Hon’ble MP of Haveri, Sri Suresh Kumar, MLA, Sri B.N. Vijaya Kumar, MLA, Smt Latha Krishna Rao, Addl. Chief Secretary & Dev. Commissioner, GoK, Sri Umashankar, Secretary, Finance Dept., GoK, Smt Arundhati Bhattacharya, Chairman, State Bank of India, Sri Eugene E Karthak, Regional Director, RBI, Sri Sharad Sharma, MD, State Bank of Mysore, Sri T.K. Srivastava, ED, Syndicate Bank, Sri R.S. Pandey, ED, Syndicate Bank, Sri K.R. Shenoy, ED, Vijaya Bank, Smt Asha Nair, Director & General Manager, United India Insurance Co., participated in the programme. Around 1200 persons participated in the programme consisting of Bank / Insurance Co., Executives, Govt. officials & beneficiaries.

**The salient features of the scheme are:**

1. **PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY) :**

The scheme provides accidental death insurance to the Savings Bank account holders in the age group of 18-70 years with insurance cover of **`** 2.00 lacs for accidental death and **`** 1.00 lac for partially disabled due to accident. The premium amount will be **`** 12/- per annum, through auto debit mode from the Bank a/c of the subscriber. The subscriber can join the scheme before 31st August 2015 by giving standing instructions for auto debit every year.

1. **PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJBY):**

The scheme provides life insurance cover to the Savings Bank account holders in the age group of 18-50 years with risk coverage of **`** 2.00 lacs in case of death due to any reason. The premium amount will be **`**  330/- per annum, through auto debit mode from the Bank a/c of the subscriber. The subscriber can join the scheme before 31st August 2015 by giving standing instructions for auto debit every year.

1. **ATAL PENSION YOJANA (APY) :**

The scheme is an improved version of Swavalamban Scheme under National Pension System (NPS) administered by PFRDA, which covers unorganized sector. All the Savings Bank a/c holders are eligible under the scheme with age limit 18-40 years.

**Funding help by Govt.**

* The scheme provides for fixed pension guarantee for subscribers.
* Contribution of 50% of subscriber contribution or **`** 1,000/-, whichever is less to eligible subscribers.
* Reimburse promotional and development activities including incentives to contribution collection agencies.

**The pension receivable after 60 years of age**

**`** 1,000/- to **`** 5,000/- per month in multiples of **`** 1,000/- depending on their contributions and age of joining the scheme.

**The enrolment agencies**

All service providers and aggregators under Swavalamban scheme through NPS.

In pursuance of the directions from DFS: MoF: GoI, SLBC has taken steps for implementation of the schemes, viz.,

* Conducted several rounds of meeting of Banks/Insurance Companies to work out strategy for smooth launch of the programme in the State.
* The guidelines of the schemes along with application forms were translated into Kannada and circulated to all the Banks with an advice to make available the forms at all their Branches / BC Points before 30th April 2015.
* All the Banks were advised to take up enrolment of applications by organising camps at all their Branches commencing from 1st May 2015.
* Workshop for Bankers on Atal Pension Yojana (APY) was organized at Syndicate Bank Training Centre, Bengaluru in coordination with PFRDA.
* A Call Centre is in place to attend enquiries / address the grievances of the customers with Toll Free No.1800 4259 7777.

All the Banks / Insurance Agencies are requested to take note of the above scheme guidelines and put their efforts for enrolling all the eligible beneficiaries under the scheme.

**The Progress in enrolment of applications as on 31.5.2015 is furnished hereblow:**

**(No. in lakhs)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Scheme** | **Total No. of a/cs eligible** | **\*Projection for 31.5.2015** | **Achievement upto 31.5.2015** | **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** | **380.69** | **31.22** | **19.84** | **8.44** | **11.40** | **11.98** | **7.86** |
| **PMSBY** | **512.29** | **61.37** | **45.52** | **18.76** | **26.76** | **26.99** | **18.53** |
| **APY** | **174.97** | **5.39** | **0.18** | **0.08** | **0.10** | **0.11** | **0.07** |
| **Total** | **1067.95** | **97.98** | **65.54** | **27.28** | **38.26** | **39.08** | **26.46** |

**\*The projections furnished above are as per the individual Banks report.**

The Bank-wise status as on 31.5.2015 of the 3 schemes are furnished in Annexure-F-1, F-2 & F-3.

**ONE BENEFICIARY ONE ACCOUNT FOR ALL GOVT BENEFITS**

The Pr. Secretary, Finance Dept., GoK vide his letter No.FD.06.CAM.2013(P) dated 19.3.2015 has informed that the PMJDY launched in August 2014, sought to enable all households, urban and rural to gain easy and universal access to financial services. With the active involvement of the State Govt, Banks in Karnataka have covered 98.37% of total households with one bank account per household. In addition, the PMJDY aims to make the transfer of various government benefits more efficient by focusing on opening of accounts of individual beneficiaries so that the payment of benefits occurs through Bank accounts. The GoI is also encouraging transfer of benefits through PMJDY bank accounts so that these recently opened accounts remains active.

In this context, GoI guidelines of **“One Beneficiary-One Account for all Government benefits”** may be recalled under which it was stated that one single account is sufficient for transfer of benefits / subsidy under various schemes of Central / State Govt.

In this regard, recently a communication has been received by the Chief Secretary, GoK from the Secretary, DFS: MoF: GoI emphasizing this point and requesting to issue necessary directions to all departments to route all benefits to the existing accounts of the beneficiaries **without insisting on opening of a separate account for each scheme**.

All the stakeholders are requested to take note of the guidelines of GoI / GoK and act accordingly.

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

The Micro Units & Development Agency Ltd. (MUDRA) was launched by the Hon’ble Prime Minister on April 8, 2015, as a new financial entity, for developing and refinancing last mile financial intermediaries like Banks, NBFCs, MFIs, etc., who are in the business of lending to smaller of the micro enterprises in manufacturing, trading and service sector. As per NSSO estimate, about 5.77 crore such units exists in the country and a great majority of them are outside the formal banking fold and are unable to sustain or grow due to lack of finance or relying on informal channels, which are very expensive or unreliable. On the same day, Pradhan Mantri MUDRA Yojana was launched to ‘**fund the unfunded’** by bringing such enterprises to the formal financial system and extending affordable credit to them.

The banking sector consisting of Commercial Banks, RRBs and Cooperative Banks can play an important role in extending credit to this sector. It is felt that there is a need to give a special boost to bank finance to this segment on a mission mode, considering the enormous task in reaching to the large number of such units, currently excluded from the formal banking system.

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 is 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.

The State-wise targets which the Banks proposes for the current financial year under PMMY shall be communicated to SLBC at the earliest. The monthly progress report on such advances shall be submitted to SLBC, MUDRA and DFS: CP/RRB : Ministry of Finance, GoI on regular basis.

The eligibility criteria for MUDRA Refinance / Loan are furnished in the Annexure-G.

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

**AGENDA 2.2 : SCALING UP OF AADHAR ENROLMENT KITS BY NON-STATE**

**REGISTRARS**

A meeting was convened to review the progress under Aadhaar enrolment on 25.4.2015 under the chairmanship of ACS & DC, GoK. While reviewing the progress, the chairperson observed that Aadhaar enrolment kits deployed by non-state registrars, i.e., Banks are very meager when compared to other enrolment agencies, due to which the enrolment process has suffered. Hence, it was advised to the Banks (who are enrolled for the purpose) and their enrolment agencies to scale up the operations. To achieve the desired targets, Banks were advised to deploy a minimum 1000 kits in total at the earliest.

Further, it was also decided in the meeting that Lead Banks of the District to undertake the Aadhaar enrolment in their Districts and they will be responsible for Aadhaar enrolment in their Districts in consultation with respective Dy. Commissioners.

In view of the above, the Banks enrolled as Non-State Registrars to take up deployment of required Aadhaar enrolment kits in consultation with Dy. Commissioners at the earliest. The other Banks having lead bank responsibilities and not enrolled as Non-State Registrars, shall enroll themselves as Non-State Registrars and make all arrangements for deployment of Aadhaar enrolment kits and take up enrolment in their respective lead districts in consultation with respective Dy. Commissioners.

**AGENDA 3.0 : LAUNCHING ANNUAL CREDIT PLAN 2015-16**

The Sector-wise ACP projections and achievements for the last 3 years are as follows.

(**`**  in crores)

|  |  |  |  |
| --- | --- | --- | --- |
| **Sector** | **2012-13** | **2013-14** | **2014-15** |
| **Target** | **Ach.** | **%** | **Target** | **Ach.** | **%** | **Target** | **Ach.** | **%** |
| Primary | 36512 | 35173 | 96.33 | 44545 | 45753 | 102.71 | 57247 | 57853 | 101.06 |
| Secondary | 11930 | 11164 | 93.58 | 13173 | 16124 | 122.40 | 16930 | 30707 | 181.38 |
| Tertiary | 13363 | 14222 | 106.43 | 15644 | 12116 | 77.45 | 15644 | 11723 | 74.94 |
| Total Priority | **61805** | **60559** | **97.98** | **73362** | **73993** | **100.86** | **89821** | **100283** | **111.65** |
| Crop Loan | 22223 | 22274 | 100.23 | 27112 | 31911 | 117.70 | 39252 | 38506 | 98.10 |

**State Credit Seminar - 2015-16**

NABARD, RO, Bangalore had convened the State Credit Seminar for 2015-16 on 27.1.2015. It has projected **`** 1,08,000 Crore under Priority Sector Credit (26% growth over previous year) for the year 2015-16.

**Ground Level Credit Targets for Agriculture-2015-16:**

NABARD vide their letter No. NB.CPD.124.54-B/2015-16 dated 16.4.2015 had informed that in view of the all India target of **`** 8,50,000 crore announced by GoI for Agriculture Credit which is 6.25% higher than previous year, the total agriculture credit target indicated for the State of Karnataka is **`** 53400 crore with the crop loan target of **`** 34400 crore and Term Loan target of **`** 19000 crore. The agency-wise / broad sector-wise allocation of target to Karnataka State as per GoI for the year 2015-16 is as under:

 (**`** in Crore)

|  |  |  |  |
| --- | --- | --- | --- |
| Commercial Banks | RRBs | Co-op Banks | Total |
| CL | TL | Total | CL | TL | Total | CL | TL | Total | CL | TL | Total |
| 22000 | 15500 | 37500 | 5900 | 2500 | 8400 | 6500 | 1000 | 7500 | 34400 | 19000 | 53400 |

Allocation made is not an upper ceiling for credit disbursement to agriculture sector in Karnataka and wherever the agriculture credit target based on Annual Credit Plans (ACPs) is higher than the above allocation, the higher target shall be retained sector-wise and agency-wise for implementation and monitoring. The Co-op. Banks and RRBs may take suitable steps to provide more term loans to farmers for facilitating capital formation.

**Aggregation of District Credit Plans:**

SLBC has collected District-wise Annual Credit Plan projections for the year 2015-16 from all the 30 Districts. The total Priority Sector Credit works out to **` 112460** cr. The share of Commercial Banks, RRBs & Coop. Banks/others comes to **` 81850** cr., **` 15086** cr., &  **` 15524** cr.**,** respectively**.** The Sector-wise & Agency-wise projections are furnished below.

(Amount in **` crore)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sector** | **Comm. Banks** | **RRBs** | **Coop. Banks/Others** | **Total** |
| Agriculture & Allied-Total | 39111 | 11335 | 12174 | 62620 |
| MSE | 15617 | 1026 | 1462 | 18105 |
| Education | 2663 | 230 | 96 | 2989 |
| Housing | 13530 | 588 | 341 | 14459 |
| Others | 10929 | 1907 | 1451 | 14287 |
| **Total Priority** | **81850** | **15086** | **15524** | **112460** |

While arriving at the Annual Credit Plan 2015-16, the Banks have taken into account the disbursement during 2014-15. A total projection of **`** 112460 cr., has been arrived under Priority Sector Credit, which is above the projections made by NABARD in their State Focus Paper **`** 108000 crore. The share of Agriculture Credit works out to **`** 62620 crore, constituting 55.68% of total Priority Sector Credit. Out of which, the share of Crop Production Credit is **`** 41600 crore forming 66.43% of Agriculture Credit. The share of MSE is **`** 18105 crore, Education Loan is **`** 2989 cr, Housing Loan is **`** 14459 crore, & towards Other sectors **`** 14287, constituting 16.10%, 2.66%, 12.86%, 12.70%, of total Priority sector, respectively.

The overall growth rate comes to 25.20% over the previous year’s target of **`** 89821 cr under Priority Sector Credit.

The Bank-wise / District-wise targets are furnished in Annexure-H-1 & H-2.

The District-wise Disbursement Targets under Crop Loans are furnished in H-3.

The House may deliberate and approve the AAP for the fiscal 2015-16.

**Agenda 4.0 : Implementation of Bhoomi-Bank Integration:**

The Banks have carried out 2,48,999 online transactions under Bhoomi Project as on 16.05.2015 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.**

**AGENDA 5.0 : INTEREST SUBSIDY SCHEME ON CROP LOANS TO FARMERS UPTO**

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

The Interest subsidy claims in respect of92,275 farmers to the tune of **`** 4.13 crore has been submitted to Dept of Agriculture upto 23.05.2015. The amount settled during the FY is **`** 5.16 crore involving 102028 farmers. The claims to the extent of **`** 3.49 crore involving 89,102 farmers are pending with the Dept. All the Banks are requested to lodge claims under the scheme to SLBC for doing the needful.

**AGENDA 6 .0 : Weavers Credit Card under the Comprehensive Financial Package:**

As per GoI instructions Banks are required to issue Weavers Credit Card (WCC) to the eligible farmers who are availing working capital limit. Ministry of Textiles, GoI has allocated State-wise targets of WCC for the financial year 2014-15, and the target for WCCs for Govt. of Karnataka is 10000. The Dept of Textiles & Handlooms, GoK has allocated the District-wise targets and communicated to all the Districts.

As the progress is being reviewed by the Ministry of Textiles, NABARD is required to submit the progress in issue of WCC, amount sanctioned and amount disbursed to GoI. The Banks 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 10000 cards, the Banks have issued 1364 Cards with a limit of **`** 607.95 lakhs as on 31.3.2015, leaving a big gap. The District-wise achievement is furnished in the Annexure-J.

**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 115 training programmes involving 6162 participants during the current fiscal 2014-2015. The cumulative works out to 183 programmes and 29401 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.

QUOTE

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.

UNQUOTE

The House may deliberate on the issue and decide on the remedial measures for continuing the construction of building by KFRC.

**AGENDA 8.0 : REPORT OF THE HIGH LEVEL COMMITTEE TO REVIEW LEAD**

**BANK SCHEME - IMPLEMENTATION OF THE**

**RECOMMENDATIONS**

RBI had advised SLBC to implement the recommendations of the High Level Committee on Lead Bank Scheme. In compliance, 1) SLBC, Karnataka has launched its website. SLBC has hosted in their website the salient features of various Govt. sponsored schemes, both Central and State which are in operation in Karnataka.

2) SLBC has advised Lead banks/Commercial Banks and LDMs to take appropriate steps for implementing the recommendations pertaining to them.

3) Formation of Sub-Committees: SLBC has constituted 12 Sub-Committees for effective implementation & close monitoring of Lead Bank scheme.

1. The Minutes of the following Sub-Committee Meetings are furnished as Annexures indicated. (a) Flow of Cedit to Agriculture-28.2.2015 (Annexure K-1) (b) SHG-Bank Linkage-23.12.2014 & 4.3.2015 (Annexure K-2, K-3) (c) Credit Flow to SC/STs, Minority Communities & Weaker Sections-6.1.2015 & 18.3.2015 (Annexure K-4, K-5) (d) Govt. Sponsored Schemes-4.3.2015 (Annexure K-6) (e) Investment Credit-12.2.2015 (Annexure K-7)
2. SLBC has conducted the Meeting of Steering Committee on R-SETIs on 4.3.2015. The minutes are furnished in Annexure K-8.

Amalgamation of Sub-Committees

Presently SLBC is having 11 Sub-committees, namely

1. Sub-Committee on **Annual Credit Plan**
2. Sub-Committee on Flow of **Credit to Agriculture**
3. Sub-Committee on **Credit Deposit Ratio**
4. Sub-Committee on **SHG-Bank Linkage**
5. Sub-Committee on **Credit flow to SC/STs, Minority Communities and Weaker Section**
6. Sub-Committee on **Education Loans**
7. Sub-Committee on **Housing Loans**
8. Sub-Committee on **Recovery, Rehabilitation and other measures**

9. Sub-Committee on **MSME**

10. Sub-Committee on **Govt. Sponsored Schemes**

1. Sub-committee on **Investment Credit**

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

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

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

Accordingly, the House had concurred with the view expressed by the representatives of major Banks & NABARD and advised SLBC to work out on the issue and place the proposal about the reorganized SLBC Sub-Committees in the next SLBC meeting for taking decision in the matter.

The SLBC after thorough study and taking into consideration the suggestions given by the Banks and NABARD recommends the following reorganized Sub-committees.

1. Sub-Committee on Agriculture & Allied activities

(Focus area - Annual Credit Plan, Flow of Credit to Agriculture, CD Ratio & Investment Credit)

|  |  |  |
| --- | --- | --- |
| **1** | **Principal Secretary, Agriculture Dept., GOK** | **Chairman** |
| 2 | Secretary, Planning Dept., GoK  | Member |
| 3 | Secretary, Cooperation Dept., GoK  | Member |
| 4 | GM, RPCD, Reserve Bank of India | Member |
| 5 | CGM, NABARD | Member |
| 6 | Director of Agriculture, GoK | Member |
| 7 | Director of Horticulture, GoK  | Member |
| 8 | Director of Animal Husbandry, GoK  | Member |
| 9 | Director of Fisheries, GoK | Member |
| 10 | General Manager, PSCD, Syndicate Bank | Member |
| 11 | General Manager, State Bank of India | Member |
| 12 | General Manager, State Bank of Mysore | Member |
| 13 | General Manager, Corporation Bank  | Member |
| 14 | General Manager, Vijay Bank  | Member |
| 15 | General Manager, State Bank of Hyderabad | Member |
| 16 | MD, Karnataka State Apex Bank | Member |
| **17** | **Convenor, Canara Bank** | **Convenor** |

1. **Sub-Committee on MSME**

(Focus area- MSME, Solar Financing, Bio-fuel financing, MSME Cluster Finance, Skill upgradation training programme by R-SETIs, Issue of Gold Cards to Exporters, etc.)

|  |  |  |
| --- | --- | --- |
| **1** | **Principal Secretary – Industries and Commerce** | **Chairman** |
| 2 | Director, KVIB  | Director |
| 3 | Director, KVIC  | Member |
| 4 | Director, MSME Development Institute | Member |
| 5 | General Manager RBI | Member |
| 6 | General Manager NABARD | Member |
| 7 | General Manager, RBD, Syndicate Bank | Member |
| 8 | General Manager, State Bank of India | Member |
| 9 | General Manager, State Bank of Mysore | Member |
| 10 | General Manager, Canara Bank  | Member |
| 11 | General Manager, Vijay Bank  | Member |
| 12 | General Manager, State Bank of Hyderabad | Member |
| **13** | **General Manager Corporation Bank** | **Convenor** |

1. **Sub-Committee on Retail Loans**

(Focus area - Education Loans including State schemes, Housing Loans)

|  |  |  |
| --- | --- | --- |
| **1** | **Pr. Secretary, Higher Education Dept GoK** | **Chairman** |
| 2 | Secretary, Housing Dept., GoK | **Member** |
| 3 | Representative from National Housing Bank | Member |
| 4 | Representative from HUDCO | Member |
| 5 | Representative from RGRHCL | Member |
| 6 | General Manager, RBD, Syndicate Bank | Member |
| 7 | General Manager, State Bank of India | Member |
| 8 | General Manager, Canara Bank  | Member |
| 9 | General Manager, Corporation Bank  | Member |
| 10 | General Manager, State Bank of Mysore | Member |
| 11 | General Manager, State Bank of Hyderabad | Member |
| **12** | **General Manager, Vijaya Bank** | **Convenor** |

1. **Sub-Committee on Weaker Section Advances**

(Focus area - SHG-Bank Linkage, Govt sponsored schemes, Credit flow to SC/STs, Minority Communities and Weaker Sections**)**

|  |  |  |
| --- | --- | --- |
| **1** | **Principal Secretary, Social Welfare, GOK** | **Chairman** |
| 2 | Secretary, Women & Child Dev. Dept., GoK | Member |
| 3 | Secretary, Minority Dev. Dept., GoK | Member |
| 4 | Mission Director, NRLM, GoK | Member |
| 5 | Director, KVIC | Member  |
| 6 | MD, Devraj Urs Backward Class Dev. Corpn | Member |
| 7 | MD, Dr. Ambedkar Dev. Corpn. | Member |
| 8 | Director, Municipal Administration | Member |
| 9 | Chief General Manager, NABARD  | Member |
| 10 | General Manager, PSCD, Syndicate Bank | Member |
| 11 | General Manager, State Bank of India | Member |
| 12 | General Manager, Canara Bank  | Member |
| 13 | General Manager, Corporation Bank  | Member |
| 14 | General Manager, Vijaya Bank  | Member |
| 15 | General Manager, State Bank of Hyderabad | Member |
| 16 | MD, Karnataka State Apex Bank | Member |
| **17** | **General Manager, State Bank of Mysore** | **Convenor** |

1. Sub-Committee on **Recovery, Rehabilitation and other measures** :

|  |  |  |
| --- | --- | --- |
| **1** | **Principal Secretary, Revenue Dept., GoK**  | **Chairman** |
| 2 | Secretary, RDPR Department, GoK  | Member |
| 3 | GM, RPCD, Reserve Bank of India | Member |
| 4 | CGM, NABARD | Member |
| 5 | Registrar of Co-Operative Societies | Member |
| 6 | General Manager, PSCD, Syndicate Bank | Member |
| 7 | General Manager, Vijaya Bank | Member |
| 8 | General Manager, Canara Bank  | Member |
| 9 | General Manager, Corporation Bank  | Member |
| 10 | General Manager, State Bank of Mysore | Member |
| 11 | General Manager, State Bank of Hyderabad | Member |
| **12** | **General Manager, State Bank of India** | **Convenor** |

The House may deliberate on the subject and accord approval.

**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 31.3.2015, 67962 term loans were rescheduled involving **`** 382.77 crore. The amount of penal interest waived was **`** 11.43 crore. As many as 9263 crop loan accounts with an aggregate amount of **`** 84.86 crore were converted into term loans. 5862 fresh loans were issued involving an amount of **`** 73.57 crore.

**AGENDA 9.1 : SUSTAINED ADVERTISEMENT AND PUBLIC AWARENESS**

**CAMPAIGN AGAINST UNAUTHORISED ACCEPTANCE OF DEPOSITS BY UNINCORPORATED BODIES**

It was informed by RBI vide their letter DO.DNBS(BG)/1979/06.01.012/2014-15 dated 16.4.2014 that in the meeting of the State Level Coordination Committee (SLCC) held under the chairmanship of the Chief Secretary, Govt of Karnataka, it was decided to run a sustained public awareness campaign to educate the public against unauthorized deposit acceptance by the unincorporated bodies. Towards this end, two advertisements in English & Kannada were issued jointly by the RBI and the Govt of Karnataka under the aegis of SLCC, Karnataka.

To take this process forward in a more focussed and sustained manner and to reach out to the people in the districts and far flung areas, it was decided by the SLCC, to create catchy awareness materials (bill boards, posters, flyers, etc.) and place them strategically on BMTC & KSRTC buses, at Post Offices and also distribute these materials through Banks, which have wide rural and semi-urban branch network. The Govt of Karnataka has already taken the initiative by speaking to postal and transport authorities who have agreed to collaborate in the awareness campaign. It is also felt that commercial banks, with their extensive branch network in semi-urban and rural areas can be key collaborators in this campaign. In this regard, RBI would be supplying the awareness campaign materials which all the member banks can post/display on the branch premises at the rural and semi-urban areas. This would create good awareness amongst the public and prevent them falling prey to unscrupulous entities collecting deposits. Besides, in the long run, it could also benefit the banks in garnering small deposits.

The House may deliberate on the issue.

**AGENDA 9.2 : IMPLEMENTATION OF RECOMMENDATIONS OF**

 **KANNADA ABHIVRUDDHI PRADHIKARA**

Dr. L. Hanumanthaiah, Chairman, Kannada Abhivruddhi Pradhikara, Govt of Karnataka visited the Corporate Office, Syndicate Bank on 29th April 2015 and reviewed the implementation of Kannada in the banking system in the State. During the review, he said that though there are guidelines for using the vernacular language in the day to day business of Central Govt offices, Public Sector Banks, Public Sector Undertakings, Private Institutions, there is negligence in the usage of Kannada in Karnataka in these Institutions and leading to inconvenience to farmers, rural laborers and illiterate population in dealing with these Institutions and thereby depriving the benefits available from the Banks. Hence, he advised all the Banks to mandatorily use trilingual policy and provide the challans, cheque books, pass books, loan applications and other banking related forms. Further, he suggested the Banks to develop website in Kannada, which can provide all the information about Banks and their facilities available to the public. In the similar lines of implementation of Hindi in the Banks, he suggested to establish a Kannada cell in all the Banks and initiate steps for teaching Kannada to non-Kannadiga employees in the Bank. He urged the Banks to deal with their clientele primarily in Kannada language.

With regard to appointment of employees in the category of A, B, C & D groups, he said that as per the recommendations of Dr. Sarojini Mahishi Report, the Banks are required to follow the guidelines of the Committee and provide information in this regard to Kannada Development Authority.

He also requested SLBC to take up the matter of implementation of Kannada in the Banks as an agenda in the next SLBC meeting and review the progress of all the Banks in this regard.

All the Banks are requested to take note of the above directions and implement the same in letter and spirit.

**AGENDA 9.3 : REVISION OF STAMP DUTY UNDER KARNATAKA STAMP ACT, 1957**

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

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

The House may deliberate on the issue.

**AGENDA 9.4 : DEVELOPING APMC OF GADAG DISTRICT AS MODEL MARKET**

A meeting was convened on 14.5.2015 under the chairmanship of ACS & DC, GoK in order to discuss and workout strategy for developing APMC of Gadag District as Model Market. The Chairperson informed that in order to take up marketing reforms the role of Banks is very imperative and there is good scope for Banks to expand their business by way of extending credit facilities to the traders as well as farmers by way of pledge loan and agriculture produce loans. In this direction, the chairperson suggested that the Banks having lead bank responsibilities in the District may take lead role in providing banking facilities to traders at APMCs. Further, it was informed that all the cooperation will be extended by APMCs to the Banks in providing infrastructure / list of traders, etc. As a first step, all the APMCs in Gadag District shall be taken up for reforms including online payment to farmers. It was advised to Bankers to take lead roles and involve themselves in successful implementation of reforms in APMCs in the state.

The House may deliberate on the issue.

**AGENDA 9.5 : PASHU BHAGYA SCHEME OF GOVT OF KARNATAKA**

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 provides the following:

1. 33% backend subsidy to SC/ST, and 25% to others, for purchase of animal units like cows/buffaloes/sheep/goats/poultry etc., for a unit cost of maximum **`** 1.20 lakhs.
2. The Pashu Bhagya scheme also includes component for subsidy towards milch cattle insurance and compensation on accidental death for sheep/goats.
3. Loan at 0% rate of interest for maintenance/input costs, on the lines of short term crop loan, i.e., upto a maximum amount of **`** 50,000/- through Co-op. Banks.
4. The back-end subsidy under component (a) above would be transferred directly to the respective bank after sanction of loan and release of the first instalment. This is as per the guidelines under NLM for non dairy animals and DEDS for dairy animals.
5. The unit costs for farm sector investments 2014-15 fixed by NABARD would have to be followed by the banks while sanctioning the loans to the beneficiaries. There is an SLSMC (State Level Sanctioning and Monitoring Committee) constituted under the chairmanship of the Secretary, Animal Husbandry of the State for the purpose of reviewing the unit costs as per the field conditions.
6. Most importantly, the Pashu Bhagya scheme is being conceptualized as a demand based scheme rather than a target based scheme. Accordingly, necessary coordination needs to be established with various banks.

In view of the operational problems observed in implementation of Krishi Bhagya scheme, all stakeholders are requested to strictly go by SSA approach to facilitate implementation of the scheme successfully.

**AGENDA 9.6 : ISSUE OF GOLD CARD BY BANKS TO EXPORTERS FOR EASY**

 **EXPORT CREDIT AS ENVISAGED IN THE INDUSTRIAL POLICY 2014-19**

 **OF GOVT OF KARNATAKA**

Reserve Bank of India envisages for providing Gold Card Facility for export credit to all the exporters irrespective of their turnover (Small, Medium, Large) whose track record is good for 3 continuous years. They should have realized their export proceeds continuously for 3 years to become eligible to avail this facility.

In this connection, a meeting on issue of Gold Card by Banks to exporters for easy and less cost export credit as envisaged in the Industrial Policy of GoK 2014-19 was convened under the Chairmanship of Commissioner for Industrial Development and Director of Industries & Commerce and Export Commissioner on 21.5.2015. In the meeting, Banks were requested to issue Gold Cards to all the eligible exporters on priority.

The benefits of the scheme are as under:

1. Assessment norms are simplified for exporters whose turnover is upto **`** 100 cr and norms are simplified for MSME sectors.
2. The sanctions are time bound and new sanctions will be issued within 25 days.
3. Limit valued upto 3 years and renewals will be within 15 days.
4. Further relaxation for automatic renewal after 3 years for those with excellent track record.
5. 20% standard limit will be sanctioned to all gold card export holders over and above the sanctioned limit to meet the credit demand arising out of receipt of surge in orders.
6. Concession rate of interest will be charged for Gold card holders.
7. Banks would consider waiver of collaterals and exemption from ECGC guarantee schemes on the basis of card holder’s credit worthiness and track record.
8. International credit / debit cards and internet banking facilities shall be extended to all gold card holders.

The State Govt has announced Industrial Policy 2014-19 vide CI.58.SPI.2013 dated 1.10.2014. The policy envisages incentives and concessions for the development and growth of exporters in the State. One of the key initiatives proposed in the policy is to issue Gold Card to the creditworthy exporters with good track record and to have easy access export credit from Banks on best terms. Gold card shall be issued to the exporters as per the criteria to be laid down by individual Banks.

The Banks are requested to implement the scheme effectively so that all exporters are benefitted.

The House may deliberate on the issue.

**AGENDA 9.7 : UNSEASONAL RAINS & HAILSTORMS IN SEVERAL PARTS OF THE**

 **COUNTRY CAUSING DISTRESS TO FARMERS AND ADVERSELY**

 **AFFECTING AGRICULTURAL PRODUCTIN**

The DFS: MoF: GoI vide their communication bearing F.No.3/65/2012-AC dated 20.3.2015 informed that the recently unseasonal rains and hailstorms in several parts of the country have caused severe distress to farmers adversely affecting agricultural crops and hence have advised the Banks to initiate steps to provide relief measures in the areas affected by natural calamities following the extant guidelines issued by RBI.

**Besides, the GoI has introduced a provision in the Interest Subvention Scheme 2014-15 that in order to provide relief to the farmers on occurrence of natural calamity, the interest subvention of 2% may continue to be available to Banks for the first year on the restructured amount and such restructured loans may attract normal rate of interest from the second year onwards as per policy laid down by RBI.**

All the Lead District Managers / Banks have already been advised to ensure to extend all necessary relief measures as per the above guidelines issued by RBI / GoI so as to mitigate the hardship of farmers on account of unseasonal rains / hailstorms vide SLBC Cir. No.173 dated 25.3.2015.

**AGENDA 9.8 – SCALING UP OF BIO-FUEL PROGRAMMES IN THE STATE**

The National Bio-fuel Policy mandates 20% blending of ethanol and bio diesel in petrol and diesel respectively by 2017 and several programmes have been initiated by Govt of India and various other States. The State of Karnataka has been pioneer in the field of bio fuels and has taken several initiatives in the last couple of decades and the time has come to scale it up in the State. Karnataka has been the first State in the country to set up a Task force on Bio fuels, adapt a Biofuel policy and also to have constituted a full fledged Bio fuel Development Board. While MNRE has the task of scaling up the programme at the National level, the Banks and other agencies can play an important role in this regard.

The Karnataka State Biofuel Development Board (KSDBD) has taken initiatives to promote biofuel development programmes in the State. The de-centralised, multi species and community driven approach of the State has generated a lot of interest not only in the country, but also in the United Nations’ Organisation, such as ICRAF / IFAD which have evinced keen interest in replicating the Karnataka model in other States of India and other developing countries. Hence, there is a strong necessity to scale up the biofuel programme to the next level (at present it is in the demonstration level) with the involvement of financial institutions. The sector has tremendous potential for contributing to rural development.

In this regard, 3 Working Groups has been constituted comprising representatives from Karnataka State Bio Fuel Development Board, NABARD, SLBC, Banks, Forest Dept., IRD to take up study regarding Bio-mass Production, Bio-mass Aggregation & Developing and funding suitable organisations / institutions and recommend for further course of action.

The Working groups have already had many sittings and expected to submit their reports shortly.

**AGENDA 9.9 FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE**

 **PREVIOUS SLBC MEETING**

**Agenda No. 9.9.1 :** **RECOVERY UNDER COFFEE LOANS**

The Convenor-SLBC in the previous meeting had brought to the notice of the House the problems faced by the Bankers in recovery of coffee loans. Loans sanctioned and disbursed prior to 2002 are still outstanding, even after repeated restructuring in the line of package advised by the Coffee Board. KCC loans sanctioned / disbursed after 2002 are not renewed by planters for several years. Term Loan instalments are not paid, even as per restructured repayment schedule. Some planters are reluctant to sign Letter of Revival. He solicited the intervention of Coffee Board / Govt in resolving the issues of mounting Overdues / NPAs. The Chief Secretary, GoK had advised to write a DO letter under his signature to the Chairman, Coffee Board for assisting Bankers in recovery of coffee loans. Accordingly, a DO letter dt 12.1.2015 was addressed to the Chairman, Coffee Board advising to provide necessary assistance to Bankers for recovery of the loans by driving an action plan in the matter.

In the previous meeting, the representative from Coffee Board had requested the Bankers to furnish the list of defaulters to them to initiate recovery steps from their end. Further, SLBC had also requested all the Bankers to furnish the list of defaulters at the earliest so that consolidated list will be submitted to Coffee Board to take further action.

As of now, only a few Banks have submitted the defaulters list and the remaining Banks are requested to submit the same immediately to enable SLBC to submit a consolidated list to Coffee Board for further action at their end.

The overdues are mounting under the coffee loans and hence it is imperative for the Bankers to furnish the defaulters list to Coffee Board and put all efforts for reducing overdues.

**AGENDA 10.0 : REVIEW OF BANKING STATISTICS AS OF MARCH 2015**

The Bank-wise position as of March 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 March 2015, the total number of bank branches in the State were **10074,** out of which, Commercial Banks-**7440**, RRBs-**1671**, KASCARD-**201,** DCC Bank-**692,** Karnataka Industrial Coop Bank-**38** and KSFC- **32** Branches.

**ATMs :** There are **13512** ATMs in the State, out of which, **2231** are in rural, **2485** are in S. Urban, **3247** are in Urban and **5549** are in Metro areas.

##### Deposits:

The aggregate deposits of Banks was **` 612697 crore** as at the end of March 2015, when compared to the level of **` 525425** **crore** as on March 2014, registering an increase of **` 87272 crore** showing a growth rate of **16.61%.**

**Advances:**

The total outstanding Advances of Banks was **` 458037 crore** as at the end of March 2015ascompared to the level of **` 395328 crore** as at March 2014, registering an increase of **` 62,709 crore** showing a growth rate of **15.86%**.

**Credit-Deposit Ratio:**

The Credit Deposit Ratio as of March 2015 was **74.76%** vis-à-vis **75.24%** as of March 2014 showing a marginal decline of 0.48%**.** The CD ratio was at 103**%** in Rural areas, 88**%** in Semi-Urban, 71**%** in Urban and 70**%** in Metro areas.

Further analysis indicates that some banks with good presence are having CD Ratio below the bench mark level of 60%. [Central Bank of India – 53%, Karnataka Bank - 46%]. 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 **` 184503 crore** as of March 2015 as against **` 158455 crore** as at March 2014 showing an increase of **` 26048 crore** recording a **growth of 16.44%.** The percentage of priority sector advances of Banks works out to **40.28%,** above the Benchmark level of **40%** stipulated by RBI.

The total **agricultural advances** as at March 2015 were to the tune of **` 87860 crore** constituting **19.18%** of the total advances of Banks against mandatory level of 18%. Out of which, direct advances to agriculture stood at **` 80223 crore** forming 17.51%of total advances as against the bench mark level of **13.50**%.

The outstanding **Advances to Weaker Sections** by Banks was **` 67765 crore** constituting **14.79%** of the total Advances with an increase of **` 9887** crore over the corresponding previous year level. The outstanding advances to Small & Marginal farmers was to the tune of **` 44733 crore** covering about **50.40 lakh** accounts, constituting **50.91%** of the total Agriculture credit and **55.76%** of direct agriculture credit. The outstanding advances to SCs/STs were **` 12480 crore** constituting **2.72%** of the total advances.

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

**HOUSING LOANS AND REVERSE MORTGAGE LOAN SCHEME:**

The Banks have been financing construction of houses under different schemes to encourage housing sector and to increase the availability of residential houses to the needy people. The outstanding level of advances under Housing as at March 2015 stood at **` 34678** crore covering **466324** accounts. During 2014-15, the Banks have disbursed **` 7090** crore involving **100267** accounts.

Public Sector Banks have formulated Reverse Mortgage Loan Scheme for the benefit of the Senior Citizens. The Banks assisted **823** persons with a loan amount of **` 261.75** crore as at March 2015. Bank-wise position of Housing Loans and Reverse Mortgage loans is furnished in **Annexure II C.**

Under Golden Jubilee Rural Housing Scheme (GJRHS), Banks have sanctioned 6296 loans with credit limit of **`** 415.08 crore upto Mar. 2015. The outstanding level was **`** 1195.47 crore spread over 30581 a/cs.

**RAJIV RINN YOJANA (RRY)**

The DMA has furnished the position of the implementation of the scheme as on 15th May 2015, as under:

Identified: 23737 Beneficiaries; Application received: 10668;

Application forwarded to Banks: 8899; Applications sanctioned: 1832

However, the Ministry of Housing & Urban Poverty Alleviation, Govt of India vide their reference No.14013/2014-H/FTS-11839 dated 16.4.2015 has clarified that the scheme of Rajiv Rinn Yojana (RRY), which has been in effect from 3.9.2013 has come to an end now. In this regard, it is informed that the Ministry is in the process of launching a comprehensive mission for **“Housing for all”** with a component of interest subvention. Further, it is informed that the fresh proposals may be taken up under the new interest subvention scheme on the launch of the New Mission **“Housing for All”**.

All the stakeholders are requested take note of the same.

Under RRY, the outstanding was 1277 a/cs involving **`** 12.00 crore. Under EWS and LIG categories, 1115 and 2529 loans with loan amount of **`** 7.48 crore & **`** 82.81 crore have been sanctioned, respectively and the outstanding amount was **`** 82.48 crore (25663 a/cs) & **`** 1238.83 crore (58082 a/cs), respectively. Under DRI loans the outstanding balance as on March 2015 was **`** 83.12 crore (3136 a/cs).

**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 March 2015, the outstanding level of education loans stood at **` 5261.41** cr covering **234169** a/cs. Banks have disbursed loans to 74715 students amounting to **` 881.04** cr up to the end of March 2015. Consolidated position under Education loan is given in **Annexure II D**.

**Credit Flow to Micro, Small & Medium Enterprises [MSME] – March 2015**

As per the guidelines issued by GoI/RBI, the Banks have taken steps for increasing the flow of credit to Micro, Small & Medium Enterprises. The outstanding level of credit to Micro Enterprises stood at **` 25253.17 crore.** The advances to Small Enterprises were at the order of **` 30599.94 crore.** The advances toMedium Enterprises stood at **` 11071.47 crore** as at March 2015. The percentage of advances to Micro & Small Enterprises [**` 55853.11 crore**] was at the order of **83.46%** out of the total advances to MSME Sector [**` 66924.58** **crore**].

The sector-wise particulars are as follows:

 **` in crores**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SLNo** | **SECTOR** | **MANUFACTURING SECTOR**  | **SERVICE SECTOR**  | **TOTAL** |
|  |   | **A/CS** | **Amt** | **A/CS** | **Amt** | **A/CS** | **Amt** |
| 1 | **Micro Enterprises** | **99709** | **7555.76** | **796670** | **17697.41** | **896379** | **25253.17** |
| 2 | **Small Enterprises** | **31268** | **17419.04** | **138583** | **13180.90** | **169851** | **30599.94** |
| 3 | **Medium Enterprises** | **1945** | **7043.25** | **2603** | **4028.22** | **4548** | **11071.47** |
|  | **TOTAL** | **132922** | **32018.05** | **937856** | **34906.53** | **1070778** | **66924.58** |

The level of outstanding increased from **`** 57051 cr as on 31.3.2014 to **`** 66925 cr as on 31.3.2015, thereby registering a growth percentage of 17.31%.

Bank-wise particulars of advances to MSME Sector are furnished in **Annexure III.**

The Reserve Bank of India is regularly conducting the meeting of the Empowered Committee on MSME and Meeting of State Level Inter Institutional Committee (SLIIC) for Karnataka, every quarter to review the implementation of the recommendations of the working group on rehabilitation of sick MSMEs, flow of credit to MSE sector, collateral free loans to MSEs, flow of credit to MSME clusters and conducting awareness programmes and entrepreneurial camps-CGTMSE etc. RBI is calling for the information on the above issues. Banks are requested to submit the compliance report to them every quarter before 15th of succeeding month from end of the quarter.

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

In view of ‘Make in India’ campaign initiated by Govt of India, all the Banks are requested to strive for improving entrepreneurial sensitivity amongst the Branch officials for giving intended thrust to the MSME sector.

**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 11155units with an approved amount of **` 650.89 crore** during the QE Mar. 2015 and the cumulative progress was **154229** units amounting to **` 7921.89** crore [Source: Credit Guarantee Fund Trust for Micro & Small Enterprises].

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

The progress in disbursement under Annual Credit Plan for the quarter ended March 2015 with bank wise position is presented in **Annexure IV**. Consolidated Sector-wise targets and achievements are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sector** | **Annual Target** | **Disbursements (` in Crore)** | **% age achmt.**  |
| **Comm. Banks** | **RRBs** | **Co-op. Banks** | **KSFC** | **Total** |
| Primary | 57247 | 39541 | 8385 | 9927 | 0 | 57853 | 101.06 |
| Secondary | 16930 | 28490 | 1779 | 0 | 438 | 30707 | 181.38 |
| Tertiary | 15644 | 9161 | 2446 | 0 | 116 | 11723 | 74.94 |
| **Total PSA** | **89821** | **77192** | **12610** | **9927** | **554** | **100283** | **111.65** |
| Crop Loan | 39252 | 22342 | 6851 | 9313 | 0 | 38506 | 98.10 |

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

**12.1: RAJIV GANDHI LOAN SCHOLARSHIP SCHEME**

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

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

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

As per the latest information provided by Collegiate Education Dept., the Colleges have sponsored totally 4037 applications to various Bank Branches. Out of which, 134 applications have been sanctioned and the remaining applications are reported to be pending with the Banks. The Banks are advised to dispose the remaining applications at the earliest.

**12.2: KARNATAKA SELF EMPLOYMENT SCHEME**

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

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

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

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

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

The progress under PMEGP for the year 2014-15 (as on **30.04.2015)** is as follows:

(**`** in lacs)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sr. No | Agency | Revised Target for 2014-15 | 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 (2014-15) | No. of Projects returned/rejected by bank | No. of Subsidy Claim Settled during current year (clams pertains to 2013-14 & 2014-15) | No of subsidy claim pending at Nodal anks for release of MM subsidy |
| Proj. | MM | Emp.  | Proj. | MM | Emp.  | Proj. | MM |
| *1* | *2* | *3* | *4* | *5* | *6* | *7* | *8* | *9* | *10* | *11* | *12* | *13* | *14* | *15* | *16* |
| **1** | **KVIC** | 1124 | 1323.89 | 8992 | 3289 | 3237 | 2392 | 2432 | 679 | 515 | 492 | 2424.76 | 6313 | 622 | 2431.25 |
| **2** | **KVIB** | 1124 | 1323.89 | 8992 | 5329 | 5329 | 3682 | 3673 | 925 | 653 | 880 | 1884.30 | 7040 | 1042 | 2439.65 |
| **3** | **DIC** | 1500 | 1765.20 | 12000 | 13327 | 13299 | 6246 | 6192 | 2429 | 1320 | 1059 | 2170.04 | 8472 | 1511 | 3614.24 |
|  | **Total** | 3748 | 4412.98 | 29984 | 21945 | 21865 | 12320 | 12297 | 4033 | 2488 | 2431 | 6,479.10 | 21825 | 3175 | 8485.14 |

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

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

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

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

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

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

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

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

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

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

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

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

The DMA has informed that 14,268 applications were forwarded to the Banks against the revised target of 15,149 under SEP (I&G). Out of which, only 3,225 applications have been sanctioned by the Banks. Under Groups, 117 applications were forwarded to the Banks against the target of 107. Out of which, only 34 applications have been sanctioned by Banks. The Dept of Housing & Urban Poverty Alleviation, GoI has expressed concern over the delay in sanction of loans and tardy progress in implementation of the scheme. As such, the Banks are requested to consider the balance applications for sanction on merit immediately.

The Dept is requested to pursue with the respective Lead District Chief Managers through their department representatives for implementation of the scheme at DCC for effective implementation of the scheme rather than conducting review at the State level.

The Department to inform the progress.

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

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

[Amt. **`** in lacs]

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Self Employment Programme | Physical Target | Financial Target | Achievement for the end of Mar. 2015 |
| Subsidy from Corpn. | Bank Loan | Physical Target | Financial |
| Subsidy from Corpn. | Bank Loan |
| a) | Unit cost not exceeding **`** 1.00 lakhs (Subsidy at the rate of 33% maximum **`** 35,000/- per unit) (SEP) | 2857 | 1000.00 | 3000.00 | 1691 | 547.65 | 915.95 |
| b) | Unit cost exceeding **`** 1.00 lakhs (Subsidy at the rate of 33% maximum **`** 2.00 lakhs per unit) (ISB) | 520 | 780.00 | 2350.00 | 257 | 389.78 | 943.85 |
| c) | Milch Animal (Two Animals)(Subsidy at the rate of 50% of the Unit cost maximum **`** 50,000/- per unit) | 4071 | 1832.00 | 3664.00 | 952 | 245.77 | 319.97 |
|  | Total | 7448 | 3612.00 | 9014.00 | 2900 | 1183.20 | 2179.77 |

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

The progress for March 2015 is as follows.

 **(Amt ` in lacs)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the scheme** | **Target for 2014-15** | **Progress as at 31.3.2015** | **Total** |
| **Physical** | **Subsidy** | **Physical** | **Subsidy** | **Bank loan** |
| Self Employment | 5714 | 2000.00 | 5878 | 1793.75 | 2670.48 | 4464.23 |
| ISB Scheme | 300 | 600.00 | 529 | 620.20 | 1793.82 | 2414.02 |
| TOTAL | 6014 | 2600.00 | 6407 | 2413.95 | 4464.30 | 6878.25 |

The District-wise Progress is furnished in Annexure L

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

The Corporation is implementing the Swavalambanascheme. Progress as at March 2015 is as under:

 [Amt. **`** in lacs]

|  |  |
| --- | --- |
| **REVISED TARGET** | **ACHIEVEMENT** |
| Physical | Financial | Physical | Financial |
| Subsidy & MM | Bank Loan |
| 4400 | 900 | 4918 | 1393.71 | 4951.61 |

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

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

As against the physical target of 4000 for 2014-15, Banks have sanctioned 4210 loans involving the loan component of **`** 2656.63 lakhs, margin money of **`** 799.75 lakhs and subsidy component of **`** 356.97 lakhs, as on March 2015.

The District-wise performance as on March 2015 is furnished in the Annexure N.

**AGENDA 13.0 : SPECIAL FOCUS PROGRAMMES**

**13.1 CREDIT FLOW TO MINORITY COMMUNITIES**

The Banks have disbursed loans to **315982** beneficiaries amounting to **` 4441 crore** during the financial year. The outstanding level of advances to Minority Communities as at the end of Mar. 2015 was **` 19801 crore spread over 940876 accounts,** constituting **10.73%** of PSA. The Bank wise details of credit disbursement upto Mar. 2015 & outstanding balance as at Mar. 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 Mar. 2015 is as follows –

 (**[` in Crore]**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the District** | **Bidar** | **Kalburgi** | **Dakshina Kannada** |
| **Name of Lead Bank** | **SBI** | **SBI** | **SyndicateBank** |
| Priority Sector Advances | 2370 | 4469 | 9365.01 |
| Lending to Minority Community | 373 | 773 | 3112.58 |
| % of Minority Community Lending to PSA | 15.74 | 17.30 | 33.24 |
| 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 **` 10153 c**r. to 965497Women Beneficiaries upto **Mar. 2015** during the financial year. The outstanding level of Advances to Women Beneficiaries was **` 33206 cr.**  as of Mar.2015 constituting 7.25**%** oftotalof 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 **11,98,810 KCCs** upto Mar. 2015 with credit limit of **` 14651.09 cr.**

Agency-wise number of Cards issued is as under: **(` in crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Agency** | **Target for 2014-15**  | **During the Year**  | **Outstanding Balance** |
| **No.of cards Issued** | **Limit sanctioned** | **No. of cards** | **Amount** |
| Comm.Banks | 522440 | 556138 | 9254.33 | 1251981 | 17060.33 |
| RRBs | 294560 | 478493 | 4720.24 | 863377 | 6771.71 |
| Cooperatives | 183000 | 164179 | 676.52 | 2178108 | 8639.04 |
| **Total** | **1000000** | **1198810** | **14651.09** | **4293466** | **32471.08** |

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

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

Progress under SHG Bank Linkage as at March 2015 –

**Outstanding position of advances to SHGs as at March 2015:**

|  |  |  |
| --- | --- | --- |
| **Agency** | **No. a/cs** | **Amount** **(`** **Crore)** |
| Commercial Banks | 389140 | 5078 |
| RRBs | 81254 | 1111 |
| Cooperatives | 84010 | 718 |
| **Total** | **554404** | **6907** |

Commercial Banks have directly credit linked 157373 SHGs with an amount of **`** 2346.90 crore and indirectly 9803 groups with a limit of **`** 160.12 crore; RRBs could credit link 36396 groups with an amount of **`** 717.31 crore and Co-op. Banks have credit linked 37304 groups with a limit of **`** 647.92 crore upto Mar. 2015.

A target for credit linkage of 20,000 JLGs has been fixed for the State for 2014-15. As per the information gathered, the Banks have credit linked 38,514 JLGs with a credit limit of **`** 406.42 crore upto Mar. 2015. However, many Banks are yet to furnish the progress report in this regard.

Consolidated progress by Banks under SHG bank linkage program as at Mar. 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.

**District-wise SHG / JLG Targets for 2015-16**

It is informed by the NABARD vide their letter No. NB.KA.KRO.MCID/494/ Target SHG-JLG/2015-16 dt 13th May 2015, that during the year 2015-2016, the All India Target fixed for promotion and savings linkage of SHGs is 6.25 lakh, 17 lakhs for credit linkage of SHGs and 5 lakhs for financing JLGs. The Target set for Karnataka is credit linkage of 1.562 lakhs SHGs and 0.25 lakh for JLGs. Keeping in view last year’s Achievements and potentials across various Districts, Agency wise and District wise Targets have been finalised by NABARD and furnished in Annexure - O.

SLBC has already conveyed the District-wise targets to all LDMs vide ref : 289/2015/2944/SLBC/F-537/269 dated May 15, 2015 with an advice to allocate the target of their District amongst Bank Branches in their District in consultation with DDMs of NABARD and inform to the same to SLBC. LDMs / Banks are requested to take note of their targets and put their best efforts for accomplishing the targets.

**AGENDA 15.0 : LENDING THROUGH MFIs:**

Association of Karnataka Micro-Finance Institutions (AKMI) is overseeing the working of various (22) MFIs. It has informed that the loan outstanding given by various MFIs in Karnataka as on March 2015 was **`** 7760.24 crore covering 63.37 lakh a/cs. Out of which, overdue is only **`** 45.94 crore spread over 47,757 a/cs. The District-wise outstanding and Overdues as on March 2015 is enclosed as **Annexure- P.**

**AGENDA 16.0 : STREE SHAKTI PROGRAMME**

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

No. of Stree Shakti Groups formed : 140000

No. of Groups credit linked : 128283

Target for credit linkage for 2014-15 : 13779

The progress under Stree Shakti Programme as furnished by the Women & Child Development Department, Govt. of Karnataka for March 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 | **` 1614.88** Cr |
| No. of groups credit linked | 128283 |
| Loan disbursal by banks |  **`** 2607.19 Cr  |

The District-wise performance is furnished in Annexure- Q

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

 **DEVELOPMENT CORPORATION [KSWDC]**

Karnataka State Women’s Development Corporation, the Nodal agency for Udyogini scheme vide their letter dated 25.05.2015 has communicated the District-wise progress under the scheme. The details are as under:

|  |  |
| --- | --- |
| Target | Achievement |
| Physical | Financial | Physical  | Financial |
| 11598 | **`** 1030.05 lakh | 11994 | 1030.06 |

The District-wise / Category-wise targets and achievements are furnished in Annexure –R

**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 Mar. 2015 was for 928 Clinics **[` 67.59 cr]** & 193 Agri-Business units (**` 11.52 crore**). During the QE Mar. 2015 Banks have financed 18 Agri-Business Centres (**`** 2.00 crore) and 35 Agri Clinics (**`** 3.48 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 187 Rural Godowns with credit limit of **`** 64.26 crore up to Mar. 2015. The outstanding amount was **`** 480.58 crore comprising 2709 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 2014-15, NHB has released subsidy in respect of 116 proposals under the scheme amounting to **` 946.25** 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 22.5.204. The details are available on the website: [www.nhb.gov.in](http://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 Mar. 2015, is furnished here under:

 **(Amount in ` crore)**

|  |  |  |  |
| --- | --- | --- | --- |
| **SECTOR** | **Balance O/S** | **NPA Level** | **% of NPA** |
| **P M E G P** | 392.19 | 53.78 | 13.71 |
| **SGSY** | Individuals | 66.77 | 10.02 | 15.01 |
| Groups | 398.24 | 26.28 | 6.60 |
| **SJSRY** | USEP | 146.32 | 34.53 | 23.60 |
| UWSP | 18.24 | 4.13 | 22.64 |

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 **687641** NPA a/cs involving an amount of **` 16803.12 crore** as of Mar. 2015, accounting for **3.67%** of total advances. The Farm sector accounts for **296601 a**/cs, with a balance of **` 3966.70 crore** constituting **4.52%** of advances to agriculture**.** NPA under MSE and OPSA works out to 5.40 and 2.45%, respectively.

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

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

Banks have recovered **` 712.26** crore against amount involved **` 1801.86** crore under **SARFAESI Act, ` 79.49 crores** against amount involved **` 1737.97** crore under **DRT** and **` 284.63** crore against amount involved **` 986.44** crore through **Lok Adalat** up to Mar. 2015.

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

As of Mar. 2015, **26727** cases filed by Banks under RR Act were pending before Revenue Authorities involving an amount of **` 295.10 crore**. The Banks have filed **1148** applications during Mar. 2015 quarter involving loan amount of **` 19.34 crore.** There are **4267** 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 March 2015 are enclosed as **Annexures XVIII -1 to 5**.

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

**1. Credit Linked Subsidy Schemes of GoI:**

The following credit linked subsidy schemes of GoI are continued for the year 2015-16.

**(a)** Dairy Entrepreneurship Development Scheme (DEDS)

**(b)** Agri-clinics and Agribusiness Centres (ACABC) Scheme

**(c)** Scheme of Ministry of New and Renewable Energy, GoI for promoting solar photovoltaic water pumping systems for irrigation purpose.

 **(d)** Commercial Production Units of Organic Inputs under National Project on Organic Farming

Banks may take advantage of the schemes for enhancing credit flow and capital formation. However, as far as Dairy Entrepreneurship Development Scheme (DEDS) is concerned, banks may focus on covering only SC beneficiaries.

 **(e) Submission of Applications under Rural Godown Subsidy Scheme**:

As per Agricultural Marketing Infrastructure (AMI) Scheme, the time limit for submission of advance subsidy application/s by Financial Institutions is 90 days from the date of disbursement of first instalment of loan. Applications received after the time limit are to be placed before the SLBC by NABARD every quarter. Details of the applications received from banks after 90 days from the date of release of I instalment are as indicated below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of Beneficiary | Category of Farmer | Name of Bank | Name of Branch | Date of release of first instalment by bank  | Date of receipt of adv. application at NABARD |
| P Suresh, S/o Pakkirappa Neralagi | SC | Karnataka Bank Ltd. | Anavatti, Shimoga dist. | 07.11.2014 | 04.04.2015 |
| H P Narasingh Naik S/o Peerya Naik | SC | Corporation Bank | Shikaripura, Shimoga Dist. | 30.06.2014 | 29.04.2015 |
| Nagaraja Naik, S/o Hunya Naik | SC | Corporation Bank | Shikaripura, Shimoga Dist. | 08.12.2014 | 29.04.2015 |

Banks may ensure that delay do not recur and the proposals are received by NABARD within the stipulated time. NABARD or GoI will not be responsible for rejection of applications received beyond due date**.**

**2. Short-Term Finance**:

**a) Issue of Weavers Credit Card under the Comprehensive Financial Package**

Banks may submit the data on a monthly basis latest by 5th of the following month to enable SLBC to consolidate information on Weaver Credit Cards (WCC), sanction of Margin Money assistance and claims submitted for Interest Subsidy by banks and report the same to NABARD latest by 10th of every month for onward transmission to Ministry of Textiles, GoI on a monthly basis.SLBC is requested to accord top priority for transmission of information to NABARD.

**b) KCC - Data on ATM enabled electronic KCC Cards**

**Progress of Kisan Credit Card Scheme in Karnataka:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Agency** | **No. of live KCC outstanding as on 30.04.2015** | **Out of which ATM-enabled - KC Cards issued (Rupay KCC)** | **Coverage in %** |
| **KSCAB** | **2338487** | **11304** | **0.48%** |
| Kaveri GB | 220450 | 50635 | 22.97% |
| Karnataka Vikas GB | 271126 | 66373 | 24.48% |
| Pragati Krishna GB | 267998 | 39406 | 14.70% |
| **RRBs Total** | **759574** | **156414** | **20.59%** |

As per GoI instructions, all KCC holders should have got ATM enabled cards by 30 June 2013. Even after 20 months from the due date, coverage is very poor. Banks may deliberate the constraints faced by them for issue of Rupay Cards and the steps that they are taking to improve the coverage. Banks may also indicate specific time frame and action plan to ensure 100% coverage.

**c) Interest Subvention on Crop Loan**

As per NABARD’s Circular No. 61/DoR-16 dated 16.04.2015 addressed to the RRBs, and Circular No.60/ DoR-15 dated 16.04.2015 addressed to the Cooperative Banks, Interest Subvention Scheme-2014-15 would continue **till 30 June 2015** on the same terms and conditions .

**3. Preparation of Banking Plans for Watershed Development Projects:**

NABARD has been supporting implementation of watershed development projects in Karnataka for more than a decade and successfully implemented 217 projects covering an area of 2.73 lakh ha. The implementation of these projects have facilitated conservation of soil and water in a scientific manner and increased agriculture productivity in rainfed areas. However, the optimum benefits to the watershed community in general and farmers in particular could be achieved only if banks are actively involved in watershed areas through providing necessary credit support for post watershed activities. Needless to mention, development of watershed areas also provides business opportunities for the banks. In this regard, banking plans have been prepared for 33 watershed project areas covering a total financial outlay of **`** 105.09 crore. These plans have been prepared by DDMs of NABARD in association with the concerned branch managers / controlling offices of banks in watershed areas. The district-wise details of the Banking plans prepared by NABARD are furnished here below for ready reference. To ensure that these Plans result in actual credit flow LDMs of the concerned districts need to take a lead role and ensure monitoring of the Plans in BLBC/DCC meetings and include the deliberation and the outcome in the proceedings.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the District** | **Taluks/Blocks covered** | **Name of the watersheds** | **Number of Banking plans** |
| Belgaum | Athani, Soudattti, Chikkodi and Ramdurga | Kottalagi I, Kottalagi II, Kakamari, Hirekumbi I, Hirekumbi II, Majalatti, Wadral, Jainapur, Obalapur, Aribenchi and Kamkeri | 11 Banking Plans |
| Mysore | Gundupet, HD kote and Nanjangudu | Manchalli and Kudurehundihalla | 2 Banking Plans |
| Chitradurga | Chitradurga and Challakere | Archallihatti, Basappanahalla, Maliyammadevihalla, Chowdammanhalla and Karibasaveshwarahalla. | 5 Banking plans |
| Hassan | Arsikere | Jobigenahalli, Chikkagandasi, G.Mangalapura, Gandasi and Jakkanahalli | 5 Banking plans |
| Bidar | Basavakalyna and Aurad | Mudbinala, Yerrandinala andChintakinala  | 3 Banking Plans |
| Bijapur | Bhutnal | Bhutnal | 1 Banking Plans |
| Shivamoga | Shikaripura | C.N.Koppa, Maravalli, Dindahal, Harogoppa, Attibylu and S.G.Koppa  | 6 Banking Plans |
|  |  | **Total** | **33 Banking plans** |

**4. Rural Infrastructure**:

There are 3006 irrigation projects got completed with RIDF assistance in Karnataka State, creating an irrigation potential of approximately 2,81,635 ha of agricultural land. These projects are spread in 29 districts of the state. District-wise details of the completed projects are enclosed in Annexure (NABARD). Banks may take steps to assess the additional credit requirements of farmers in the command area of these projects and to provide the same.

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1. **ISSUE OF SWAROJGAR CREDIT CARD:**

Agency wise target set for issue of Swarojgar Credit Card for the year 2015-16 in respect of Karnataka State is as follows:

|  |  |  |
| --- | --- | --- |
| Sl No | Agencies | Number of Cards to be issued |
| 1 | Commercial Banks | 20,000 |
| 2 | Cooperative Banks | 12,000 |
| 3 | Regional Rural Banks | 8,000 |
|  **Total** | **40,000** |

Targets set for the agencies may be disaggregated amongst the branches and progress monitored closely in DCC/DLCRC meetings**. SLBC is requested to monitor the bankwise achievements at state level and also ensure that data reporting by banks under this head is accurate and prompt.**

**AGENDA 22 : SUBMISSION OF ACTION PLAN / TARGETS OF THEIR SCHEMES BY**

**GOVT DEPARTMENTS**

As per the norms in vogue, all the concerned Line Departments / Corporations who are implementing their department schemes are required to furnish their Action Plan before the commencement of every financial year to enable accomplish their targets well in time. However, so far none of the Departments / Corporations have submitted their action plan / targets for the financial year 2015-16. All the Departments / Corporations are requested to submit their action plan / targets for 2015-16 to SLBC at the earliest.

**AGENDA 23 : ANY OTHER MATTERS WITH THE PERMISSION OF CHAIR**

 **(continued with supplementary Agenda )SUPPLEMENTARY AGENDA NOTES FOR 131st SLBC MEETING**

**Agenda No. 1 : Karnataka Renewal Energy Development Ltd (KREDL) – Financing the Solar Projects of 1 to 3 MW Land Owners category**

The Govt of Karnataka in its Solar Policy 2014-2021 has made provision to allot solar projects to land owners / farmers under segment-1, category-1 of Solar Policy.

The development of 1 MW of Solar PV project require about 5 acres of land and capital requirement of about Rs. 6-7 crore/MW based on location of land and nature of land. Each MW of Solar PV project would generate about 16-17 lakhs units of energy per annum based on radiation resource available at particular site, quality of material, quality of engineering and evacuation infrastructure.

The allottee will be facilitated with power purchase agreement with electricity supply company (ESCOM) at the tariff as decided by KERC. At present, the tariff is Rs. 8.40. There are no wheeling charges and duties, since the consumer is ESCOM.

The allottees are land owners / farmers and the equity portion consists of their land and allotment. Financial closure is an important aspect in execution of the project. The financial institutions are required to support development of solar energy project considering the advantage of reduction of green gas emission and sustainability. Unless the financial institutions support this programme, it would be difficult to achieve the aspirations of the Govt to promote the development of solar energy. Govt may provide necessary provision in the draft PPA document to facilitate the lenders to get the rights of the revenue generated by sale of energy to ESCOMs. Hence, financial institutions are required to consider fundting of the project.

The KREDL has reported that they have selected / sanctioned 200 applicants under 1-3 MW Land Owners category.

In this regard, the KREDL, Dept of Energy, Govt of Karnataka had convened a meeting of all stakeholders on 15.4.2015 at Bengaluru under the chairmanship of Sri D K Shivakumar, Hon’ble Minister for Energy, Govt of Karnataka to deliberate on financing selected applicants for Solar Projects of 1 to 3 MW Land Owners category. In the meeting, all the Bankers were requested to take up financing these projects on priority.

KREDL is requested to provide one copy of the Project Report to SLBC, to enable SLBC to circulate it among Banks.

The House may deliberate.

**Agenda No. 2 : Providing relief measure by RRBs in case of Natural Calamities as per RBI guidelines – Declaration of Annewari by District Administration**

In the areas affected by natural calamities, Banks are required to extend relief measures following the guidelines of RBI. As per the RBI guidelines, the Banks are required to extend relief measures following the decision of the DCC / Declaration of Annewari by the District Administration. However, declaration of Annewari is necessary for RRBs to avail refinance from NABARD after extending relief measures.

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In the Meeting of Empowered Committee on RRBs under the chairmanship of RD : RBI held on 16th June 2015, the Chairmen of RRBs expressed their concern that the District Administrations are not declaring Annewari in all the cases when natural calamity occurs and hence RRBs are unable to draw refinance from NABARD, which is affecting their funds position. As such, they have requested to impress upon the State Govt to advise the District Administration to declare Annewari as and when the districts faces natural calamities to facilitate Banks, specially, RRBs to extend relief measures and draw refinance from NABARD. The Regional Director: RBI advised SLBC to take up the issue in ensuing slbc

The House to deliberate on the issue.

**Agenda No. 3 : Credit Enhancement Guarantee Scheme for Scheduled Castes**

It is informed by IFCI Ltd., New Delhi vide their letter No.CEGSSC/HO/2015-150522047 dated 21.5.2015 that in a bid to promote entrepreneurship among the Scheduled Castes, the Ministry of Social Justice & Empowerment, Govt of India has launched Credit Enhancement Guarantee Scheme for Scheduled Caste on 6th May 2015 for providing credit enhancement guarantee to banks extending financial assistance to entrepreneurs, belonging to Scheduled Castes, who aspire to be part of neo middle class category.

Under the Scheme, IFCI Ltd., a Govt of India Undertaking shall provide guarantee to public sector banks which shall be providing financial assistance to SC entrepreneurs. The guarantee cover under the Scheme shall be ranging from Rs. 15 lakh to Rs. 5 crore.

IFCI is the Nodal Agency for the Scheme and has been entrusted with the responsibility of managing the Scheme. The pan-India initiative shall promote entrepreneurship among the Scheduled Caste who are oriented towards innovation and growth technologies.

Banks are requested to expeditiously implement the scheme, so as to benefit SC entrepreneurs and also to enhance direct and indirect employment generation among SCs. They are also requested to actively participate in this Govt of India initiative, which is a noble objective of financial inclusion of SC community.

The House to deliberate on the issue.

**Agenda No. 4 : Chief Minister’s Employment Generation Programme (CMEGP)**

It is informed by Directorate of Industries & Commerce, Govt of Karnataka that the Karnataka Self-Employment Scheme launched by the State Govt during the last year is renamed as ‘Chief Minister’s Employment Generation Programme (CMEGP)’ with a few modifications in the guidelines from the year 2015-16 as per the announcement in the Budget Speech 2015-16 and the scheme will be jointly implemented by DIC and KVIB. The scheme is being approved by the Govt and will be communicated to all concerned shortly. The target for 2015-16 is 2000 projects, 1250 from DIC and 750 from KVIB.

All the Banks are requested to take note of the above and accord priority for implementation of the scheme.

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**Agenda No. 5 : Prime Minister’s Employment Generation Programme (PMEGP) - Release of Margin Money funds to financing branches from Nodal Branches**

It is informed by Directorate of Industries & Commerce, Govt of Karnataka that the Nodal Banks are delaying in release of Margin Money to their financing Branches, which is having direct bearing on implementation of PMEGP scheme. The Nodal Banks starts the process of scrutinizing the applications on receipt of margin money and delay the utilization of funds stating that the claims received by the Branches are not in order. This is being repeated almost every year and is a major hindrance for effective implementation of the scheme.

During the year 2014-15, the DICs all over the State have obtained loan sanctions for which margin money required is amounting to Rs. 5121.73 lakhs against the target of Rs. 2118.17 lakhs. The said claims have to be settled during the current year. As the target has been exceeded, proposal for additional margin money can be sent to GoI, only after the early utilization of the margin money funds.

Issuing the instructions to all the nodal banks to keep the DIC claims ready for release of margin money after scrutinizing the claims received by them from the financing Branches and also instructions to utilize the funds within a week from the date of release of funds from GoI is necessary for effective implementation of the scheme.

In this regard, SLBC has already communicated the above to all the Banks vide letter No.**:** 341/2015/2944/SLBC/F-374 dated 8th June 2015 in pursuance of the communication received from the Commissioner for Industrial Development & Director for Industries & Commerce, Govt of Karnataka.

**E-tracking of PMEGP applications**

CEO, KVIC, Mumbai vide their Cir. No.PMEGP/Cir./e-tracking/2013-14 dated 24.5.2013 have issued directions for mandatory entries of applications in the e-tracking system of PMEGP from 2013-14. As per the circular, all Banks should enter data relating to sanction and disbursement in the e-tracking system. But, the details of the applicants uploaded after recommendation to the financing Branches are not being done by Bankers. Due to this the purpose of e-tracking system is not being served completely.

In this regard, all the Banks are requested to enter in e-tracking, the sanction, disbursement details and status of applications as the same is mandatory.

**Agenda No. 6 : Non participation of few Private Banks in implementation Govt. Sponsored Schemes**

We have been receiving feedbacks from some Lead District Managers that few Private Banks are not participating in implementation of Govt Sponsored Schemes. It is brought to our notice by LDM : Mysuru that some Private Sector Banks, namely, Axis Bank, Federal Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, South Indian Bank are not actively participating in implementation of the Govt Sponsored Schemes, which is affecting the implementation of the schemes in the District. SLBC has taken up the matter with the controllers of these Banks.

The House to deliberate on the issue.

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