

**GOVERNMENT OF KARNATAKA**

No. FD 76(T) Exp-1/2020

Karnataka Government Secretariat  
Vidhana Soudha  
Bangalore, Date: 31.08.2020

**Circular**

Sub: Guidelines for investment of surplus funds –fixing NPA-reg.

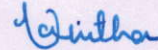
- Ref: 1) Circular No. FD 38 TAR 2018, Dated: 27.08.2018  
2) Corrigendum No. FD 01 TAR 2019, Dated: 23.08.2019  
3) Circular No. FD 8 TAR 2020, Dated: 12.03.2020

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In the Circular referred at (1) above certain guidelines have been issued by Finance Department for the investment of surplus funds by the State Public Enterprises. According to the Corrigendum referred at (2) above NPA limit have to be fixed by Finance Department.

Hence, Net NPA % as on 31.03.2020 is fixed at 5.50% for all Scheduled Commercial Banks and at 8.30% for Regional Rural Banks for the year 2020-21 till 30.06.2021.

As per Para 6(I)(ii)(c) of Circular referred at (3) above the norm applicable under Profitability track record for PSBs-“Public Sector Banks shall have Profitability track record of at least 2 years out of immediate 5 years” is also applicable to Regional Rural Banks. Other instructions/ guidelines mentioned in the Circular referred at (3) above shall be followed for investing of surplus funds.



(N. Vanitha)

Under Secretary to Govt.

Finance Department (Exp-1&Investment)

To,

1. The Principal Accountant General (A&E), Karnataka, Bengaluru.
2. The Principal Accountant General (G&SSA), Karnataka, Bengaluru.
3. Additional Chief Secretaries/Principal Secretaries/Secretaries to Government
4. Secretary to Government, Department of Public Enterprises, M.S. Building, Bengaluru.
5. All Heads of Departments.



6. All Heads of Boards, Corporations, Authorities, Local Bodies and Autonomous Bodies-through concerned Administrative Departments.
7. PS to Chief Secretary to Govt. of Karnataka.
8. PS to Additional Chief Secretary to Govt. of Karnataka.
9. All Internal Financial Advisors.
10. All Joint Secretaries and Deputy Secretaries of Finance Department.
11. S.G.F./Spare Copies.

in the Circular referred at (1) above certain guidelines have been issued by Finance Department for the payment of surplus funds by the State Public Enterprises. According to the Compendium referred at (2) above the A-fund have to be filed by Finance Department.

Home - (2) (1) is an on 21.03.2019 is filed in 2.3004 for all sub-offices Commercial Banks and a 2.3004 for Regional Rural Banks for the year 2018-19 (20.03.2019)

As per Para (1)(a)(i) of Circular referred at (2) above the non-applicable under Profitability track record for Public Public Sector Banks shall have Profitability track record of at least 3 years out of immediate 5 years. It also applicable to Regional Rural Banks. Other non-applicable guidelines mentioned in the Circular referred at (2) above shall be followed for payment of surplus funds.

*[Signature]*  
Finance Department, Government of Karnataka

1. The Principal Accountant General (S&T), Karnataka, Bangalore.
2. The Principal Accountant General (S&T), Karnataka, Bangalore.
3. Additional Chief Secretary, Finance Department, Government of Karnataka, Bangalore.
4. Secretary to Government, Department of Public Enterprises, M.S. Building, Bangalore.
5. All Heads of Departments.