

## Table Agenda for 156<sup>th</sup> SLBC Meeting

### **Agenda 26 : Table agenda of RBI**

#### **Agenda-26.1: Status of Opening of Banking Outlets in Unbanked Villages within a radius of 5 Km from the village**

Indlavadi Grama Panchayat is located in Anekal Taluk of Bengaluru Urban District with a population of 10,800. RBI, Bengaluru is in receipt of letters (copy enclosed) from Shri. A. Narayanaswamy, Hon'ble Minister of State for Social Justice and Empowerment, Government of India dated 29 January 2022 and Shri. D. K. Suresh, Hon'ble Member of Parliament (Lok Sabha), Bengaluru Rural Constituency dated 31 January 2022, expressing concern on the lack of branch of Nationalized Bank within a radius of 12 Kms from the Gram Panchayat. They have mentioned requirement of Branch of a Nationalized Bank and/or ATM, in newly constructed MPCs Building located in Anekal- Kanakapura Main Road, Indlavadi Village of Indlavadi Grama Panchayat, Anekal Taluk, Bengaluru Urban District.

In this regard, the Lead District Manager (LDM) concerned may ensure discussion with member banks in the district and take appropriate measures. The same may be discussed as an agenda item in the ensuing DCC and DLRC Meeting and necessary action may be taken at the earliest, to resolve the grievance of the residents of Indlavadi Grama Panchayat.

#### **Agenda-26.2: Root Cause Analysis of Customer Complaints received at RBI, Bengaluru**

RBI, Bengaluru had conducted the captioned study on the Root Cause Analysis (RCA) of the customer complaints received at Customer Education Protection Cell (CEPC), RBI Bengaluru for the period July 2020 to March 2021. The major findings from the study are as follows:-

- (i) **Bank Guarantee Related Complaints:** - These constitute the major chunk of the complaints received during the captioned period. It has been observed that banks were encashing the Bank Guarantees (BGs) without consent of beneficiary and without submitting original BGs.
- (ii) **Complaints against Mis-selling of Loans:** - Consumers availing loans from certain e-Commerce websites were found to be generally unaware that they were taking a loan through banks because of associated tie-ups between the two entities and their details were updated with CIBIL. There is a need to create awareness amongst customers as to whether the e-commerce entities have any collaboration with banks/ NBFCs registered with Reserve Bank of India, before availing "Pay Later" scheme offers from such e-commerce sites.
- (iii) **Complaint against Payment Aggregators/Payment Gateways:** - Most of the complaints were cases of transfer of funds where accounts were being debited from the sender but the amounts were not credited to the receiver. In this regard, there is a need to create awareness amongst public regarding the need to be

more vigilant about the frauds happening during online purchase /sale transactions.

- (iv) **Complaint against Third Party Apps:-** There is a need to enhance awareness amongst public about the settlement of complaints regarding digital transactions through third party applications like Google Pay etc., wherein the complainants need to follow the Standard Operating Procedure (SOP) detailed at National Payments Corporation of India (NPCI) website.
- (v) **Complaints against Urban/Commercial Banks under All-Inclusive Direction:-** Large number of complaints received are those related to permission to withdrawal of deposits held with the bank.

#### **Agenda : 27 :Skill Initiatives taken by ASCI**

**To Promote Credit availability to the <Certified Candidates> under various Central and State Sector Schemes imparted through <Agriculture Skill Council of India (ASCI)>.**

Agriculture Skill Council of India (ASCI) is Sector Skill Council and working under the aegis of Ministry of Skill Development & Entrepreneurship (MSDE), Govt of India with members from various Agriculture bodies like ICAR, APEDA, SFAC, NSAI, National Horticulture Board, Tea Board, Coffee Board and Spices Board and Industry body with basic objective as advisory in nature and setting National Standards for different occupation with aims towards capacity building by bridging gaps and upgrading skills of farmers & extension workers engaged in organized / unorganized segments of Agriculture & Allied Sectors. ASCI has developed industry validated 186 different Qualification Packs(QPs) which are NSQF aligned and it helps to provide the vocational identity and easy to measure the skill set one has. Govt of India through Gazette Notification, advised all training/educational programmes/courses to be NSQF-compliant.

ASCI is an approved assessing and awarding body by the National Council of Vocational Education and Training (NCVET), the only Government of India regulatory body for vocational training, to undertake assessment and certification activities of all NSQF aligned job roles as per Gazette notification. Since its inception in 2013, ASCI has facilitated more than 3.5 lakh youth in Short Term Training(STT) in various sectors of agriculture and around 5.5 lakh Recognition of Prior Learning to Agriculture workers across India. ASCI provides industry-backed, electronically verifiable and National Skill Qualification Framework (NSQF) aligned certification to the trainees under flagship skill development programmes of the Government of India, such as Prime Ministers' *Kaushal Vikas Yojana* (PMKVY), *Rashtriya Krishi Vikas Yojana* (RKVY), Mission for Integrated Development of Horticulture (MIDH) and all skill development programme under the State Skill Development Mission. Apart from that, ASCI is also taking necessary steps to associate with various state depts. to align their programme with NSQF and certification to create uniformity on training outcome with the basic objective like

- a. Formal Skill Certification providing vocational identity
- b. Access to credit: Recognition of their skills formally and enable them to avail loans and other financial benefits based on the skill sets
- c. Access to Market (Domestic & Exports)

- d. Aggregation and Collectivization benefit and enhancement of Entrepreneurship capabilities

Training and certification happened under different schemes at Jharkhand							
STAR	PMKVY 1.0	PMKVY 2.0 RPL	PMKVY 2.0 STT	NON PMKVY 2016-17	NON PMKVY 2017-18	NON PMKVY 2018-20	Total
2484	1150	3373	2759	761	379	2784	13690

Major areas in which training and certification happened are like Organic grower, Gardeners, Dairy Farmers, Seed production, Paddy farming, NTFPs collector, Micro irrigation, Mushroom, Vermicompost, Floriculture, Sericulturist, Farm mechanization, Poultry famers and other extension activities etc.

Keeping in view the importance of credit for establishing successful enterprises, SLBC may kindly take the responsibility to issue a circular/ advisory to all Banks in the State, Regional/ District offices of NABARD, SCBs, DCCBs, PACS, SCARDBs, PCARDBS, and RRBs to promote credit availability to the Agriculture Skill Council of India (ASCI) certified candidates under various Skill Schemes viz. PMKVY, RKVY, MIDH, State Skill Development Mission (SSDM) funded Skill programmes and various line departments skill development programmes.

**Agenda :28 : Adoption of one time settlement scheme of SBI to other Nationalized Banks.**

SLBC has received representations dated: 23.02.2022 and 28.02.2022 from Akhila Karnataka Dalimbe Belegarara Horaata Samithi, Kustagi and letter of Deputy Commissioner, Koppal forwarded by Director of Horticulture, office of Directorate of Horticulture, GoK vide mail dated 20.02.2022 wherein they have requested for adoption of One Time Settlement Scheme of SBI in other Nationalized Banks and also requested not to initiate any legal action in respect of pomegranate borrowers. Their requests are enclosed to this agenda. The same has already been discussed in our 155<sup>th</sup> SLBC meeting held on 12.11.2021 (detail provided in annexure.) 28 Page No: 445-457.

As formation of One Time Settlement policy is dependent on individual banks' Board based on their financial position and other parameters.

SLBC has no role implementation banks' OTS policies, however once again we request all member banks to examine their request.

**Agenda: 29 Study on credit offtake to MSME sector by RBI**

Reserve Bank had conducted an all India study on credit offtake to the MSME sector, wherein the number of new MSME accounts opened by Scheduled Commercial Banks (SCBs) and disbursement of MSME loans made by SCBs during the last four financial years (2018-2021) was analysed.

The important findings of the study are highlighted below:

**Salient observations of the study:**

**A. Bank group wise data on loans disbursed to new MSME accounts**

- i) The number of new MSME accounts opened by **Scheduled Commercial Banks (SCBs)** reported an increase during the years analysed except for the year ended March 2021 reporting a decline of 59.71%. The amount disbursed to new MSME accounts reported a decline of 19.23% for the same period. The major reason could be attributed to the mandatory registration on Udyam portal for classification of units as MSMEs and COVID-19 induced lockdown and restrictions.
- ii) The new MSME accounts opened by **Public Sector Banks (PSBs)** reported an increase of 38.55 % for the year ended March 2021 compared to March 2020, however the amount disbursed during the same period reported a marginal increase of 1.29%. It could be attributed to small ticket loans.
- iii) The new MSME accounts opened by **Private Sector Banks (PvSBs)** reported a decline by 78% in March 2021 compared to March 2020, mainly due to mandatory registration on Udyam portal for classification as MSMEs. While for the same period, the amount disbursed reported a decline of 30.38%.

**B. Segment wise data on loans disbursed to new MSME accounts**

- i) The new accounts in **Micro** segment reported a decrease of 62.03% for the year ended March 2021 compared to March 2020, while the amount disbursed during the same period reported a decrease of 37.16%, which could be attributed to mandatory registration on Udyam portal and lesser degree of formalization in the sector.
- ii) The new accounts in **Small** segment reported a decrease of 7.70% for the year ended March 2021 compared to March 2020, while the amount disbursed during the same period reported a decrease of 21.27%.
- iii) The new MSME accounts in **Medium** segment reported an increase of 39.87 % for the year ended March 2021 compared to March 2020, and the amount disbursed during the same period reported an increase of 55.71%. With the introduction of new definition of MSMEs w.e.f. July 1, 2020, it appears that medium segment has expanded due to likely inclusion of large enterprises in medium segment.

**C. Loan disbursement data for MSME sector (bank group wise)**

- i) The loan amount disbursed by SCBs reported a decrease of 3.44% for the year ended March 2021 vis-à-vis March 2020.

- ii) PSBs reported an increase of 75.22 % in the number of accounts for the year ended March 2021 vis-à-vis March 2020. However, the loan amount disbursed during the same period reported a decline of 2.60%, which could be due to small ticket loans as also slowdown in economic activity during the pandemic.
- iii) PvSBs reported a decline of 5.97% in the loan amount disbursed for the year ended March 2021 vis-à-vis March 2020, while the number of accounts reported a decrease of 14.41%.
- iv) Foreign Banks reported an increase of 8.56% in the loan amount disbursed for the year ended March 2021 vis-à-vis March 2020, while the number of accounts reported a decrease of 22.22%.

**D. Loan disbursement data for MSME sector (segment wise)**

- i) The loan disbursed to micro segment reported a decrease of 11.47% for the year ended March 2021 vis-à-vis March 2020, while the number of accounts to which loan was disbursed reported a marginal increase of 3.36% for the same period.
- ii) The loan disbursed to small segment reported a decrease of 9.03% for the year ended March 2021 vis-à-vis March 2020, while the number of accounts to which loan was disbursed reported an increase of 23.51% for the same period. This could be attributed to small ticket loans disbursed under various Government schemes as also slowdown in economic activity during the pandemic.
- iii) The loan disbursed to medium segment reported an increase of 37.95% and the number of accounts to which loan was disbursed reported an increase of 54.58%, for the year ended March 2021 vis-à-vis March 2020. This could be due to the likely inclusion of large enterprises as medium segment post new definition of MSMEs.

**SLBC is requests to member Banks to draw an action plan for improving the credit offtake to the MSMEs and on-boarding new units.**

**Agenda .30: Status of opening of Banking Outlets (Branch/BC) in unbanked villages within a radius of 5 KM from the village: (extended part of agenda number 3.2)**

1) SLBC Karnataka has received 334 unbanked villages list from DFS through email as on 07.02.2022.

We have verified all 334 villages in Jan Dharshak app (FI-PLAN portal) , we have found 9 villages are uncovered by either any Bank branch/BC/IPPB centers.

SLBC Karnataka has allotted those 9 villages to **Canara Bank (1), SBI (6) and Karnataka Grameena Bank (2)** to appoint BC point and SLBC Karnataka has already updated BC allotment list in Jan Dharshak app.

**List of 9 villages are under:**

SI no	Village	Taluk	District	Allotment Bank
1	Bommanahalli	Arsikere	Hassan	SBI
2	Barur	Sagar	Shivamogga	KGB
3	Kelaginakanive	Molakalmuru	Chitradurga	SBI
4	Melinakanive	Molakalmuru	Chitradurga	SBI
5	Dasangadde	Sirsi	Uttara Kannada	SBI
6	Malalgaon	Yellapur	Uttara Kannada	SBI
7	Kundal	Supa	Uttara Kannada	SBI
8	Kuchegar	Karwar	Uttara Kannada	Canara bank
9	Alipur	Homnabad	Bidar	KGB

We request Canara Bank , SBI and Karnataka Grameena Bank to appoint BC immediately and same update in Jan darshak app and confirm us .

2) SLBC had observed that in Jan Dharshak portal, there are 126 BC points out of 334 villages are wrongly marked in forest area, barren land and water body instead of building. SLBC has already requested 10 member banks to update correct location in the portal immediately.

As of now we have received confirmation from **Karnataka bank (7)**. We have yet to receive conformation from BOB (8), CANARA (37), FINO payment bank(2), HDFC (1), IOB(1) , KGB (35), SBI (35) , UBI (9) and UCO (2).

SLBC once again request above mentioned banks to update in Jan dharshak app and confirm us at an early date.