

STATE LEVEL BANKERS' COMMITTEE: KARNATAKA
CONVENOR: CANARA BANK

**AGENDA NOTES FOR 164th SLBC MEETING &
BANKING STATISTICS AS ON 31.12.2023**

As per the revised RBI guidelines on Lead Bank Scheme, SLBC Karnataka convened the Steering Committee Meeting on 05.02.2024 at 3rd Floor, Conference Hall, Canara Bank, HO Annexe, Gandhi Nagar, Bengaluru under the Chairmanship of Sri. M Bhaskara Chakravarthy Convenor SLBC Karnataka and General Manager, Canara Bank. The suggestions/modifications offered by the members have been duly incorporated.

AGENDA 1.1: Confirmation of the minutes of 163rd SLBC meeting held on 02.12.2023.

The minutes of 163rd SLBC meeting held on 02.12.2023 were circulated among all the member banks and Govt. Departments. As no suggestions received, the house may kindly confirm the minutes.

AGENDA 1.2: Follow-up action on the decisions taken during the previous SLBC meeting.

Sl.	Action Points	Action Taken
01.	Standardized system for direct flow of data from CBS of the member banks.	Despite repeated reminders Bank of Baroda, IDBI Bank, Bandhan Bank and City Union Bank have delayed in uploading the data.

Agenda 1.3: Delay / Non Submission of data by the member banks for submission to regulators: -

SLBC is submitting the various data to the regulators (RBI, NABARD, DFS) on quarterly basis and as and when asked by the regulators. But there is always delay by the member banks and LDMs for submitting the data.

SLBC request all the member banks and LDMs to **submit the data sought by regulators on priority basis.**

Data requested	Defaulter banks
Minority Data	BIDAR LDM (State Bank of India). From last 3 quarter Minority correct data not provided by LDM in time
EDDP Data	Fincare Bank, CSB Bank, City Union Bank, DBS Bank, Utkarsh Small Finance Bank & DCB Bank

HDFC Bank, Bank of Baroda, Axis Bank, DBS Bank, Fincare small finance bank, CSB , DCB Bank, BOM and IOB are always delaying in submission of various data sought by regulators.

Agenda 1.4 Re-Constitution SLBC Sub-committee for Recovery and Rehabilitation.

Additional Chief Secretary & Development Commissioner, GoK desire to reconstitute the SLBC Sub – committee for recovery and Rehabilitation committee by including the review of Kisan Credit Card Scheme, Loan Linked Schemes, PMFME, PMAY, PMJJBY, PMJDY, APY, PMMY, PMSVANidhi, PMAHIF etc. and same may be renamed it as review of recovery of Government Sponsored scheme.

Earlier State Bank of India is the Convenor for the said subcommittee and Additional Chief Secretary & Development Commissioner, GoK is chairman for the Recovery and Rehabilitation subcommittee.

The Chairman and Convenor will be the same for the newly formed subcommittee and it is requested that Convenor bank has to incorporate above agendas along with other agendas as per advise of Additional Chief Secretary and Development Commissioner, GoK

AGENDA 2.1: Progress under Social Security Schemes:

(No. of enrolments in lakh)

Scheme	Outstanding as on	
	30 th Sept 2023	31 st Dec 2023
PMSBY	162.08	169.53
PMJJBY	65.50	69.90
APY	31.51	32.78

- Bank wise progress under all the above social security schemes as on 31st Dec 2023 is provided in Annexure- 1 (page no 1).

AGENDA 2.2: Implementing Kannada Language in name boards of the enterprises located in the prime places under the jurisdiction of Bruhat Bengaluru Mahanagra Palike (BBMP)

As per Government of Karnataka Gazette notification on all the name boards displaces 60% in Kannada language and Kannada shall be displayed in Upper half of the name board.

We have received communication from member banks on said matter and banks informed that they have presence in all over India and head offices are located at different places of India. As all the Banks have taken up matter with their Head office for necessary changes and the same will be implemented in due course of time.

SLBC request on behalf of all the member banks to kindly provide 6 more months' time beyond 28th February for changing the name board of all the banks in BBMP area.

AGENDA 2.3: Review of Restructuring of Loans in Natural Calamity Affected Districts in the State

GoK Vide letter reference GO No RD 449 TNR 2023 dated 13.09.2023, In Karnataka state 216 (195+21) talukas declared as drought affected.

A Special SLBC was conducted on 07.10.2023 under the chairmanship of Additional Chief Secretary and Development Commissioner GoK and it was instructed that all drought affected eligible farmers has to benefitted.

Name of Bank	Accounts Eligible for Restructuring (A)	Restructuring Completed	Out of (A) Eligible Accounts Renewed	Consent obtained for not willing to restructure	Fresh finance (Out of A)	No of account Pending for Restructure
CN Bank	156469	140	72585	30402	0	53342
SBI	38557	215	4668	29224	10	4460
UBI	19382	2685	2819	4871	1	9006
BoB	24433	9	6719	908	0	10041
KGB	277434	13724	63146	83666	0	116898
KVGB	118129	65	77480	0	0	40489
HDFC	11172	16	4119			7037

Banks have restructured 57.18 % of eligible loan accounts.

IDBI bank (100 %), Bank of Maharashtra (91%), ICICI bank (89.93 %) Karnataka Bank (80.78 %) and KVGB (65.72%) have restructured highest number of eligible accounts.

Indian Bank (0.00%), RBL (0.00%), Axis bank (0.38%), CBI (2.76%), BoB (2.59) and UCO bank (6.58%) have restructured list number of accounts.

Bank wise restructure and refinance data as on 24.11.2023 is enclosed as Annexure-2 (page no 2-3).

Agenda 2.4: Addition of credit to specific area while preparing District Credit Plan

Additional Chief Secretary & Development Commissioner, GoK advised that while preparing the District credit plan for any specific districts it will be as per potential of that district and following scheme has to be included in DCP

1. Integrated Farming Credit Plan
2. Replication of Success stories sector wise
3. Spring Sheds area identification
4. KCC for Animal husbandry and Fisheries
5. Agriculture start-ups and fin techs
6. E ware house financing
7. Interest subvention on lines of KCC

SLBC request all the LDMs to provide the sufficient target for the above mentioned schemes.

AGENDA 3: PMSVANidhi scheme:

Lending under the PMSVANidhi scheme is extended till December, 2024. Credit Guarantee and Interest Subsidy claims on all loans will be paid till March 2028.

Various review meetings were conducted by NULM Dept , GoK with LDMs and Member banks and state line departments in coordination with SLBC.

Progress under PMSVANidhi scheme in Karnataka state as on 31.12.2023:

Term	Target	Total Loan Applied eligible applns	Sanctioned	Disbursed	Pendency for Disbursement	Returned by Bank	% Sanctioned against eligible application	% disbursement against Sanction
1st Term	406912	421832	360661	347255	13406	23704	88.63	96.28
2nd Term	110200	117053	100217	95564	4653	8541	90.94	95.36
3rd Term	19900	20449	18207	17538	669	729	91.49	96.33
Total	537012	559340	479085	460357	18728	32974	89.21	96.09

Karnataka bank have highest pendency (16242) under sanction of loans.

Major Pendency under disbursement is with following banks: -

State Bank of India (3246), Canara Bank (4253), KVGB (2163) and UBI (1911)

Bank wise sanction/disbursements/pendency/rejection of applications under the scheme and guidelines are furnished in Annexure-3 (page no 4-8).

AGENDA 4: Review of Credit Disbursement by Banks:

4.1. Achievement under ACP and Priority Sector Lending:

The following table shows a comparative analysis of disbursement up to the quarter ending Dec of FY 2022-23 vis-à-vis disbursements up to the quarter ending Sept of FY 2023-2024:

Sector	Annual Target	Dec- 22		Annual Target	Dec - 23	
	2022-23	Ach	% Ach.	2023-24	Ach	% Ach.
Short Term Loan	81896	56951	69.54	97995	79511.95	81.14
Agri Term Loan	58977	55038	93.32	79475	54807.74	68.96
Total Agri Loans	140873	111989	79.5	177469	134319.69	75.69
MSME	129604	85113	65.67	132129	118384.05	89.6
Export Credit	3967	731	18.43	3948	432.67	10.96
Education	6316	895	14.17	4540	1001.73	22.06
Housing	32794	4094	12.48	25572	4746.64	18.56
Social Infrastructure	2549	1046	41.04	3659	88.58	2.42
Renewable Energy	3565	11	0.31	2869	52.52	1.83
Other PSA	10555	6693	63.41	15960	8088.06	50.68
Total PSA	330223	210572	63.77	366147	267113.94	72.95
Total Non-Priority	259483	347342	133.86	477663	445627.47	93.29
Total Credit	589706	557914	94.61	843810	712741.41	84.47

Bank wise & sector wise level of disbursement/achievement in PSA and NPSA under Annual Action Plan during Dec quarter 2023 is provided in Annexure -4 (Page no 9-18).

Bank wise level of outstanding for PSA and NPSA as on 31.12.23 Annexure -5 Page no(19-28).

4.2 Major Bank wise performance/Achievement of ACP as on Dec 2023:

(Rs in crores)

Major Bank Wise -Priority Sector Target-Achievement & CD Ratio As On 31.12.2023

Name of Bank	Priority Sector ACP Target vs Achievement			CD RATIO	Mandatory targets & sub-targets			
	Target	Ach	%		O/s As on 30.09.2023		O/s As on 31.12.2023	
					% Agri to Tot Advances	% Priority to Tot Advances	% Agri to Tot Advances	% Priority to Tot Advances
CANARA BANK	53407	38728	72.52	67.64	31.19	56.25	29.78	53.83
STATE BANK OF INDIA	47118	27818	59.04	65.09	13.26	31.46	12.49	30.65
UNION BANK OF INDIA	28180	17231	61.15	58.22	21.61	47.30	21.54	45.31
BANK OF BARODA	25076	17698	70.58	100.40	22.56	42.09	21.96	41.66
BANK OF INDIA	6236	4450	71.37	173.70	15.38	28.83	14.73	27.96
BANK OF MAHARASHTRA	2140	1205	56.33	274.00	21.97	46.73	17.09	37.86
CENTRAL BANK OF INDIA	1877	996	53.06	88.69	12.25	34.81	10.92	31.88
INDIAN BANK	7222	4410	61.06	82.34	19.07	48.69	10.17	25.70
INDIAN OVERSEAS BANK	3251	1341	41.27	59.05	25.56	60.62	25.52	61.52
PUNJAB NATIONAL BANK	1873	1134	60.53	142.83	5.52	18.96	5.60	20.02
PUNJAB AND SIND BANK	301	114	37.9	294.70	1.54	19.79	1.65	21.15
UCO BANK	2673	584	21.84	60.44	6.47	70.94	6.51	70.12

MAJOR PRIVATE BANKS

KARNATAKA BANK	7265	12198	167.90	50.74	15.22	54.35	15.58	53.23
HDFC BANK	24870	21795	87.64	95.01	6.17	32.50	6.23	32.74
AXIS BANK	9200	17845	193.97	77.36	10.49	44.92	8.93	37.90
ICICI BANK	15850	14098	88.95	71.00	5.97	23.00	6.68	24.03
KOTAK MAHINDRA BANK	14591	10957	75.09	75.60	16.57	48.53	16.06	48.06

RRBs

KARNATAKA GRAMEENA BANK	17932	11486	64.05	87.60	86.83	99.12	86.07	98.35
KARNATAKA VIKAS GRAMEENA BANK	10074	7787	77.29	82.54	78.82	98.07	78.86	97.94

Co-Op Sector

K.S.COOP APEX BANK LTD	32289	18872	58.45	104.19	49.81	65.98	50.45	66.02
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SLBC request all the member banks for special initiative to achieve priority sector targets on regular basis especially in case of agriculture, MSME, Housing, and Education sectors.

AGENDA 5. District wise ACP performance- (Top 5 Districts and bottom 5 five Districts)

SR. No.	Name of the Bank	Priority Sector			Total Credit		
		Target	Achievement	% Achieve	Target	Achievement	% Achieve
Top 5 Districts under ACP performance							
1	HAVERI	3907	5052	129.30	4275	6401	149.73
2	DHARWAD	6875	8828	128.41	14581	15227	104.43
3	DAKSHINA KANNADA	16424	19046	115.97	43300	37377	86.32
4	RAMANAGARA	8083	8301	102.69	9279	9927	106.99
5	CHIKKAMAGALURU	5086	4927	96.88	7143	6314	88.40
Bottom 5 Districts under ACP performance							
1	BIDAR	5920	2305	38.93	9788	3736	38.17
2	KALABURAGI	8478	4195	49.48	10684	6663	62.37
3	HASSAN	13639	7130	52.28	15838	9129	57.64
4	UDUPI	10645	5763	54.14	13878	8933	64.37
5	KOPPAL	5897	3237	54.89	7380	4134	56.02

AGENDA 6: PMAY-U

Rajiv Gandhi Housing Corporation Limited:

A meeting was conducted under the chairmanship Additional Chief Secretary and Development Commissioner, GoK, on bank linkages under AHP – PMAY (U) projects with housing department on 08.01.2024 at Vidhana Soudha to review the banks.

During deliberations banks informed that there is delay in processing applications on account of incomplete documents in application / CIBIL Score /requirement of legal opinion on project site / age.

SLBC request all member banks to update the data in the spread sheets provided by department for fruitful discussion in upcoming meetings.

SLBC sub-committee meeting on retail was conducted on 23.01.2024 under the chairmanship of Principal Secretary, Department of Housing given following instructions –

1. RGHCL has to share the "Cleansed Data" with SLBC Sub-committee along with SLBC as SLBC sub-committee is constituted under SLBC to deliberate exclusively on Retail home loan.
2. All banks to process applications and sanctions housing loans with special attention to AHP projects
3. Bank of Baroda, Convenor assured that if beneficiaries give a request letter, in case of principle Sanction is lapsed, that loan will be sanctioned once again.

Department wise Application status as on 17.02.2024

	Department Name	No of Applications
1	1 lakh	11289
2	Slumboard	6689
3	ULB	9427
4	Total	27405
5	No of applications forwarded to member Banks (SLBC Purview)	17973
6	Out of forwarded applications with IFSC code	14878

Out of 52154 applications reported by housing department only 27405 applications are received and out of that 14878 applications have correct IFSC code details.

SLBC request department to update the latest position regarding the scheme.

AGENDA 7: Review of Districts having CD ratio less than 60% and working of Special sub-committees of DCC (SCC)

Districts with CD Ratio of less than 60% as on December quarter 2023:

(Rs in Cr)

SI No.	Name of the district	As on Sept 2023			As on Dec 2023		
		Deposits	Advances	CD Ratio %	Deposits	Advances	CD Ratio %
1	Uttara Kannada	21315.94	9426.61	44.22	21749.68	9724.06	44.71
2	Udupi	37037.57	17747.10	47.92	37863.09	18328.07	48.41

- The CD Ratio of the state as a whole as on 31.12.2023 is **79.72 %**.
- Karwar LDM already conducted the Subcommittee meeting on CD Ratio and Udupi LDM informed that they had already formed the committee and they will conduct the Sub Committee meeting on 08.02.2024
- Bank wise and district wise CD ratio as on Dec 2023 is provided in Annexure-6 (Page no 29-32).

AGENDA 8: Issues - Reimbursement of pending BPL claims of training expenditures:

As on 31.12.2023, about **Rs. 25.49 crores** are pending to be released by SRLM to various RSETIs in Karnataka and the pendency is continuing for many years. SLBC once again request SRLM to clear the long pending dues to banks. RSETI wise details are provided in Annexure -7 (page No 33).

Bank Name	Pending Amt.(Crores)
Canara Bank	8.56
Union Bank	3.48
Kotak Mahindra Bank	0.49
RUDSETI	6.29
State Bank of India	4.11
DCCB Bidar	1.28
Bank of Baroda	1.28
Total	25.49

SLBC request Mission Director, NRLM Department to release the fund.

AGENDA 9: Review of expansion of banking network and Financial Literacy:

There are 7 villages have been allotted to various bank for covering with a banking outlet.

District Name	Taluk Name	Village Code	Village Name	Population	allocated bank	Remarks
Uttara Kannada	Yellapur	602901	Kanur	95	India Postal Payment Bank	IPPB has informed that application pending for Gov. of India approval
Chamaraja nagara	Chamaraja nagar	619782	Bedaguli	847		
Hassan	Sakleshpur	614873	Heggadde	2136		
Uttara Kannada	Yellapur	602937	Heggumbale	276	State Bank of India	SBI has informed that replacement application under process, user activation pending due to tech issue
Uttara Kannada	Haliyal	602752	Kesrodaga	99		
Hassan	Sakleshpur	615001	Arini	258	Bank of Baroda	Already BOB BC exist in the same village which is inactive,
Uttara Kannad	Sirsi	603156	Benagaon	695		BOB have to appoint BC on or before 28.02.2024

We request State Bank of India [2], IPPB (3) and Bank of Baroda (2) to appoint BCs immediately.

During 161st and 162nd SLBC meeting chairperson and ACS & DC advised SBI and India Postal Payment Bank to appoint BC at the said locations. But there is no progress in the said matter and these locations are unbanked without any banking facility within the radius of 5 km. The DFS, GoI has critically reviewed in last meeting for non-appointment of BCs and instructed to appoint BC on urgent basis.

SLBC request chairperson and also RBI intervention in the subject matter for early appointment.

Present status of opening of brick & mortar branches at more than 3000 populations: (All the places covered):

Sl. no	District	Sub District	Village name	Village code	Population	Allocated bank	Present status
1	Uttara Kannada	Bhatkal	Koppa	603823	3832	Canara Bank	Canara Bank has opened branch on 28.12.2023 and updated in JDD portal.
2	Chamara janagara	Chamara janagar	Punajur State Forest	619781	4705	State Bank of India	SBI has opened branch on 22.01.2024 and updated in JDD Portal

AGENDA 10: Financial inclusion Initiatives:

10.1: Functioning of Business Correspondents (Review of Operations of Business Correspondents – hurdles/issues involved):

As on Dec 2023	Total No. of BC locations	No. of active BCs available	No. of inactive BCs locations	BCs certified by IIBF
	107304	91999	15305	15728

*As on 31.12.2023, the No. of inactive BCs are 15305. (out of which Fixed Inactive BCs are 12427 and other than Fixed inactive BCs are 2878). The Highest number of inactive BCs are from Fino Payment bank i.e. 10910.

This is due to high number of inactive BCs of following banks:

sl no	NAME OF THE BANK	Fixed Inactive BCs	Other than fixed BCs Inactive	Total inactive BCs	% share to inactive BC
1	CANARA BANK	116	0	116	0.8
2	STATE BANK OF INDIA	535	0	535	3.5
3	UNION BANK OF INDIA	6	0	6	0.0
4	BANK OF BARODA	632	0	632	4.1
5	BANK OF INDIA	33	0	33	0.2
6	INDIAN BANK	5	34	39	0.3
7	PUNJAB NATIONAL BANK	49	0	49	0.3
8	UCO BANK	36	0	36	0.2
9	KARNATAKA BANK	23	0	23	0.2
10	HDFC BANK	67	0	67	0.4
11	AXIS BANK	0	496	496	3.2
12	YES BANK	0	2316	2316	15.1
13	IDFC FIRST BANK	15	22	37	0.2
14	KARNATAKA GRAMEENA BANK	0	10	10	0.1
15	FINO PAYMENTS BANK	10910	0	10910	71.3
TOTAL		12427	2878	15305	

Bank wise details of BCs as on 31.12.2023 is furnished as an Annexure - 8 (page No 34)

Inactive Fixed point BC analysis: -

RBI Queries	Reply (Consolidated reply from Banks)
Reasons for inactive fixed BCs.	<ul style="list-style-type: none"> • Concerned agent is not willing to work. • Some BCs are resigned. • Agreement discontinued with corporate agent and taken up with their Head office to allot the location to different Corporation BC. • Network Issues in remote locations. • BCs personal/health issues. • Technical Issues. • Head Office has not allotted 36 inactive locations to any of the corporate BCs. This is the reason 36 locations are inactive. We have recommended to head office to allot these locations to any other Corporate BC (BOB). <p>Some BCs are not interested and not willing to work (IDFC).</p>
Period of inactivity location wise.	<ul style="list-style-type: none"> • There are 96 fixed BCs inactive less than 3 months and 12331 BCs are inactive from more than 3 months (10910 BCs belongs to Fino payment Bank). • We have shared individual location wise BCs details through mail 06.02.2024 to your office.
Distance from the closest bank branch/active fixed BCs.	<ul style="list-style-type: none"> • As per JDD portal, all the fixed inactive BCs villages are covered by any banking outlets within a radius of 5 km.
Hurdles/issues faced in the operations of the fixed BCs, if any.	<ul style="list-style-type: none"> • Network fluctuations (BOB).
Road map for making inactive fixed BCs to active BCs.	<ol style="list-style-type: none"> 1. Striving hard to activate BCs by proper Financial Literacy Training, Educating them about incentives and other aspects(BOB). 2. Replacement of inactive BC Agent at the earliest, Follow up with CBC & Levying of penalty on CBC for inactive location (CANARA BANK). 3. Identified for deboarding and replacement of BC in process (HDFC). 4. We are reviewing the inactive BC agents to make them active. Where ever BCs are not interested to get themselves active we will deactivate the agents on or before 31st March 2024 (IDFC). 5. Replacement of BCA already initiated and BCA has not cleared the IIBF certification till now, hence replacement for BCA has been initiated (BOI). 6. Informed the Corporate BC to activate the BCA's on priority (Karnataka Bank).

	<p>7. Since the BC is not interested to work, so we have advised our CBC's (Corporate Business Correspondents) to deploy a new BC agent at these locations. We have also shared the list of BC Sakhis received from SLBC. (PNB)</p> <p>8. Against New CSP Documents Digitally Processing in Integra (Submitted to LHO) and finding suitable replacement (SBI).</p> <p>9. Agreement discontinued with M/S SRPS and we have requested our Head office to allot the location to different Corp BC and Concerned agent is not willing to work and we have asked corp BC to find a replacement (UCO).</p> <p>10. We have conducted the meeting with the Corporate BCs on 18.02.2024 for activation of the BCs by 28.02.2024 and we are monitoring the CBCs on weekly basis (UBI).</p>																				
Timeline for activation.	<table> <tr> <th>Bank Name</th><th>Timeline</th></tr> <tr> <td>Bank of Baroda</td><td>31.03.2024</td></tr> <tr> <td>Union Bank of India</td><td>28.02.2024</td></tr> <tr> <td>Canara Bank</td><td>28.02.2024</td></tr> <tr> <td>HDFC Bank</td><td>29.02.2024 & 31.03.2024</td></tr> <tr> <td>IDFC Bank</td><td>31.03.2024</td></tr> <tr> <td>Indian Bank</td><td>31.03.2024</td></tr> <tr> <td>Punjab National Bank</td><td>31.03.2024</td></tr> <tr> <td>State Bank of India</td><td>28.02.2024</td></tr> <tr> <td>UCO Bank</td><td>31.03.2024</td></tr> </table>	Bank Name	Timeline	Bank of Baroda	31.03.2024	Union Bank of India	28.02.2024	Canara Bank	28.02.2024	HDFC Bank	29.02.2024 & 31.03.2024	IDFC Bank	31.03.2024	Indian Bank	31.03.2024	Punjab National Bank	31.03.2024	State Bank of India	28.02.2024	UCO Bank	31.03.2024
Bank Name	Timeline																				
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State Bank of India	28.02.2024																				
UCO Bank	31.03.2024																				
Identify villages that become unbanked due to inactive fixed BCs.	<ul style="list-style-type: none"> • SLBC have to verifying each and every village in Jan Dhan Darshak (JDD) portal. • There are 12,427 inactive fixed BCs are existing as on 31.12.2023. • To verify each and every village in Jan Dhan Darshak portal (JDD) it is time consuming and also JDD portal is maintained by DFS, Gol. • If any other mechanism is there to verify villages, we request you to kindly inform us. 																				

10.2: Financial literacy Centres (FLCs):

The status of FLCs as on 31.12.2023 as reported by sponsor Banks is as under:

	Financial Literacy Centers (FLCs)				
	As on 30.09.2023		As on 31.12.2023		Total FLCs
	Functional	Non Functional	Functional	Non Functional	
Total	147	30	152	25	177

SBI, UBI & BOI Banks are requested to expedite appointment of 16, 8 & 1 FL Counsellors respectively and make these FLCs functional.

SLBC requests member banks to ensure that all FLCs are functional immediately.

Type of Camps conducted	No. of camps conducted			No. of people benefitted		
	Sep 2023	Dec 2023	FY 2023-24	Sep 2023	Dec 2023	FY 2023-24
Special Camps	2343	2277	6906	180378	201626	523291
Target specific camps (Farmers, SHG members, School children, Sr. citizen, labourers oriented programmes)	4870	5851	15590	319299	506776	1103513
Out of target specific camps, camps conducted for school children.	806	639	1851	89712	80584	208193
Total No of Camps (Special camps and Target specific camps)	7213	8128	22496	499677	708402	1626804

Activities of CFLs:

10.3 Centre for Financial Literacy :-

RBI Advised SLBC to place a separate agenda on the financial inclusion end outcomes of CFL activities is to be discussed.

In Karnataka state there are 38 CFLs exist sponsored by 3 banks namely Canara Bank (13), State Bank of India (22) and Bank of Baroda (3).

CFL outcome for December 2023 quarter as under: -

No of camps conducted	5560
No of participants covered in camps viz a viz target population set by the NGOs	160335
No. of Bank accounts opened	2602
No. of persons covered under insurance	29381
No. of persons covered under Pension	1488
No of Bank accounts reactivated	2189
No. of debit/credit cards issued/reactivated	1364
No. of Debit/Credit card issued	1184
No. of persons who were assisted at the bank with bank operations.	10451
No. of grievance redressal addressed.	2549
No. of persons covered under online banking transactions	21199
No. of persons indebted to moneylenders (informal sector) who were brought to formal sector.	7
No. of persons sensitized under advanced financial products like mutual funds etc.	1615
No. of persons covered under any government sponsored schemes.	14602

Bank wise outcome of CFLs for Dec quarter 2023 is enclosed as annexure -9 (page no 35-36).

Inputs from Reserve Bank of India

AGENDA 11: RBI Agenda:

1. Declaration of drought in 223 taluks in Karnataka

Govt. of Karnataka declared drought for 195 taluks vide GO No RD 449 TNR 2023 dated September 13, 2023. Additionally, drought was declared in 21 taluks by GoK vide GO No 449 TNR 2023 dated October 12, 2023 and 07 taluks vide Government Order No. RD 449 TNR 2023 dated November 04, 2023. Therefore, 223 taluks (94.49%) have suffered natural calamity out of 236 total taluks in Karnataka during current FY. As all are aware, 48.30% of taluks are going through severe natural calamity.

SLBC Karnataka had requested for extension of time for completion of restructuring exercise up to March 31, 2024 and RBI has acceded to their request. The same has been informed to SLBC vide e- mail dated December 28, 2023. Subsequently, SLBC vide e-mail dated December 28, 2023 has advised all the member banks to ensure completion of restructuring all eligible accounts of the borrowers affected by drought within RBI extended timeline, i.e. March 31, 2024.

Further, SLBC has advised banks to submit the progress on restructuring on weekly basis for onward submission to RBI. Every week data should be reported by Friday to SLBC who in turn shall report position to RBI, Bengaluru by every Monday.

The latest data on restructuring is received on February 3, 2024 and the same is attached in Annex I. The consolidated table is given below, depicting that accounts are still pending for restructuring by banks.

Particulars	No. of Accounts	Amount (in Rs. Crore)	% No. of Accounts	Amount (%)
Total Outstanding Eligible for Restructuring	7,60,544	16,967.51	100%	100%
Restructured Accounts	17,024	267.72	2.24%	1.58%
Renewed Accounts	2,06,875	4,529.69	27.20%	26.70%
Consent received but pending for restructure	2,612	167.73	0.34%	0.99%
Farmers opted for non-restructuring	1,48,278	3,193.76	19.50%	18.82%
Fresh Finance	6,817	331.80	0.90%	1.96%
Accounts restructured/ renewed / not willing/Fresh fin. (B + C + D + E)	3,74,789	8,159	49.28%	48.09%
Pending Accounts (A - G)	3,85,755	8,809	50.72%	51.91%

- Pending percentage is 52% in terms of amount and 51% in terms of number of accounts
- In public sector banks (PSBs), Performance of Bank of Maharashtra and SBI is praise worthy with just 8% and 20% of number of accounts eligible for restructuring pending respectively. Pendency of Canara Bank is also low (55% of number of accounts). It is the highest in Indian Bank (100%) and Central Bank of India (97%), followed by UCO Bank (96%), Indian Overseas Bank (79%), Bank of Baroda (69%), and Bank of India (54%) in number of accounts. Punjab and Sind Bank have not identified or reported accounts eligible for restructuring.
- In private sector banks (PVBs), pendency of banks who have reported the data is Karnataka Bank (19%), RBL bank (100%), HDFC bank (63%), Axis bank (100%), ICICI bank (10%) in number of accounts. Following 12 Private banks viz CSB, City Union Bank, Federal Bank, Dhanlaxmi Bank, Karur Vysya Bank, DBS Bank, South Indian Bank, Tamilnadu mercantile Bank, Yes Bank, Bandhan Bank, IDFC First Bank and KBS local area Bank have not identified or reported the data.

SLBC is advised vide mail dated February 06, 2024 to hold meeting with the banks that have still not identified the eligible accounts once in two days and write to their head office. If need be, ED of SLBC may write to MD / CEO / ED of the non-responding banks and keep FIDD, Bengaluru posted about developments. All banks are advised to adhere to the timelines for completion of the restructuring exercise by March 31, 2024.

2. Review of operations of Business Correspondents (BCs)

In Karnataka, 16.17% of fixed Business Correspondents (BCs) are inactive out of total fixed BCs at 95,594 as on December 31, 2023. Reasons for such large number of inactive fixed BCs, period of inactivity location-wise, distance from the closest bank branch / active fixed BCs, and hurdles/issues faced in the operations of the fixed BCs, if any are not being discussed in the agenda. The bank-wise road map for making inactive fixed BCs active quickly and follow up thereof are not covered. As per the data submitted by banks as on January 01, 2024, there are 91,999 active BCs (Fixed and other than fixed BCs) in the state of Karnataka. 1631 BCs (Fixed and other than fixed BCs) spread across different districts of the state are inactive for less than 3 months. 13674 (Fixed and other than fixed BCs) are inactive for more than 3 months. Fino Payment Bank has the highest number of inactive fixed BCs at 10,910 while they have 8277 active fixed BCs. Fino Bank has nil data for other than fixed BCs. Yes Bank has 2,316 inactive BCs and all these inactive BCs are other than fixed BCs. Yes Bank has 33,593 active BCs out of which 33,558 BCs are other than fixed BCs and only 35 active fixed point BCs. SBI has 535 inactive BCs while it has 2550 active BCs (SBI has all fixed-point BCs). Axis Bank has 496 inactive BCs while it has 1624 active BCs. Axis bank has only 8 fixed BCs. Canara Bank has 116 inactive BCs while it has 2172 active BCs (Canara Bank has all fixed BCs only).

As advised in the meeting with major banks held on January 25, 2024 and chaired by RD, RBI, Bengaluru, SLBC is advised to amend the agenda on BCs and cover all the above information from 164th SLBC meeting. Further, SLBC is advised to invite each member bank with more than 5% inactive BCs to the 164th SLBC meeting and also identify villages that became unbanked due to inactive fixed BCs.

With regards to BC certification, it is observed that only 14.66% have obtained certification in the state. All the member banks are advised to draw action plans for achieving 100%

certified BCs in the state and share it with SLBC in 15 days. SLBC may monitor progress in certification periodically.

3. Public Tech Platform for Frictionless Credit

RBI, FinTech Department, CO has highlighted success of the above platform vide letter CO.FD. P&SD. No. S 275 /08-13-144/ 2022-2023 dated March 21, 2023 with a request to GoK to facilitate integration of land records with the above platform. This was also an agenda item in the 161st SLBC meeting. A reference is also invited to RBI, FinTech Department, CO letter CO.FD. P&SD. No. 220 /08-13-144/ 2023-24 dated January 16, 2024 to Chief Secretary, GoK requesting again to integrate land records of Karnataka to the above platform for achieving seamless end to end digitisation of the process of KCC and other agriculture loans. This integration will benefit farmers with a seamless digital journey for all their credit requirements. In this connection, RBI, FIDD Bengaluru had sent a letter FIDD (BG) No. S - 185 /02.03.041/2023-24 dated January 30, 2024 to Additional Chief Secretary and Development Commissioner, GoK requesting appointment for demonstration of the platform at their earliest convenience. Revenue department and other departments involved in the digitisation of land records are requested to please provide a date to RBI and Reserve Bank Innovation Hub (RBIH) for demonstration of the platform at the earliest.

4. Recommendation of the Internal Working Group on Agricultural Credit- Model Land Leasing Act

FIDD Bengaluru was in receipt of letter No. RD 298 LRA 2023 dated December 20, 2023 from Under Secretary to Government, Revenue Department wherein they informed that our proposal contained implementation of Model Land Leasing Act is under the consideration of the Government. GoK is requested to furnish an update.

5. SLBC website

A comparison of SLBC Karnataka website with Annex II of Master Circular on Lead Bank Scheme revealed the following—

Data for banking statistics is updated till September 2023 only.

SLBC meetings are updated till the recent 163rd SLBC held on December 02, 2023. However, it is observed that the agenda and annexures are present in PDF format which is hard to search and analyse. This should be provided in excel format which is readily searchable.

Data on ACP achievements, targets, CD ratio is updated as on September 2023 but CD ratio file is not in excel format.

Data on banking network till September 2023, banking outlets (branches and BC details) and FLC is updated as on December 2022 and RSETI database is updated for year 2022-23 and is readily available in excel format. Information on BCs is available bankwise and only a few banks like Canara Bank has shown BCs as fixed BCs in its remarks, Indian Overseas Bank has shown as active BC in its remarks, UCO Bank and RBL Bank has shown “Corporate Office” in its remarks and ICICI Bank has shown “Moving BC” in its remarks. Please upload BC data on SLBC as per the attached format.

Data on districts (including bank-wise status district wise) and the agenda, annexures and minutes of the DCC & DLRC meetings held at district level are not present in the SLBC

website. These may be uploaded for atleast last one year in searchable format and data may be uploaded in excel format.

SLBC is advised to -

- To upgrade website within 15 days.
 - To upload bankwise ACP data for each district.
 - To upload all the data in excel format only. Further, all other files should be searchable.
 - To examine possibility of making search engine of SLBC website robust and user friendly.
 - To upload the data of districts and the agenda, annexures and minutes of the DCC & DLRC meetings held at district level in the SLBC website.
4. SLBC may endeavour to present block -wise bank – wise data for each district from calendar year 2024 onwards.

6. Persistent delay in data submission to SLBC / RBI and accuracy of data

As per para 2.3.4 of RBI Master Circular on Lead Bank Scheme dated April 03, 2023, banks are required to upload the quarterly data on SLBC revamped portal within 15 days from the end of each quarter. Further, in terms of letter FIDD.CO.LBS.No S96141/02.01.001/2021-22 dated August 25, 2021, SLBC convenor banks have been instructed to submit the quarterly MIS statement to the concerned ROs within 15 days from the end of the respective quarter.

In order to streamline data submission process and ensure submission of MIS returns and all other statements in time, SLBC was advised to explore feasibility of extracting requisite data directly from member banks' CBS to eliminate interim data upload by banks. Further, delayed submission of various statements to RBI, Bengaluru is observed– Strengthening of Monitoring Information System (All-inclusive MIS), PRAGATI, Statement for Local Board meeting assigned risk rating in internal audit.

During 161st SLBC meeting, SLBC was advised to form a committee to streamline this data collection process and eliminate the risk of incomplete and unreliable data.

As discussed in the last 4 SLBC meeting agenda, the following table depicts the banks who have persistently delayed data submission –

Sr. No.	SLBC Meetings	For quarter ended	Frequent delaying banks
1	163 rd meeting	September 2023	HDFC Bank, IndusInd Bank, DCB Bank and Apex Bank
2	162 nd meeting	June 2023	Bank of Maharashtra, DBS Bank, Indian Bank, Indian Overseas Bank, DCB Bank and IndusInd Bank
3	161 st meeting	March 2023	Despite repeated reminders Yes bank, IDBI bank, Bank of Maharashtra, Axis Bank, Federal Bank, and IndusInd Bank have delayed in uploading the data. DBS Bank and Bandhan Bank have not updated the complete data for March 2023 quarter.
4	160 th meeting	December 2022	Yes bank, Bank of Maharashtra, Axis Bank

The banks highlighted in yellow have delayed data submission or did not submit complete data more than once in last 4 quarters. It is observed that there is persistent delay in data submission to SLBC / RBI and there is doubt about integrity and accuracy of data. Most of

the data required by RBI / SLBC is not being furnished by banks on time. The same was also recently observed by FIDD while collecting the data of EDDPE, and relief measures undertaken in natural calamity. Three banks have not completed mandatory data updation in Revamp portal as on January 23, 2024 viz Bandhan Bank, IDBI bank and City Union Bank for quarter ended December 2023.

We had received letter from GoK regarding Integrity of disbursement data furnished by the SLBC pertaining to the performance under annual credit plan 2023-24, wherein variation was seen in data given in 162nd SLBC steering meeting and 162nd SLBC meeting.

7. Non-conduct or delay in conduct of LBS fora meetings (DCC / DLRC / SLBC Sub-committee)

(i) DCC and DLRC meetings

As per para 2.2.2 and Annex V of the Master Circular on LBS dated April 03, 2023, it needs to be ensured that meetings are held at quarterly intervals. It has been observed that both District Consultative Committee (DCC) and/or District Level Review Committee (DLRC) meetings of previous quarters, i.e. June and September, 2023, of the following districts have not been held till February 01, 2024:-

Sl. No.	District	Lead Bank	Concerned Quarter	Expected date of Meeting
1	Belagavi	Canara Bank	September 2023	Information not yet received from LDM
2	Bidar	SBI	June and September 2023	Meeting for quarter ended June and September 2023 was scheduled on December 27, 2023 but was postponed due to transfer of CEO, Zila Panchayat, Bidar.
3	Chamrajanagar*	SBI	September 2023	Information not yet received from LDM
4	Kalaburagi	SBI	September 2023	LDM office is engaged with VBSY programme.
5	Kodagu	UBI	September 2023	LDM office is engaged with VBSY programme. Meeting to be held tentatively in first week of February 2024.
6	Udupi	Canara Bank	September 2023	Information not yet received from LDM
7	Uttara Kannada	Canara Bank	September 2023	LDM office is engaged with VBSY programme. LDM has informed that they will take necessary steps for conduct of DCC/ DLRC meeting after 25.01.2024.

*Meeting for Chamarajanagar was scheduled thrice but could not be held due to unavailability of district collector. Remaining one LDM Bidar replied that meeting for quarter ended June and September 2023 was scheduled on December 27, 2023 but was postponed due to transfer of CEO, Zila Panchayat, Bidar.

It has also been observed that both DCC and DLRC meetings (of 7 districts) for the quarter ended September 2023 in Chikkamagaluru (January 03, 2024), Dakshin Kannada (January 20, 2024), Davangere (January 25, 2024), Hassan (January 05, 2024), Koppal (January 10, 2024), Shivamogga (January 29, 2024), Tumakuru (January 10, 2024) were held beyond the prescribed timeline of 90 days from end of concerned quarter.

SLBC is requested to sensitize all LDMs to conduct the LBS fora meetings within the prescribed timeline of 90 days from end of the concerned quarter. State Government is also requested to issue necessary instructions of district administration for holding LBS fora meetings timely and complete the pending meeting at the earliest.

(ii) Meetings of SLBC Sub-Committees

As per para 2.3.2 of RBI Master Circular on Lead Bank Scheme dated April 03, 2023, the meetings of various sub-committees of SLBC are expected to be held at quarterly intervals. The following meetings have not been conducted till date for quarter ended September 2023:

SI No.	Sub Committee	Convenor Bank	Pending quarters
1	Recovery and rehabilitation and Govt. Sponsored Schemes	State Bank of India	September 2023

Reminder mail has already been sent to SBI on October 12, 2023 for conducting the sub-committee meeting on EDDPE done on December 06, 2023 for quarter ended September 2023. State Bank of India may please state the reasons for non-conduct of the above meeting.

SLBC Karnataka forwarded a letter dated December 27, 2023 addressed to SLBC Sub-committee Convenor of Recovery and rehabilitation and Govt. Sponsored Schemes, with a copy marked to FIDD Bengaluru regarding the non-conduct of meeting of Sub Committee on Recovery and rehabilitation and Govt. Sponsored Schemes and advised to ensure the conduct of the meetings for the quarter ended September 2023. We would like to seek an update from SBI in this matter.

(iii) Sub-committee on CD Ratio- Udupi and Uttara Kannada

The CD Ratio of Udupi and Uttara Kannada continue to be low at 48.41% and 44.71%, respectively, compared to state CD ratio of 79.72%, as on QE December 2023.

LDM Udupi, has vide email dated January 25, 2024 informed that a sub-committee review ACP targets and CD Ratio has been formed on October 15, 2023. However, the department had not received any intimation regarding meeting of the sub-committee.

LDM, Uttara Kannada has been advised, vide email dated February 01, 2024 to apprise the department regarding conduct of sub-committee meeting during the quarter ended December 2023 and discussions therein. Both the LDM and SLBC are advised to involve LDOs in these meetings and make sincere efforts to improve CD ratio.

8. Expanding and Deepening of Digital Payment Ecosystem

Yadgir, Raichur, Haveri and Chikmagluru have already achieved 100% digitization. To expedite digitization of all districts, FIDD held one meeting each in November and December 2023. RD Bengaluru chaired meeting with State heads of 27 major banks on

January 25, 2024. RD reviewed the EDDPE status districtwise for these major banks. The banks were advised to put in extra effort to achieve 100% digitization at the earliest and not later than January 31, 2024 in the remaining 27 districts. All the banks were given weekly target so that they can achieve the 100% digitization within the set timeline. Only three banks namely KVGB, BoB and Federal Bank are submitting EDDPE data on weekly basis. Bankwise EDDPE achievement in Savings and Current Account is attached.

As on February 05, 2024, IDFC Bank, IndusInd Bank, Yes Bank, ESAF, FINO, Punjab and Sindh Bank and India Post Payment Bank have achieved 100% digitization in their respective districts of operation. KBS Bank (Krishna Bhima Samruddhi Local Area Bank) has also achieved 100% digitization in their respective districts of operation.

SLBC was advised to complete digitisation in 14 districts viz Dharwad, Bengaluru Urban, Bengaluru Rural, Mysuru, Dakshina Kannada, Davanagere, Belgaum, Koppal, Kolar, Kodagu, Ballari, Gadag, Bagalkote and Chikkaballapura by December 2023 and remaining 13 districts by January 2024. However, the progress is not up to the marks.

Base data of eligible accounts has to be as on March 31, 2023 and against that 100% digitization has to be done. Only eligible accounts have to be taken for digitization and it may exclude accounts which are not eligible as per the board approved policy of the bank. We are in receipt of letter from FIDD CO regarding change in Reporting Framework. Considering the expansion of the programme to all districts across the country, it is felt necessary to introduce the following modifications in the existing system of collation of progress reports and monitoring the implementation:

The responsibility of collation and consolidation of progress reports under EDDPE programme for all districts stands assigned to SLBC/ UTLB banks.

Banks shall furnish progress for all districts (which are not 100% digitally enabled) to SLBC/ UTLBC Convenor banks within 30 days from the end of the quarter, through their Controlling Offices.

SLBC/ UTLBC Convenor banks shall submit the consolidated progress reports for all districts in their jurisdiction to respective Regional/ Sub Offices of RBI within 40 days after resolving discrepancies in reporting, if any.

The revised framework shall be effective immediately and reporting as per the same may commence with data for the quarter December 2023. Accordingly, Controlling Offices/ Head Offices of nodal banks need not furnish progress reports to FIDD, CO, RBI, henceforth.

9. Compare CD ratio, PSL achievement and percentage of PSL targets achieved bank-wise for state of Karnataka :

In meeting held on January 25, 2024 at RBI Bengaluru, SLBC and all member banks were advised that CD ratio should not be looked at in isolation, instead PSL targets, ACP targets as also ACP achievement should be analysed together to ensure that ACP targets are broadly aligned with PSL targets though the latter are not state wise. But such analysis is desired for minimizing regional imbalance. Further, all the banks were advised to align their CD ratio to that of the state average. SLBC is advised to suitably amend its agenda number

10. Status of setting up of CFLs in Phase III

All sponsor banks are advised to refer to NABARD agenda 12.7 on the above subject and ensure that operationalization of CFLs completes smoothly by February 15, 2024.

11. Review of SLBC Agenda - SLBC Agenda as per RBI Master Circular vs SLBC, Karnataka Agenda

While analyzing the agenda items as prescribed by the Master Circular on Lead Bank Scheme dated April 3, 2023 for SLBC meetings and the agenda items furnished by SLBC Karnataka, the following points have been observed.

b. Review of financial inclusion initiatives, expansion of banking network and Financial Literacy:

- i. **Status of opening of banking outlets in unbanked villages:** Providing banking access to every village within a 5 KM radius/ hamlet of 500 households in hilly areas has been one of the key objectives of the National Strategy for Financial Inclusion (NSFI): 2019-2024. Accordingly, SLBC/ UTLBC convener banks have been advised to review the presence of banking outlets of SCBs, RRBs, Small Finance Banks (SFBs) and PBs in every village within a 5 KM radius/ hamlet of 500 households in hilly areas under their jurisdiction(s) and ensure that universal access to financial services is provided to all such villages. However, it is not clear from agenda, how many villages have become unbanked in Karnataka due to 16.17% of inactive fixed BCs. SLBC may provide suitable analysis of inactive fixed BC data in 164th SLBC.
- ii. **Creating awareness about various schemes, subsidies, facilities, e.g., crop insurance, renewable energy:** This point is not covered by SLBC. However, some of details about grant support available for various schemes under Financial Inclusion Fund (FIF) from NABARD is only included. SLBC is advised to incorporate the remaining areas in 164th SLBC agenda.
- iii. **Review of efforts towards end-to-end projects involving all stakeholders in the supply chain:** Data on Support to Government of Karnataka under RIDF by NABARD is only included. SLBC is required to incorporate points from various stakeholders.
- b. **CD Ratio, Review of Districts with CD Ratio below 40% and working of Special sub-committees of the DCC (SSC):** (Para 2.3.3.4) - Strategies to improve credit off-take are not included.
- c. **Discussion on improving rural infrastructure/ credit absorption capacity:** (Para 2.3.3.) – This para should cover any large project conceived by the State Government to help improve CD Ratio, explore the scope of state-specific potential growth areas and the way forward – choosing partner banks, discussion on findings of region-focused studies, if any, and implementing the suggested solutions, identification of gaps in rural and agriculture infrastructure, which need financing (rural godowns, solar power, agro processing, horticulture, allied activities, agri-marketing, etc. The above areas are neither included in the agenda nor discussed in the meeting.
- d. **Sharing of success stories and new initiatives at the district level that can be replicated in other districts or across the State:** (Para 2.3.3.11) – This point is also not included in the agenda.

- e. Discussion on policy initiatives of the Central/State Government/RBI (Industrial Policy, MSME Policy, Agriculture Policy, Start-Up Policy, etc.), and expected involvement of banks: SLBC may include such policy initiatives in the agenda.

During the meeting held on January 25, 2024 SLBC was advised to include the above agenda items/ improvise presentation thereof in future.

12. CGTMSE to be special invitee: add as per CO instruction basis DFS letter which is based on CS letter:-

We had received a letter from FIDD, CO enclosing a letter IF-CGT/10/2023-CLCSS-DCMSME/1666-1706 dated September 12, 2023 of Dr. Rajneesh, IAS, Additional Secretary and Development Commissioner, Ministry of Micro, Small & Medium Enterprises (MoMSME), Government of India requesting for inclusion of Credit Guarantee fund Trust for Micro and Small Enterprises (CGTMSE) as a regular member in SLBC Meetings where in he has stated that Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE), jointly set up by Ministry of MSME, GoI and SIDBI, has played a vital role in facilitating credit flow to Micro and Small Enterprises (MSEs). As non-availability of collateral security is one of major constraints to access credit for MSEs, CGTMSE plays a crucial role in providing collateral-free loans to MSEs.

In this connection, it is clarified that in terms of para 2.3.1 (i) of Master Circular on Lead Bank Scheme dated April 3, 2023, representative of CGTMSE may be invited in SLBC meetings as special invitee, if the concerned State Government requests to this effect.

Department of MSMEs/ Ministry of MSMEs, GoK is requested to assess the need for inviting representative from CGTMSE to participate in SLBC meetings.

13. FLW 2024

Reserve Bank of India will be observing Financial Literacy Week 2024 from February 26 to March 01, 2024 on the theme “**Make a Right Start: Become Financially Smart**” “करो सही शुरुआत, बनो वित्तीय-स्मार्ट” with following sub-themes:

- (a) Saving and Power of Compounding | बचत और कंपाउंडिंग की शक्ति
- (b) Banking Essentials for Students | छात्रों के लिए बैंकिंग आवश्यकताएं
- (c) Digital and Cyber Hygiene | डिजिटल और साइबर स्वच्छता

SLBC and member banks are requested to advise all LDMs, FLCs and CFLs to actively participate in the event to make it a success.

14. Increasing the ceiling for priority sector housing loans

As per the action para of GoK meeting held on December 21, 2023, SLBC was advised to submit a comprehensive representation to RBI. SLBC has since submitted the response vide e-mail dated February 02, 2024 which is under examination.

15. Market Intelligence Issues

Sr No.	Name of the Entity/ Modus Operandi	Nature of Activity / Complaint
1	Cybercrime- “Drugs in Parcel”	Investigation by Pune police’s Cybercrime investigators following the arrest of two money mules in a recent case of ‘drugs in parcel’ fraud revealed that large sums of money was swindled from the victims, ultimately landing with the top tier cyber criminals operating from China, Dubai and Taiwan through the cryptocurrency route. The Cyber Police station of Pune City police is currently investigating a series of cases commonly referred to as ‘drugs in parcel’ in which till now, over two dozen people have lost close to Rs. 4 crores in total. In such cases, the cyber criminals initially pose as executives of an international courier company and later as senior police officers – at times, even misusing the names of serving IPS officers and investigation agencies like the cybercrime cell, anti-narcotics cell, CBI, Enforcement Directorate (ED), Customs to extort money on the pretext that Drugs have been found in the courier/parcel of the victim. Officers said the “drugs in parcel” frauds are being reported from across India with many cases being probed by police in Delhi, Mumbai, Kerala, Andhra Pradesh and Bengaluru, along with Pune. Investigation has revealed that while the network of fraudulent bank accounts is operated by money mules based in India, these scams are masterminded and executed by top tier cyber criminals based outside India. After these funds are received in the first chain of fraudulent accounts, they are moved around in multiple accounts to make it difficult to trace the flow, before ultimately being used to buy cryptocurrency which lands outside India.
2	Cybercrime- Deepfake technology	It is reported that it takes just three seconds of audio to create a voice clone that is virtually indistinguishable from the real voice, a technological advancement that is as worrying as it is thrilling because it can be put to malicious use to defraud people, said experts. Voice clones or deepfakes have emerged as the latest tool for cyber scammers as artificial intelligence (AI)-related scams are being increasingly reported from different parts of the country. Deepfakes in general are quite dangerous, and particularly voice AI shall soon evolve into an organized phishing tool. A voice clone is a synthetic audio created using generative AI tools which are trained on sample audio of a person. To create a clone, a source audio is needed which can be anything from an Instagram story to a YouTube video or even a short conversation on the phone.
3	Cybercrime- Online Job/Task	It is reported that the Central Crime Branch (CCB) of the Bengaluru City Police has dismantled a massive part-time job scam that spanned the entire country, resulting in the arrest of nine people who swindled a staggering Rs.158 crores. Earlier, CCB Bengaluru would trace the conduit of mule accounts that play a primary role in cybercrimes.

		<p>However, in this specific instance, CCB sleuths identified the individuals in whose names these mule accounts were opened, leading to the arrest of those involved in part-time job scam.</p> <p>The arrested men played various roles at different stages of the fraud. Some were responsible for opening mule accounts, others operated them, and a few approached potential targets and maintained contact with them. However, the mastermind and those who operated the scam from the highest level are yet to be tracked down.</p> <p>Using dubious phone numbers, the suspects communicated with potential victims through social media. Having convinced them about their scheme, they would instruct the victims to invest and complete tasks. The victims were promised money in return, which would purportedly be credited to their digital wallet on completion of task. While targets could observe their digital wallets accumulating funds at various levels, problems arose when attempting to withdraw the money. Only then did they realize that the digital accounts were simulated, prompting them to file police complaints.</p> <p>The suspects came under scrutiny after the CCB investigated a case filed by a Vidyanarayana resident who lost Rs. 18.5 lakh. Subsequent questioning of the suspects led to the freezing of Rs. 62.8 lakh across 30 bank accounts. An examination of their accounts on the National Cybercrime Reporting Portal (NCRP) revealed their involvement in 2,143 cybercrime cases filed across 28 states. Of these, 265 cases were registered across various districts of Karnataka, with Bengaluru alone accounting for 135 cases in 14 police stations.</p>
4	Digital Lending App-Exorbitant interest and harassment	<p>Enforcement Directorate (ED) had conducted searches against two companies and persons linked to them as part of a money laundering investigation against entities “owned” by Chinese nationals that lent money through mobile phone apps and later harassed borrowers by accessing their personal details.</p> <p>The raids were undertaken on December 21 last year at 19 locations in Delhi-NCR, Chandigarh, Haryana, Punjab and Gujarat against Shinebay Technology India Private Limited (STIPL), Mpurse Services Private Limited (MSPL) and others which were “owned and controlled” by Chinese nationals.</p> <p>ED revealed that these Chinese-owned fintech companies, in tandem with Non-banking financial entities and payment gateways, offered short-term loans via mobile apps, subjecting borrowers to exorbitant interest rates. The agency further alleged that borrowers faced harassment tactics, including unauthorized access to personal data, imposition of exploitative fees, systematic abuse, threats upon repayment failure, intentional data leaks, circulation of morphed images, and the dispatching of fake legal notices.</p>

5	Complaints received through SACHET portal	<p>We have received complaints against the following online digital lending apps through SACHET portal.</p> <ol style="list-style-type: none"> 1) Lend Mall 2) Apna Paisa 3) Bright Cash 4) CashPal 5) CashLoan 6) Speed Loan 7) Credit King 8) Koko Cash 9) My loan Mall 10) Rupee King <p>The nature of complaints are as follows:</p> <ol style="list-style-type: none"> 1) Charging exorbitant processing charge/interest rate. 2) Disbursement of loan without consent. (Complainant checks for the eligibility by installing the app but has not applied for the loan) 3) Harassment by calling the persons in the contact list and verbal abuse. <p>The complaints are forwarded to Economic Offences Wing, Bengaluru for necessary action.</p>
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AGENDA 12: NABARD AGENDA

Agenda 12.1 Inclusion of Agenda in SLBC Meeting:

The following issues may be considered as regular agenda items for SLBC meeting:

- a. Review of financing of FPOs and availing benefit of Credit Guarantee scheme for FPOs and AHIDF
- b. Review of financing under e-NWR

Agenda 12.2 Fixing of ACP target for FY 2024-25

Rationalization of targets among banks, particularly RRBs and Cooperatives, based on trends in sector-wise past achievement may be considered. RRBs, in the Empowered Committee Meeting conducted by RBI, had been raising the issue of unrealistic targets in certain sectors like Housing, Export, Renewable Energy, Education etc.

Agenda 12.3 State Focus Paper, 2024-25 – Projections

The State Focus paper is prepared by NABARD annually wherein the potential for the state in both financial and physical terms is quantified by a bottom-up approach by aggregating the district wise Potential Linked credit plan prepared in consultation with the stakeholders at the district level.

NABARD, Karnataka Regional Office has prepared the State Focus Paper 2024-25 which estimates an **exploitable Priority Sector credit potential of ₹ 3.97 lakh crore, an increase of 10.67% over the projections made for 2023-24 (₹ 3.59 lakh crore)**. Agriculture Credit is estimated at ₹ 1.85 lakh crore (47%). MSME sector at ₹ 1.58 lakh crore (40%) and other priority sectors ₹ 0.54 lakh crore (13%). The SFP has also highlights the infrastructure gaps under various sectors, which may be addressed by the State Govt.

Comment: As the paper is prepared for the next financial year, banks are advised to prepare the credit plans in their planning and budget exercise. Softcopy of the SFP 2024-25 has been shared with SLBC.

Agenda 12.4 AMI Subsidy Scheme: As per latest advise from Gol, the submission and scrutiny of proposals have been fully digitised and Financial Institutions need not submit the hard copies of the project to NABARD. Accordingly, NABARD has pushed back all pending proposals to the concerned banks. The guidelines have already been communicated to the controlling offices of banks. As per the guidelines, Joint Monitoring Inspections also stands withdrawn, instead, FIs to conduct the inspection and submit the online declaration.

Agenda 12.5 Pledge financing for agriculture commodities through electronic Negotiable Warehouse Receipt (e-NWR)

- Warehousing Development and Regulatory Authority (WDRA) has been established under the Warehousing (Development and Regulation) Act, 2007 for setting up a negotiable warehouse receipt system in the country, making Negotiable Warehouse Receipt (NWR) a prime tool of trade and regulation of warehouses.
- e-NWR can facilitate easy pledge financing by Banks and other financial institutions e-NWR also helps to save expenditure in logistic as stock can be traded through multiple buyers without physical movement and can be spilt for partial transfer or withdrawal. e-NWRs promote scientific warehousing for storage of agricultural goods and commodities.
- WRDA is striving to promote finance against e-NWR to farmers especially small & marginal farmers in the post-harvest phase. Dept. of Financial Services (DFS) vide letter No. 3/67/2022-AC dated 25.01.2023 had advised all Public Sector Banks to consider the feasibility of designing a loan product on the lines of 'SBI produce marketing loan'. DFS in letter no.3/67/2022-AC dated 17.01.2023 advised Convenors of SLBCs to include pledge finance against e-NWR as a permanent agenda in its meetings. Therefore, banks may consider extending credit for pledge financing through e-NWRs.

Agenda 12.6 loan to FPOs under NABSanrakshan credit guarantee scheme.

- Banks may provide collateral free loan to FPOs under NABSanrakshan credit guarantee scheme.
- NABSanrakshan Trustee private Co., NABARD's wholly owned subsidiary is mandated to manage various credit guarantee funds of Gol and Other agencies. The institutional architecture is a two-tier structure with NABSanrakshan and Credit Guarantee Trustee Company Ltd (NCGTC), set up by Ministry of Finance. It provides Credit Guarantee for agricultural and rural sector loans.

Details of CG for FPO

Item	Description
Guarantee Cover	85% if sanctioned amount upto ₹1 cr, max ₹ 85 lakhs
	75% if sanctioned amount beyond ₹ 1 cr, max ₹1.5 cr
Annual Guarantee Fee	0.75% if sanctioned amount upto and ₹1 cr
	0.85% if sanctioned amount beyond ₹1 cr
Eligible Lending Institutions	All Schedule Commercial Banks including Regional Rural Banks, Co-operative Banks etc
Corpus	₹ 1000 crore (co- contributed by Gol and NABARD)
Settlor	Department of Agriculture and Farmers Welfare, Gol

Banks may explore the possibility of providing overdraft facilities to the FPOs, even though FPOs have taken loan from other financial institutions.

Agenda 12.7 Financial Inclusion Fund (FIF) from NABARD

- Grant support is available for various schemes under Financial Inclusion Fund (FIF) from NABARD. The various schemes supported under FIF for which Banks can avail grant support are as under:
 - Conduct of Financial and Digital Literacy Camps by rural branches of Banks.
 - Reimbursement of Examination fee of BC/ BF. As per information provided in the agenda of 163rd SLBC meeting, out of the total 91219 active BCs across the State, only 10625 BCs (~12%) possess IIBF certification. Under Financial Inclusion Fund, NABARD supports Reimbursement of IIBF Examination fee of BC/ BF. If feasible, IIBF certification may be made mandatory for BCs/BFs.
 - Demonstration Van for financial literacy (For RRBs and RCBs)
 - Deployment of micro ATM by a)SCBs in schools and colleges in Special Focus Districts and in milk societies in all districts b) RRBs in Schools and colleges in SFDs, Fixed BC points, branches, Milk Societies in all districts c) RCBs in Branches, PACS/Milk Societies/other non credit societies.
 - Deployment of PoS/mPoS terminals in Tier 3 to Tier 6 centres
 - Implementation of Green Pin facility(For RRBs and RCBs)
 - Onboarding Bharat Bill Payment System(For RRBs and RCBs)
 - Installation of solar power unit/ UPS deployment in SSA of Bank for new branches opened and for kiosk / fixed CSP
 - On boarding to Positive Pay System (PPS) (Applicable for RCBs only)
- The grant support for Special Focus Districts (SFDs) is 90% of the eligible expenditure incurred by the implementing bank. For other districts and for projects applicable to SFD and other districts alike, grant support is 60%, 80% and 90% of eligible expenditure for SCBs, (including SFBs and PBs), RRBs and RCBs respectively subject to scheme-wise ceiling as per our Circular No.11451-11899 dated 31.01.2023.
- 41 CFLs to be set up in Karnataka under Phase-III of CFL project with total expenditure of ₹32.00 lakh per CFL for first three years. Total grant support of ₹29.30 lakh per CFL for meeting 100% of the Capex cost and 90% of the Opex cost is available under FIF. Capex support of ₹5.00 lakh per CFL and Opex support of ₹8.10 lakh per CFL per year for 3 years (90% of the total Opex cost) is funded under FIF. Sponsor Bank of CFL to borne 10% of the Opex cost, i.e. ₹0.90 lakh per CFL per year for 3 years, i.e. total ₹2.70 lakh for 3 years period. Sponsor Banks to enter into agreement with NGOs for setting up of CFL and submit the proposal for sanction of the grant support under FIF to NABARD RO.

Agenda 12.8 Support to Government of Karnataka under RIDF

- NABARD has been supporting GoK in creating rural infrastructure covering Agriculture and allied sector, rural connectivity and social sector including drinking water projects enabling overall development of rural areas. The complete list of the projects sanctioned are available on our website viz., www.nabard.org. The sector-wise summary of support extended from the RIDF tranche (I to XXIX) are as indicated below:

(Amt. in Rs. Crore)					
S.No	Name of the Sector	No. of projects	Total Financial Outlay	Loan Sanctioned	Amount Disbursed
1	Agriculture and Allied	5141	2580.80	2408.83	1431.08
2	Bridges	1921	1288.76	1049.54	954.41
3	Irrigation	5347	7953.37	5903.84	4343.95
4	Roads	10720	7064.86	5755.14	5188.63
5	Social	21004	9840.40	5854.71	4202.37
	Total	44133	28728.19	20972.06	16120.44

Banks may explore the possibility of extending credit facility in these project areas as creation of infrastructure will lead to improvement in credit absorption capacity in the project location.

AGENDA 13: Expanding and Deepening of the Digital Payments Ecosystem:

RBI CO Mumbai vide their letter ref FIDD.CO.LBS.No. S704/02.01.014/2023-24 dated 09.08.2023 informed that all the Districts in the State has to be digitally covered to all eligible accounts. Timelines for completion of 100% digitization in all the Districts are before 31.12.2024.

On 25.01.2024 RBI has conducted meeting under the chairmanship of Regional Director to review the progress under EDDP and advised all the member to achieve 100 % digitization in all the remaining districts.

The below mentioned Banks has achieved 100% digitization in 27 districts are Indusind Bank, KBS Bank, YES Bank, IDFC Bank, IPPB , Fino payment Bank, Airtel Payment Bank, Punjab & Sindh Bank, ESAF Bank, Bank of Baroda and ICICI Bank.

All the districts have achieved more than 85 % digitization except Shivmogga (SB 79%) Dakshin Kannada (SB 83%) , Udupi (SB 80%), Uttara Kannada (SB 78% and CA 83%)

In spite of repeated follow up from SLBC many banks are not submitting data within time line , we request RBI intervention in the said matter.

District wise performance is provided in annexure-10 (page no 37).

AGENDA 14: Pradhan Mantri Fasal Bima Yojana(PMFBY) & Restructured Weather Based Crop Insurance Scheme (RWBCIS):

As on 22.01.2024 total 2165 no. of applications amounting to Rs. 3.08 Cr is pending for settlement under PMFBY due to NPCI payment failure and Blank Aadhar from different member Banks.

Multiple enrollment of farmers in PMFBY Kharif 2019 and Rabi 2019–20 seasons on same e-Aadhaar enrollment number and not actual Aadhaar resulting in non-payments of claims ICICI Bank had enrolled farmers under PMFBY in 2019-20 using the same e-Aadhaar enrollment number or not entering the actual Aadhaar number, thereby violating paragraph 6.3 of Pradhan Mantri Fasal Bima Yojana operational guidelines.

Notwithstanding the illegality of the action in doing so and violation of PMFBY guidelines, since Samrakshane portal allows as per the policy of Government of Karnataka, to pay the

claims through Aadhaar based DBT transactions only, in all these cases farmers have been denied their claims.

Restructured Weather Based Crop Insurance Scheme (RWBCIS):-

As on 31.01.2024 total 28.00 crore amount is pending for settlement under RWBCIS due to various reasons like, crop survey verification pending, crop mismatch etc.

Around 98.93 % of claims are already been settled by insurance companies.

Claim settlement pendency details for PMFBY & RWBCIS is enclosed as annexure- 11 page 38-39

AGENDA 15: KCC:

15.1 KCC Loans – Disbursements & Outstanding:

[cards in lakhs] [Amount in crores]

Disbursement of KCC from 1 April 2023 to 31 st Dec 2023		KCC Outstanding as on 31 st Dec 2023	
No. of Cards	Amount	No. of Cards	Amount
4216529	49196.33	4809390	62614.26

Bank wise data on KCC loan as on Dec 2023 is provided in the Annexure-12 (Page No 40).

15.2 KCC-Dairy and other Animal Husbandry activities:

In order to ensure maximum coverage of farmers engaged in Animal Husbandry and Fisheries under KCC, **DFS: GOI has resumed nationwide AHDF KCC Campaign from 01st May 2023 to 31st March 2024** and the scheme is extended till **31st March 2024**. All the bankers and LDMS are requested to take note.

Progress under the campaign as on 31.12.2023 is given here below.

Parameters	Total no. of application received	Total no. of application accepted	Toto no. of application sanctioned	Total no. of application rejected
KCC-AH	213680	212208	79814	35432
KCC-FISH	30542	29408	13601	853
Total	244222	241616	93415	36285

District wise progress under this campaign data is given in Annexure No -13 [page No.41-42)

All the banks have shown excellent performance under KCC AH & Fishery campaign launched by DFS.

KCC AH O/S as on 31.12.2023 amounts to **₹865.85** Crores for **182421** accounts.

KCC Fisheries O/S as on 31.12.2023 amounts to **₹273.88** Crores for **20162** accounts.

KCC Dairy loans sanctioned during the quarter and outstanding as on 31.12.2023 is provided in the Annexure -14 (page No. 43)

Performance under KCC-Fisheries as on Dec 2023 is provided in Annexure -15 (page no.44).

15.3 Agriculture Infrastructure Fund (AIF) (G S S -3% Interest Subvention):-

SLBC requests all member banks to guide applicants to get the help from District Resource Persons and to advise their branches and administrative offices to cover all activities coming under AIF scheme by routing the application through the AIF portal.

During FY 2023-24 banks sanctioned 449 accounts amounting 515.01 Crores.

Progress under the scheme is given in the Annexure - 16 (Page No.45).

AGENDA 16. Banking statistics as on 31st Dec 2023:

16.1: Business figures under various parameters:

(Amt in Cr)

Particulars	Dec-22	Mar-23	Dec-23	Y-o-Y – variance		Variation	
				Over Dec-22		over Mar 2023	
				Absolute	In %	Absolute	In %
Deposits	1311382	1411808	1504084	192702	14.69	92276	6.54
Advances	986448	1038003	1199074	212626	21.55	161071	15.52
Total Business	2297830	2449811	2703158	405328	17.64	253347	10.34
Credit-Deposit Ratio	75.22	73.52	79.72	4.50		6.2	
Total PSA	374328	392945	429031	54703	14.61	36086	9.18
% of PSA to Total Advances of Preceding year	44.14	43.91	43.49	-0.65		-0.42	
Agricultural Advances	180762	192268	208584	27822	15.39	16316	8.49
% of Agri. Adv. to Total Adv. of Preceding year	21.31	21.48	21.14	-0.17		-0.34	
Advances to MSME	137145	143047	162654	25509	18.6	19607	13.71
% of MSME to Total Advances of Preceding year	16.17	15.98	16.49	0.32		0.51	

Sector	Particulars
Deposits, Advances & CD Ratio	There is a Y-o-Y growth of 14.69 % in Deposits and 21.55 % in Advances. CD ratio of the state as on 31.12.2023 is 79.72%.
Total PSA	There is a Y-o-Y growth of 14.61 % in Total Priority Sector Advances.
Agricultural advances	There is a Y-o-Y growth of 15.39 % in Agricultural Advances.
MSME sector	There is a Y-o-Y growth of 18.60 % in MSME Advances.

16.2: Branch Network:

(In numbers)

Particulars	Sep 2023	Dec 2023	Variation of Dec 23 over Sep 23
1. Rural	4304	4318	14
2. Semi-Urban	2740	2778	38
3. Urban (including Metro)	5003	5041	38
Total	12047	12137	90

In comparison to the September quarter 2023, there is an increase **of 90** branches for the Dec quarter 2023.

Bank wise and District wise No. of bank branches in the state is provided in Annexure -17 (Page No 46-47)

16.3 Status of Rural Bank Branch closure:

Dist. name	Bank name	Merging Branch /Relocation	Acquiring Branch	Distance between branches	Remarks
Nil					

16.4: ATM Network:

(In numbers)

Particulars	Sep 2023	Dec 2023	Variation of Dec 23 over Sep 23
1. Rural	2172	2168	-4
2. Semi Urban	3542	3528	-14
3. Urban	11761	11742	-19
Total	17475	17438	-37

- ❖ The total number of ATMs has decreased from 17475 as on 30.09.2023 to 17438 as on 31.12.2023, thus showing a decrease of 37 ATMs during the quarter.

Bank wise and District wise No. of ATMs in the state is provided in Annexure - 18 (Page no 48-49).

16.5: Progress under Aadhar seeding of operative CASA accounts:

(Rs in Lakhs)

As on	No. of operative CASA A/cs	No. of CASA A/cs seeded with Aadhar	% of Aadhar seeding
29.09.2023	950.04	851.92	89.7
15.12.2023	963.47	868.73	90.2

- All member banks are requested to sensitize the branches for further improving in Aadhar seeding.
- The Bank-wise Progress under Aadhar seeding of CASA accounts in Karnataka state as on 15.12.2023 is furnished in the Annexure - 19 (page No.50)

AGENDA 17: Government sponsored schemes & discussion on lending towards Government sponsored schemes (DAY-NRLM, DAY-NULM, MUDRA, Stand-Up India, etc.) and impact of these schemes.

17.1. Performance under various Govt. Sponsored Schemes as on 31.12.2023:

Data not received from Departments.

Progress is shown of actual number of applications sponsored to the corporation.

SLBC requests all member banks to sanction and disbursement of all pending applications under various Government sponsored scheme.

17.2: PMEGP performance as on 31.12.2023 (GSS subsidy from 15-35% of project cost, depending on the category and location of beneficiary):

TARGET AND ACHIVEMENT UNDER PMEGP IN KARNATAKA STATE DURING 2023-24 (As on 31.12.2023)									
STATE	TARGET			ACHIVEMENT			ACHIVEMENT IN %		
	PRO (No)	M M (Lakh)	EMP (NO)	PRO (No)	M M (Lakh)	EMP (NO)	PRO (No)	M M (Lakh)	EMP (NO)
KARNATAKA	5215	15124	41720	3132	10618.60	25056	60.05	70.21	60.06
NOTE:									

TARGET AND ACHIVEMENT UNDER PMEGP FOR 2nd LOAN IN KARNATAKA STATE DURING 2023-24						
(Projects and Employment in Nos.& M M Rs.In Lakhs.)						
Status as on	TARGET			ACHIVEMENT		
	PRO	M M	EMP	PRO	M M	EMP
31.12.2023	51	502.68	408	20	146.23	160

All member banks are requested to look into the matter and arrange for sanction of maximum loans under PMEGP scheme, if otherwise in order. Performance under the scheme as on 31.12.2023 as Annexure No.20 (page no 51-52).

The percentage of NPA under PMEGP is **17.79%**.

17.3: CREDIT FLOW TO MINORITY COMMUNITIES

17.3.1: Progress under finance to Minority Communities in the state

(Amount Rs. In Crore)

O/s as at 30.09.2023			O/s as at 31.12.2023		
No. of A/cs	Amount	% to total PSA	No. of A/cs	Amount	% to total PSA
2576730	43047.41	10.31	2687532	44948.86	10.47

SLBC requests Karnataka State Minority Corporation to source maximum applications from all eligible minority communities to reach the Prime Minister 15 points programme and if any issues exists the same may be taken up with State Level authorities through Lead District Managers. Bank wise balance outstanding to Minority Communities as on Dec 2023 provided in annexure - 21 (Page No.53) .

17.3.2: Progress under finance to Minority Communities in the identified Districts of State:

The outstanding level of credit to minority communities in the identified Districts as on Dec 2023 are under:

(Amount in Crs)

Name of the District	Bidar		Kalburgi		Dakshina Kannada	
	Sep 23	Dec 23	Sept 23	Dec 23	Sept 23	Dec 23
O/s advances under Priority Sector Credit	1459.28		9676.55	10684.55	22320.91	24515.79
Lending to Minority Community	0.78		978.28	1200.55	8432.36	8825.20
% of Minority Community Lending to PSA	4.35		10.10	11.23	37.78	35.99

- Sufficient care to be taken to ensure that minority communities also receive an equitable portion of the credit.
- State Bank of India is the Lead Bank in Bidar and Kalburgi Districts and Canara Bank is the Lead Bank in Dakshina Kannada District.

17.4: Progress under SHG-Bank linkage/ Joint Liability Groups:

Progress under Self Help Groups (SHG):

Agency	As at Dec 2023				
	Credit Linkage for Dec 2023 quarter of FY 2023-24		Cumulative during FY 2023-24		Average finance per group (Rs. in lakh)
	No. of SHGs	Amount (Rs. in Cr)	No. of SHGs	Amount (Rs. in Cr)	For (Apr 23 – Dec 23) period (cumulative)
PSBs + PVTs	32508	772.25	302598	9575.52	3.16
RRBs, Cooperatives & Other Banks	15604	465.14	42216	1314.83	3.11
Total	48112	1,237.39	344814	10890.35	3.16

Bank wise progress under SHGs is provided in Annexure - 22 (page no.54)

Progress under Joint Liability Groups (JLGs):

Agency	Balance O/S as on Dec 2023		Average finance per JLG Member (in lakhs)	Disbursement during quarter		Average finance per JLG Member (in lakhs)
	No. of JLGs	Amount in Cr		No. of JLGs	Amount in Cr	
PSBs+PVTs	1826736	10507.34	0.58	622198	4047.69	0.65
RRBs, Cooperatives and Small Finance Banks	1130133	4760.94	0.42	183683	1176.77	0.64
Total	2956869	15268.28	0.52	805881	5224.46	0.65

Bank wise progress under JLG-Bank linkage program as at Dec 2023 is given in Annexure -23 (page No 55).

17.5: Progress in Stand Up India scheme as on 31.12.2023:

Member banks have sanctioned 819 SUI loans amounting to Rs.179.55 Cr from 01.04.2023 to 31.12.2023.

(Nos. in actuals and Amount in crores)

Scheme	Sanctioned during Dec 23 Quarter		Cumulative FY 2023-24	
	No. of A/Cs	Sanction Amt.	No. of A/Cs	Sanction Amt.
SC	77	15.19	307	66.06
ST	20	3.71	93	16.77
Women	281	65.15	1051	235.57
Total	378	84.05	1451	318.4

Bank-wise and District wise details of sanctions and disbursements under SUI as on Dec 2023 is provided in Annexure - 24 (page No. 56-57) .

Further member banks are requested to share the outstanding as at end of each quarter, henceforth.

SLBC request MSME department, SC/ ST corporation, KVIC and DICC to source maximum number of applications and submit to respective Bank branches.

17.6: Progress in Sanctions under MUDRA scheme:

[Amount in Crores]

Scheme	Sep 2023 Qtr.		Dec 2023 Qtr.		Cumulative FY 2023-24	
	No of A/cs	Amount Sanctioned	No of A/cs	Amount Sanctioned	No of A/cs	Amount Sanctioned
Shishu	1079631	3698.56	1672815	5902.25	3330819	11655.55
Kishore	553662	5550.98	874851	10462.61	1734757	20326.41
Tarun	13851	1278.3	46890	4411.11	85074	8316.43
Total	1647144	10527.84	2594556	20775.96	5150650	40298.38

(Data Source- SIDBI Portal)

Member banks have sanctioned 4241700 MUDRA loans amounting to 31303.8 Cr from 01.04.2023 to 31.12.2023.

Bank-wise, District, State wise sanctions and disbursements under MUDRA is given in annexure - 25 (page no. 58-59).

Karnataka State has secured number **3rd position** with respect to MUDRA loan sanctions and disbursements in the country with the active participation of all member banks and support from line department and to reach the 1st position by end of the current financial year.

17.7.Progress under PMFME scheme: Cumulative Progress under PMFME scheme in the state of Karnataka as on 29.01.2024 (GSS 35 % Subsidy max subsidy amt 10.00lakh):

Details	No of A/cs
Target for Karnataka State	11910
Application Submitted to Banks	11247
Sanctions/Under process	4634
Rejection	1594
Disbursement	3028
% sanction	41.20%

Karnataka State has **secured 7th Place** in PAN India in terms of disbursement.

District wise, bank wise and target and progress under PMFME scheme is provided in Annexure - 26 (Page No. 60).

AGENDA 18: Position of sector wise NPAs:

18.1: Non-Performing assets position as on 31.12.2023:

(Amount in Crore)

Sl.	Sector	As on 30.09.2023		As at 31.12.2023			
		NPA Amt.	% of NPA	Acs - No.	NPA Amt.	Total Loan O/s Amt.	% of NPA
1	Agriculture	18964.85	9.72	973798	21853	208584	10.48
2	MSME	11032.50	7.67	326853	12863	162654	7.91
3	Housing	619.91	1.48	10948	647	38036	1.70
4	Education	477.04	7.41	21645	479	6342	7.56
5	Other Priority sector adv	911.50	8.16	93841	757	12071	6.27
6	Non priority sector NPA	20240.35	3.07	449805	22226	770044	2.89
7	Total NPAs	52324.08	4.98	1878635	58892	1199074	4.91

Bank wise and segment wise NPA position is provided in Annexure - 27 (Page No.61-70).

18.2: Recovery of Bank's dues under PMEGP:

The PMEGP NPA position as at Dec 2023 is furnished here under:

(Amount in Crore)

As on 31 st Dec 2023		
Balance O/S	NPA Level	% of NPA
1091.67	192.43	17.79

Bank-wise NPA level under the PMEGP scheme is furnished in Annexure – 28 (Page no. 71) . SLBC had requested all the member banks to share NPA details with KVIC, which had assured to assist in recovery. Few banks are yet to share the PMEGP data.

We request State Government to advice Department to help in recovery of PMEGP NPA cases.

AGENDA 19: Issues remaining unresolved at DCC/DLRC meeting

SLBC has not received any unresolved issues from any LDMs

AGENDA 20: Subcommittee meetings held during the review period:

Sub-committee on **Recovery and rehabilitation** for September 2023 is not conducted by SBI. Secretary, Fiscal Reforms, Finance Department, Gok Vide their letter FD-CAM / 55 /2023 dated 31.01.2024 advised that to re-constitute SLBC Sub – Committee for recovery and rehabilitation committee by including the review of PMFME, PMAY< PMJJBY, PMJDY, APY, PMMY, PMSVANidhi, PM-AHIF etc.

Sub-committee on Weaker section (State Bank of India) for September quarter 2023 is not conducted.

SLBC requests convener banks to conduct above meeting immediately and share the minutes.

20.1. Representation from Union Bank of India on unwillingness to conduct SLBC sub- committee on MSME

Union Bank of India is the Convenor for SLBC sub- committee on MSME. As off now upto September quarter 2023 they have conducted the said meeting. Vide their letter dated 16.01.2024 informed that, they are requested to withdraw the Convenorship to conduct the said meeting and asking for permission from the SLBC house.

Union Bank of India letter dated 16.01.2024 is enclosed as an Annexure.29 page No 72

AGENDA 21: Other issues

21.1. Implementation of Kannada language by Banks.

All member banks and LDMs are requested to ensure:

- 1) Availability of account opening forms, loan applications, challans etc., in Kannada language in the branches.
- 2) Use Kannada language in Bank ATMs, BNAs, Sign boards, letter heads, bank/branch seal and in RSETIs/RUDSETIs and FLCs.

LDMs are requested to ensure the above said aspects in DLRC, DCC and BLBC meetings with district coordinators of banks and bank branch Managers.

The state controlling office of banks has to advise their Regional Managers/Regional officer/Districts coordinators for extending necessary support to LDMs for creating awareness programme to degree colleges for taking banking exams.

SLBC request member banks to ensure imparting Kannada language training to non-Kannada employees. Further, banks are requested to inform the number of training so conducted to SLBC on quarterly basis.

21.2: Performance by Banks under Annual Atal Pension Yojana (APY) Targets during FY 2023-24: (01.04.2023 to 31.12.2023)

Karnataka has achieved **56%** of APY target set by PFRDA during FY 2023-24 upto 31.12.2023.

Bank Category	No. of branches as on 01.04.2023	Target by PFRDA per branch	Total Target	Performance by Banks	Achievement %
PSB	5528	100	552800	292938	53 %
Major Pvt Banks	1046	70	73220	9778	13 %
PVT Banks	1376	30	41280	18972	46%
RRB	1752	100	175200	153652	88%
COOP BANK	255	20	5100	2372	46%
Total	9957	-	847600	477712	56%

* Major Banks (ALL PSBs and 4 Private banks i.e. **ICICI Bank, AXIS Bank, HDFC Bank, IDBI Bank**).

Bank wise and District wise performance report provided by PFRDA is placed as Annexure 30 (Page no. 73-74) .

21.3: Progress under Aadhar seeding in PMJDY A/cs: (Outstanding No. of Accounts in lakh)

Particulars	30.09.2023	31.12.2023
No. of PMJDY A/cs O/S	188.08	189.76
Total Aadhar Seeded A/cs	150.42	145.75
% Aadhar Seeding	79.79	77

There is a huge reduction in PMJDY accounts due to Punjab National Bank and Union Bank of India is 65446 & 70033 respectively.

There is a huge reduction in PMJDY Aadhar seeded accounts due to Punjab National Bank and Union Bank of India is 111120 & 699546 respectively.

Punjab National Bank informed that The reduction is due to closure of many inactive & dormant PMJDY accounts.

All member Banks are requested to encourage customers of new PMJDY and existing PMJDY accounts for Aadhar seeding.

Bank wise total progress under PMJDY Aadhar seeding as on 31st Dec 2023 is provided in the Annexure - 31 (Page No. 75).

21.4: Status of Aadhar Enrolment Centers in Banks in the State:

UIDAI, Bangalore has informed that as on 30.09.2023, 583 kits are active with 183589 Enrolments / updates in the last 30 days against 556 active kits with 148778 enrolments/updates in the last 30 days as on 31.12.2023

SLBC requests all Banks to improve the enrolments and carry out maximum enrolments/updates. SLBC also requests all Member Banks to give more focus for enrolments/updates in Raichur & Yadgir Districts.

Bank wise status of enrolment centers as per UIDAI in Karnataka is provided in Annexure –32 (page No. 76).

AGENDA 22: Skill Development:

22.1: Status of RSETIs / RUDSETIs as on 31.12.2023 reported by sponsor Banks is as under:

There are 7 RUDSETIs and 24 RSETIs are functioning in the State of Karnataka.
(Quarterly)

Name of the Sponsoring Institution	No. of RSETIs	Target for 2023-24		Achievements (as at 31.12.2023)		
		Programmes	Trained	Programmes	Trained	% Ach
RUDSETI	7	188	5390	176	4773	89
Canara Bank	11	300	8442	251	6996	83
State Bank of India	7	193	5478	166	4337	79
Union Bank of India	2	57	1576	49	1267	80
Bank of Baroda	2	50	1600	53	1355	85
Kotak Mahindra Bank	1	28	875	28	777	89
DCC Bank	1	33	990	27	850	86
Total	31	849	24351	750	20355	84

22.2: Functioning and performance of RUDSETIs (7) / RSETIs (24) in Karnataka State.

SI No.	Particulars	As on 31.12.2023 (Cum since inception)	During FY 2023-24
1	No. of training programs conducted	13391	750
2	No. of persons trained	376197	20355
3	No. of persons secured employment / self-employment	105192	2275
4	No. of trained persons credit linked	167251	3105

The progress achieved by RSETIs during the year is provided in the Annexure – 33 (page No. 77).

All member banks are requested to arrange for credit linkage to all RUDSET/RSET trained candidates to foster self-employment.

SLBC requests RSETIs to conduct credit awareness programmes in the middle of the training programmes and to share the list of trainers to local banks for facilitating credit linkage.

22.3. CB RSETI Ballari - Allotment of 1.11-acre land to The Director, CBRSETI, Ballari on 33 years lease basis:

There were 2 lands allotted to our RSETI prior April 2022 but both are under litigation at High Court Benches Kalaburagi and Dharwad.

Now, the proposed land for allotment of our RSETI was earlier allotted to Gorakshana Sangha Ballari. Further, as per the latest RTC, it is evident that Gorakshana Sangha had purchased the proposed land many years ago. Which is currently in court under hearing.

It is also to be noted that, in Column 12 of RTC, Name of the Farmer, Sri Basappa who is cultivating paddy at the land is also evident.

In this regard, we are continuously following up with the concerned authorities for early allotment land to our RSETI.

22.4. Opening of new RSETI in Vijayanagara District:

Vide letter dated 27.12.2023 NACER has informed that, MoRD Gol directed the Banks to take immediate action for opening of new RSETIs in the uncovered Districts. In Karnataka State uncovered District is Vijayanagara and responsibility of opening new RSETIs is to be assigned to respective lead Bank i.e State Bank of India.

SLBC sub-committee on RSETI meeting was held on 23.11.2023, during the meeting SBI officials was informed that their office has already sent request to MoRD, Gol for opening of new RSETI at Vijayanagara district.

NACER letter dated 27.12.2023 and proceedings of RSETI sub-committee dated 23.11.2023 is enclosed as annexure.34 page no 78-86

22.5. State Level Implementation Committee for Targeted Financial Inclusion Intervention Programme (TFIIP):

The progress of KPIs by Banks at aspirational districts, reported by respective LDMs as on 31.12.2023 are as under:

As per LDMs report the respective district has achieved the set target in all 4 parameters but as per NITI

Aayoga data only CASA and APY target have achieved.

(A) Raichur District:

Particulars	Key Performance Indicators (KPIs) as on 31.12.2023			
	Bank Accounts (CASA) per lakh population	PMJJBY enrollments per lakh population	PMSBY enrollments per lakh population	APY enrollments per lakh population
Target set by DFS	129755	9772	30303	2886
Achievement till Dec 2023	177440	14569	42680	4663
% Achievement	136.75	149.08	140.84	161.57
Gap to target (per lakh population)	Achieved	Achieved	Achieved	Achieved

(B) Yadgir District:

Particulars	Key Performance Indicators (KPIs) as on 31.12.2023			
	Bank Accounts (CASA) per lakh population	PMJJBY enrollments per lakh population	PMSBY enrollments per lakh population	APY enrollments per lakh population
Target set by DFS	129755	9772	30303	2886
Achievement till Dec 2023	146059	11423	24813	4554
% Achievement	113	117	82	158
Gap to target (per lakh population)	Achieved	Achieved	Achieved	Achieved

As per data submitted by LDMs both the districts have achieved 100% target under all 4 KPIs set by DFS.

Bank wise KPI data provided in Annexure-35 (Page No. 87-88) and defaulting banks are requested to achieve the allotted target.

22.6 Providing add-on services through Toll Free Desk for addressing Public

The total no. of calls received at the Helpdesk from April 2023 to Dec 2023 is 2585

All member Banks are requested to popularize this Toll Free Number **180042597777** among their customers.

AGENDA 23: Other Agendas received from stake holders for discussion.

23.1 Issues arising while registering the equitable mortgage on multiple properties for a single loan: -

SLBC received communication from Karnataka Bank and it is informed that while registering the equitable mortgage on multiple properties for a single loan, borrower was required to pay the stamp duty based on the limit. However, with the upgradation of KAVERI portal, the registration procedure has been changed and accordingly, documents need to be uploaded property wise in the portal with loan details. While doing so loan amount needs to be mentioned separately against each property and borrower is required to pay the stamp duty separately for each property even though it is a single loan.

Borrower has to pay the stamp duty on multiple times for a single loan.

SLBC request member banks, E-Governance department, Stamps and registration department to discuss on issue and we request state Government department to issue necessary legislative changes.

23.2 Performance of Private Sector banks under different Government sponsored Schemes: -

RBI vide their mail dated 08.01.2023 informed that a meeting was held under the chairmanship of Hon'ble Minister of State for Finance with private sector banks on October 29,2023 and concern was expressed over very little participation from Private Sector Banks in FI schemes of the Government.

It is requested to discuss the progress of GoI schemes with special emphasis on private sector banks in SLBC meeting.

We are yet to receive data from various government department for the review purpose.

23.3 Problem faced during registration of mortgage deed /MDTD: -

SLBC has received communication from Karnataka Bank and they quoted that personal presence of branch head before the sub Registrar office for the registration of Deed of Mortgage /MDTD for agri advances was not being insisted upon the Sub- registrars and exemption letter given by the branches under section 88 of the registration Act were accepted.

While presenting documents for registration, sub Registrars are now insisting for personal presence of the branch heads for the reason that Karnataka Bank name is not available in the exempted list in FRUITS software.

E-Governance department, Stamps and registration department to discuss on issue and we request state Government department to issue necessary legislative changes.

23.4 Performance review of Central Sector Interest Subsidy (CSIS) scheme

SLBC has received the communication from DFS regarding Performance review of Central Sector Interest Subsidy (CSIS) scheme. Under this Scheme Interest Subsidy is given during the moratorium period i.e., Course period plus one year on Education Loan taken from the Scheduled Banks to students belonging to economically weaker sections whose annual parental income is up to Rs. 4.5 Lakh from all sources.

All member banks are requested to provide the eligible account list for review purpose.

23.5 Reduction in frequency of DLRC meetings

Reserve Bank of India , FIDD Bengaluru informed that the District Level Review Committee (DLRC) is a district level forum under the aegis of Lead Bank Scheme, primarily aims at facilitating stakeholders to undertake review of the district level credit plans and to devise workable solutions for enhancing flow of credit to deserving sectors, besides serving as a platform for Public Representatives to share their valuable feedback for improvising strategy.

In terms of extant guidelines, DLRC meetings are to be held at least once in a quarter. RBI top management has directed to place the proposal for reduction in frequency of DLRC meetings before SLBC for deliberation.

SLBC request RBI, All DC/DM of all districts in Karnataka state, all member banks and LDMs to discuss on the said matter.

Agenda 24: Success Stories: -



Introduction

Mr. Chethan P M belonged to Other Backward Category hails from Alilaghatta village, Gubbi Tq., Tumkur Dist. His village is a small and has good road network but lacks the basic amenities for a business to flourish. People of the village will ply to Gubbi the taluk headquarters for their need like daily business, education, hospital, court, and Government offices.

Turning Point

One of his friends who had undergone training at RUDSETI, Bengaluru had provided him the information about the training being provided free of cost to rural unemployed youth. Curiously he had visited the Institute and had availed the information by the Director for undergoing Electrical Motor Rewinding training programme since he has to fight with a electrical motor that installed in his farm.

Training Programme

Later he had attended the interview at RUDSETI and was selected based on his knowledge in the electrical motors. During the training programme he learnt about the spare parts of electrical motor like rotor, switchgear, flat cables, voltage, ammeter and other items. Along with the hard skills he had also learnt soft skills like how to develop entrepreneur competencies? How to develop self-confidence? How to conduct marketing survey ? How to deal with the customers ? How to avail Bank loan and keep the continuous cash flow ? etc.,

Present situation

Having three years of experience in and around his village now he has good and loyal customer base. He has employed three youth for assisting him in his work. Now he has developed professional touch in his work and could cater to the need of the farmers in and around his village. He thanks RUDSETI for this feat of his and always remembers his training days with lot of gratitude. He now proposes to marry and settle in his life. He has purchased a land and has plans to build the house. Many youth in his village are taking him as their role model.