

STATE LEVEL BANKERS' COMMITTEE KARNATAKA

PROCEEDINGS OF THE 159th SLBC MEETING HELD ON 15.11.2022

CONFERENCE HALL,
Room NO 313, Vidhana Soudha,
BENGALURU – 560001

(Through VC)

CONVENOR



HEAD OFFICE: ANNEXE, BENGALURU

**STATE LEVEL BANKERS' COMMITTEE: KARNATAKA
CONVENOR: CANARA BANK**

**MINUTES OF THE 159th SLBC MEETING and BANKING STATISTICS AS ON 30th
SEPTEMBER 2022 HELD ON 15.11.2022**

The 159th SLBC meeting of the state of Karnataka was held on 15.11.2022 at 3.00 PM at Conference Hall, #313, Vidhana Soudha, Bengaluru under the Chairmanship of Smt.Vandita Sharma, Chief Secretary, GoK and attended by Sri. A Muralikrishna, Convenor-SLBC Karnataka, Sri T Ramesh, Chief General Manager NABARD. Sri. Brij Mohan Sharma, Executive Director, Canara Bank, Sri. R Guru Murthy, Regional Director, RBI, Bengaluru Ms. Sunanda Batra, General Manager RBI attended through video conference besides Principal Secretaries, Secretaries, Commissioners & Directors from Govt. departments / corporations and senior executives from RBI, NABARD, SLBC and different banks.

Sri. A. Muralikrishna, Convenor welcomed Smt. Vandita Sharma, Chief Secretary, GoK, Sri.R GuruMurthy, Regional Director, RBI, Ms.Sunanda Batra, GM, RBI , Shri T Ramesh, CGM, NABARD, Sri. Brij Mohan Sharma, Executive Director, Canara Bank and all the dignitaries, members, participants & invitees.

Sri. Brij Mohan Sharma, Executive Director, Canara Bank, in his key note address, once again welcomed all the dignitaries for the meeting on behalf of SLBC Karnataka and Canara Bank.

He informed the house that the achievement as at 30.09.2022 under ACP under Agriculture is 50% of the annual target, Total credit is 59% and total priority sector is 42.84%. I complement all bankers for a good performance. But at the same time, under Priority Education [6.98%] and Priority Housing [8.43%] performance is not as expected. He urged the bankers to achieve the set targets under all parameters. He also informed that Government of Karnataka has initiated Swami Vivekananda Yuva Shakthi yojana, CM 1 lakh Affordable Housing Programme in Bengaluru and other various schemes like Udyogini, Aadhar etc and requested member banks to expedite processing and sanctioning of applications received by branches under "Affordable Housing in Partnership" vertical of Pradhan Mantri Awas Yojana (Urban) in convergence with GoK housing schemes as per SOP and modified Guidelines issued by GoK for eligible house-less poor.

Further, he informed that Government of India also has initiated a number of schemes PM Formalization of Micro Food Processing Enterprises (PMFME), Agricultural Infrastructural Fund scheme and Animal Husbandry Infrastructure Fund scheme, KCC Animal Husbandry and Fisheries etc. and urged upon the bankers to achieve the target allotted under the above schemes which will contribute in a big way in enhancing farmers' income and meeting the needs of the most vulnerable sections of the society.

He shared the information that Karnataka state ranks 3rd under PMFME and 5th under MUDRA sanctions & disbursements and 6th position in case of PMSVANidhi scheme and requested member banks to aim No.1 position in implementation of all the Govt. Sponsored schemes.

Regarding Reserve Bank of India's Nationwide Intensive awareness Programme from 01.11.2022 to 30.11.2022 he informed that banks are conducting various programmes to enhance the awareness among the general public and advised all the member banks to ensure percolation of the awareness initiatives to the very last mile especially rural areas and remote locations of the state and make the Karnataka No.1 in this regard.

Subsequently **Sri A Muralikrishna, Convenor, SLBC Karnataka** initiated and moderated agenda wise discussion by taking suggestions from Departments & Bankers and directions from the Chair.

AGENDA 1.0: CONFIRMATION OF THE MINUTES OF 158th SLBC MEETING HELD 15.09.2022.

The Minutes of 158th SLBC meeting held on 15.09.2022 has been circulated to all the member banks and Govt. departments. The minutes of the same may be approved.

The same was approved.

AGENDA 2.0: FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE PREVIOUS SLBC MEETING

The action taken by the SLBC on various action points evolved during 158th SLBC Meeting were taken note of by the House.

AGENDA 3: REVIEW OF CREDIT DISBURSEMENT BY BANKS:

3.1. Achievement under ACP and Priority Sector Lending :

Convenor presented a comparative analysis of disbursement up to the quarter ending September 2022 of FY 2022-23.

- The banks have disbursed Rs.34277 Crore under Short Term agriculture loans registering 41.85% achievement to the Annual target as on 30.09.2022.
- The banks have disbursed Rs.36203 Crore as on Sept. 2022 under Agricultural Term loans registering 61.38 % achievement to the Annual target.
- Total agriculture registering 50.03% achievement to the annual target as on 30.09.2022.
- The banks have disbursed Rs.61980 Crore under MSME registering 47.82% achievement to the Annual target as on 30.09.2022.
- The banks have disbursed Rs.2764 Crore under priority Housing registering only 8.43 % achievement to the Annual target as on 30.09.2022.
- Convenor requested member banks to improve lending under priority sector credit with focus on KCC, KCC Dairy, MSME, priority housing, education loans and other priority sector for the FY 2022-23.

The Chief Secretary advised banks to focus more on improving priority sector lending and improving CD ratio of the State.

(Action: All member banks)

3.2 Major Bank wise performance/Achievement of ACP as on September 2022

The house took note of the performance of all the banks under ACP as at 30.09.2022. Chief Secretary advised some of the banks where performance is very poor to achieve better performance by mission mode.

(Action: Central Bank of India, Bank of Maharashtra, Punjab and Sindh bank, Indian Overseas bank, Punjab National Bank, Indian Bank, Karnataka Bank, Axis Bank)

AGENDA 4: PMAY-U (HOUSING FOR ALL 2022)

Convenor SLBC informed the house, the progress achieved in bank linkages under AHP vertical of PMAY(U). The Managing Director, RGHCL gave the latest statistics about sanction and pending of

Housing Loan applications with banks. The chief secretary, GOK reviewed the performance of major banks and informed the house that performance of major banks are not satisfactory and instructed all member banks to sanction more number of loans under AHP vertical of PMAY(U), Banks to gear up for the speedy disposal off the pending applications.

(Action: All member Banks, LDMs and RGHCL KSDB)

AGENDA 5 : 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 June 2022:

Convener informed the house that, The CD Ratio of the state as a whole as on 30.09.2022 was 72.70%. Uttara Kannada and Udupi districts have shown improvement over June 2022 in CD Ratio.

DCs and LDMs are requested to continue necessary corrective measures in this regard and continuously monitor the same in their special subcommittee and DCC meetings. It is informed by the LDMs of these districts that District Level Sub-committee is formed to review Bank wise CD ratio. All member Banks and LDMs in the district were advised to reach the CD Ratio target of 60% for every quarter.

(Action: Uttara Kannada, Udupi LDMs & DCs and All Banks)

AGENDA-6: Issues - Reimbursement of pending BPL claims of training expenditures:

Convener informed the house that, as on 30.09.22, about Rs.35.09 crore was pending to be released by SRLM to various RSETIs in Karnataka and the pendency was continuing for many years.

The Mission Director NRLM informed that within 2-3 days the amount will be released. Chief Secretary GoK advised concerned department to reimburse the same immediately and confirm.

(Action: Dept. of Skill development- GoK, SRLM & GoK)

AGENDA-7: REVIEW OF FINANCIAL INCLUSION INITIATIVES, EXPANSION OF BANKING NETWORK AND FINANCIAL LITERACY

Convener informed the house that, as per Jan Dharshak app and FI Plan portal, there are no unbanked villages without any Branch or BC within a radius of 5 KM as on that date. However, there were 104 village having a population of less than 3000 and without banking facilities IPPB had confirmed that out of 104 villages they have IPPB centres at 52 villages. SLBC requested member banks to do the needful in remaining 52 villages.

(Action: All member Banks)

AGENDA 8: FINANCIAL INCLUSION INITIATIVES:

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

Convener informed that, there were 757 inactive BCs as on 30.09.2022 and of which majority of inactive BCs were from State Bank of India (186), Canara Bank (154), IDFC First Bank (206), HDFC Bank (54), Bank of Baroda (61) and Bank of India (50).

Convener requested respective Banks to activate all inactive BCs and appoint new BCs where BCs have resigned / not certified by IIBF within the timeline fixed by IBA and initiate measures for making these centers functional. Chief Secretary informed some portion of BCs can be earmarked for IIBF certified BC sakhis.

The Chief Secretary GoK advised State Bank of India, Canara Bank, IDFC First Bank, HDFC Bank, Bank of Baroda, Bank of India and other banks to activate the inactive BCs.

(Action: All member Banks)

8.2: Financial literacy initiatives by banks.

As at 30.09.2022 there were 43 non-functional FLCs. Convenor requested SBI, UBI, Canara Bank, BOB, BOI and KGB to appoint FL counsellors (25,13, 1, 2,1 & 1 FL Counsellors respectively) immediately and make these FLCs functional. SLBC requested all the sponsor Banks to oversee the functioning of FLCs and to also arrange for prompt and accurate reporting. SBI informed that house they have already completed the process and will appoint the FLCs shortly. UBI also informed that they are also in the process and appoint the FLCs shortly.

(Action: SBI, UBI, Canara Bank, BOB, BOI and KGB)

8.3 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 30.09.2022 was reviewed by the house. In respect of bank accounts opening and APY enrollments for Raichur District set targets are achieved. However, in case of PMSBY and PMJJBY enrollments banks are lagging behind. In case of Yadgir district, Banks achieved all the parameters.

The Chief Secretary advised the bankers to achieve the targets at an early date.

[Action: all banks in Raichur and LDM of Raichur district]

AGENDA 9: KCC

9.1 KCC Loans – Disbursements & Outstanding:

SLBC-Convenor informed the house that the achievement in the total KCC outstanding as on September 2022 is Rs.54955.16 crores. Convenor-SLBC requested all the member Banks to sanction KCC loans to all the eligible farmers for agriculture and allied activities and to move in the direction to achieve the set targets for the FY 2022-23.

(Actions: All Member Banks)

9.2 KCC-Dairy and other animal husbandry activities:

Convenor SLBC informed the house that, in order to ensure maximum coverage of farmers engaged in Animal Husbandry and Fisheries under KCC, DFS: GOI had launched a special saturation drive in the form of weekly “District Camps” for a period of 3 months w.e.f. 8th November 2021. DFS suspended the campaign from 14.01.2022 to 31.01.2022 in view of the increase in Covid cases. Subsequently the campaign has resumed on 18.04.2022 and it will continue up to 15.03.2023.

Convenor SLBC informed the house that Banks have sanctioned 48314 KCC –AH loans against the accepted applications of 103287 during special saturation drive for KCC AH from 01.04.2022 to 30.09.2022. Major reasons for rejection of mobilized loan applications were applicants were from existing defaulters, applicants already having KCC loan with other banks, milk payment not coming to the concerned branch, applicants not willing to avail loans, members of the family applying for KCC against same milch animal etc.,

The Convenor SLBC requested all State Controlling Heads of Banks for expeditious sanctions/disposal of pending KCC-AH applications.

(Actions: All Member Banks and animal husbandry and fisheries department)

10.3 Issuance of KCC-Fisheries:

SLBC Convener informed the house that banks had sanctioned 9535 KCC fishery loans amounting to Rs.84.84 Cr from period 01.04.2022 to 30.09.2022.

The Convenor, SLBC requested all State Controlling Heads of banks for expeditious sanctions of KCC fishery loans as per the extant guidelines.

Chief Secretary expressed her happiness about sanction of more number of KCC Fisheries during Prime Minister's visit and advised member banks to continue the same trend,

(Actions: All Member Banks)

10.4. Animal Husbandry Infrastructure Development Fund and FPOs:

Animal Husbandry Infrastructure Development Fund and the Central Sector Scheme [CSS] for formation and Promotion of 10000 FPOs. Both are having Credit Guarantee component to encourage banks to lend for these two activities. Credit guarantee relations are being managed by NABSankrakashan Trustee Pvt Ltd, a wholly owned subsidiary of NABARD.

Convenor requested all the member banks to give more impetus to these schemes.

(Actions: NABARD, all Member Banks)

AGENDA . 10: RBI AGENDA (INPUTS FROM RESERVE BANK OF INDIA)

I. Financial Inclusion & Financial Literacy

a. Appointment of Financial Literacy Centres (FLCs)

(i) Out of the 177 Financial Literacy Centres (FLCs), 151 FLCs are active as on October 31, 2022 leading to vacancies of 26 FLCs (15% of the available positions). The controlling offices of the banks were advised to appoint FLCs in vacant positions before December 31, 2022. Banks were also advised to initiate measures to reduce attrition amongst the FLCs, if any.

(Actions: All Member banks.)

Special Camps and Target-Specific camps

As per RBI Circular on FLC Policy Review dated March 02, 2017, controlling offices of banks in the state were advised to ensure that minimum number of special camps (2 per month per FLC) and target-specific camps (5 per month per FLC) are conducted by their sponsored FLCs without fail. There was a shortfall of 112 special FL camps by 37 active FLCs under 8 banks. In terms of target specific camps, there were shortfall of 49 camps by 9 active FLCs under 5 banks

The banks were advised to (a) ensure compliance with RBI norms and conduct required number of camps, (b) to assess number of beneficiaries linked with formal financial systems as a result of these financial awareness programs/camps (c) put in place a mechanism to set targets and monitor their performance against the same and (d) to share problems faced in holding requisite number of camps and converting these literacy camps into effective financial inclusions.

(Actions: All Member Banks)

b. Business Correspondents (BCs) - Inactive BC locations and Reconciliation of Data

(i) A **comprehensive Financial Inclusion Index (FI-Index)** has been developed by RBI in consultation with the respective sectoral regulators and the Government to capture the extent of financial inclusion across the country. A unique feature of the Index is the Quality parameter which captures the quality aspect of financial inclusion as reflected by financial literacy, consumer protection, and inequalities and deficiencies in services. Quality parameter captures 'Inactive Business Correspondents (BCs) Percentage (%)'. It was observed that wide variation in BC data

submitted by SLBC and BC data received from RBI Central Office, persists. The huge difference in the number of BCs was observed in respect of **ICICI Bank, IndusInd Bank, RBL Bank and Yes Bank.**

The banks were advised (a) to explain the reasons for not updating correct data in the SLBC portal, though advised by SLBC to report consistent data even in last SLBC, (b) to report the correct and consistent data (including all types of Business Correspondent models) of BC outlets across all portals (RBI and SLBC) and (c) to ensure that inactive BC locations are operationalized immediately, else furnish difficulties faced in operationalization and indicate the timelines for ensuring activation, under advice to SLBC.

(Actions: All Member Banks and SLBC)

(ii) Three districts in Karnataka had been identified by RBI Central Office in the bottom 10 percentile of the FI-index, details of which are as under:

- (a) Ballari – Usage criteria: per capita number and amount of savings and credit accounts.
- (b) Udupi and Uttara Kannada – Quality criteria: per capita number of brick-and-mortar branches, fixed BCs and ATMs. LDMs of these districts were advised to design data formats and to monitor these FI parameters in DCC meetings with a view to enhance these numbers. They may form sub-committees to identify bottlenecks. SLBC may add an agenda item on this aspect in the ensuing meeting for monitoring performance across all districts.

(Actions: All Member Banks, LDMs and SLBC)

II. Lead Bank Scheme

a. Meetings under Lead Bank Scheme (LBS):

It was observed that both District Consultative Committee (DCC) and/or District Level Review Committee (DLRC) meetings of previous quarters of Kalburgi, Mysore, Raichur and Bengaluru Urban 4 districts have not been held till November 03, 2022, for the quarter ended June 2022. District Consultative Committee (DCC) and/or District Level Review Committee (DLRC) meetings of Kalburgi for the quarter ended June 2022 yet to be held.

(Action: SBI)

Further it was also observed that both DCC and DLRC meetings in Kolar and Gadag districts for Quarter ended June 2022 were held beyond the prescribed Controlling Heads of banks concerned were advised to ensure conduct of the meetings within the stipulated timelines. Banks and line departments of state government were also advised to ensure representation of appropriate authority in the DCC/DLRC meetings. Controlling Heads of banks were advised to ensure conduct of the meetings within the stipulated timelines.

(Actions: Lead Banks)

In Chamarajanagar, Kalaburagi, Vijayapura and Chikkaballapura few banks were absent for DCC/DLRC meetings. LDMS were advised to indicate the details of absentees from line departments.

LDMs were advised (a) to indicate the details of absentees from line departments as well as banks in minutes of DCC/DLRC and (ii) to forward the meeting invitations sent to public representatives henceforth with notices forwarded to FIDD, Bengaluru for DLRC meetings. Line departments of state government were also advised to ensure representation of appropriate authority in the DCC/DLRC meetings.

(Actions: All LDMs and Line departments)

b. Meetings of SLBC Sub-Committees

RBI observed that Union Bank of India has not conducted MSME subcommittee meeting for March and June 2022 quarters. The bank had assured to hold the meeting in last week of October 2022 but

still failed to do so. UBI may explain the reason for not holding the meeting for two consecutive quarters.

No action. MSME Sub-committee meeting for March 2022 quarter has been completed and for June 2022 and September 2022 quarter, it was held on December 06, 2022. The meeting for FI Sub-committee meeting for September 2022 quarter was held on November 28, 2022

As observed during the 25th SLBC Sub Committee meeting on Recovery, Rehabilitation and other measures held on October 12, 2022, only three major banks submitted the requisite data but not district-wise, so the meeting could not be conducted.

As banks are sole beneficiaries of this meeting, all the banks were advised to ensure submission of data district-wise as per requisite format so that meaningful discussions result in healthy recoveries and rehabilitation of stressed loans.

(Actions: All Member Banks)

c. Expanding and Deepening of Digital Payment Ecosystem

Haveri and Yadgir districts have been identified for deepening of digital payment ecosystem in the state. Both the districts are yet to achieve 100% digitisation despite identification of these districts in August 2021.

RBI advised Controlling offices of concerned banks to take urgent necessary action to achieve 100% digitization of savings and current accounts in Haveri and Yadgir districts, including ensuring data accuracy and consistency by December 31, 2022.

(Actions: LDM Haveri & Yadgir)

Emphasis should be laid by all banks to enhance digitization process through UPI123PAY for feature phone users on a large scale.

Banks were advised to update RBI on the progress made in adoption of UPI123PAY in Karnataka. SLBC was advised to monitor progress in this area.

(Actions: SLBC, All Member Banks)

d. Data Upload by Banks in SLBC Revamped Portal

Banks are required to upload the quarterly data in SLBC revamped portal within 15 days from the end of concerned quarter. As per SLBC mail Bank of Maharashtra, Indian Overseas bank, Axis bank, Karur Vysya bank, DBS Bank, DCB Bank, Yes Bank, Equitas Bank, Fincare Bank and Airtel Payment bank have delayed in uploading the data.

Member banks were advised to ensure timely upload of data in SLBC portal within 15 days from the end of reporting quarter.

(Actions: All Member Banks)

SLBC is also requested to send the local board/MIS data in time. The data pertaining to September 2022 quarter was submitted with a delay of 19-20 days.

SLBC was asked to explore feasibility of opening the portal for a limited period window allowing defaulting members to upload the previous quarter data so that the updated data is reflected in the ensuing SLBC meeting. SLBC may write to EDs of the respective banks to ensure the same under advice to RBI.

(Actions: SLBC)

e. Annual Credit Plan (ACP) - Rationalization of Targets – study

RBI advised to rationalize the targets for priority and non-priority sector advances while finalizing PLP and ACP for financial year 2023-24. 158th meeting of SLBC, it was decided that to fixing excess targets for priority sector and lower targets in non-priority sector in forthcoming year's ACP, RBI has requested NABARD and SLBC to involve RBI, Bengaluru As the process for arriving at next

financial year targets has already begun, DDMs of each district were also advised to hold informal discussions with LDOs, respective line departments and LDMs on district PLP before placing the same before DCC for approval

(Actions: NABARD & SLBC)

CD Ratio of Karnataka touched 72.70% as on September 30, 2022. CD Ratio of following four districts is less than 72% - Uttara Kannada (43.28%), Udupi (47.93%), Dakshin Kannada (61.14%) and Bengaluru Urban (68.19%). All the stakeholders are requested to work towards enhancing the CD ratio in the state so that state of Karnataka achieves national average of 79%. All the stakeholders were requested to work towards enhancing the CD ratio in the state so that state of Karnataka achieves national average of 79%. SLBC was advised to monitor this goal at state level

(Actions: All Member Banks & LDMs)

f. Study on Decline in Priority Sector Annual Credit Plan (ACP) Achievement:

As per directions of Chief Secretary, GoK in 158th meeting of SLBC, SLBC has since conducted the study analyzing the achievements with 3 previous years' data. The findings of the ACP study report were discussed in detail and the report was vetted by a committee of RBI and NABARD officials on November 14, 2022. The action points that emerged in the discussion were forwarded to respective stakeholders for necessary action.

(Actions: All Member Banks, SLBC, NABARD, LDMs and State government)

g. Nationwide fishery KCC campaign

As per Ministry of Fisheries, GOI notification dated September 12, 2022, Nationwide Fishery KCC campaign has resumed from September 15, 2022 and will last until March 15, 2023. Banks may accordingly take note of the instructions and focus on increased sanctions of viable proposals under the scheme. Towards digitalization of rural finance in India, a pilot for KCC lending developed by RBI Innovation Hub is now under implementation in select districts of Madhya Pradesh and Tamil Nadu with Union Bank of India and Federal Bank, respectively. Banks were advised to take note of the instructions and focus on increasing sanctions of viable proposals under the scheme. Following the success of the pilot project all stakeholders were requested to take the lead in adopting the same for Karnataka.

(Actions: All Member Banks)

III. Opening of Banking Outlets in Unbanked Villages:-

(i) Opening of Banking Outlet in Hunshyal Village, Devara Hipparagi Taluk, Vijayapura district

RBI had received a representation dated June 27, 2022 from Shri. Ramesh. C. Jigajinagi, Hon'ble Member of Parliament (MP), Vijayapura Constituency along with villagers of Hunshyal Village, Devara Hipparagi Taluk requesting opening of Banking outlet in the village since villagers are not able to access the nearest banking outlet due to the presence of an intervening waterbody. As advised in DCC meeting of the district held on June 23, 2022 and September 06, 2022, controlling office of State Bank of India was advised to take appropriate action at the earliest, so as to resolve the grievance of the villagers. SBI to update the present status. SLBC vide email dated Nov 04, 2022 has informed RBI that as per survey report submitted by SBI, opening of branch at Hunshyal village is not viable since the scope of business is very limited. SLBC has advised LDM Vijayapura to take up the matter in next DCC/DLRC. (Action: LDM Vijayapura)

(Action: LDM Vijayapura)

(ii) Opening of Banking Outlet in Indlavadi Gram Panchayat, Anekal Taluk, Bengaluru Urban District

RBI wanted to have an update on opening of branch in Indlavadi Gram Panchayat, Anekal Taluk by Canara Bank. Canara bank informed that they are in the process of opening the branch at the above village.

(Action: Canara Bank)

IV. Providing services of Brick & Mortar Branch or IPPB branch within a radius of 5km to all villages in the state

- (i) 4 villages (Huvinahole, Hirehalli, Yarjanti and Salgar Basanthpur) of Karnataka have been identified for opening of Brick-and-Mortar Branches as per e-mail dated July 18, 2022 from Department of Financial Services sent to SLBC, Karnataka. Three villages namely Huvinahole, Hirehalli, Yarjanti were allotted to Karnataka Grameena Bank and Salgar Basantpur to SBI. The above banks assured to open the bank within Dec 31, 2022.

(Action: State Bank of India and Karnataka Gramin Bank)

- (ii) The Office of the Additional Chief Secretary to Government, Finance Department, Government of Karnataka has vide letter no.FD-CAM/179/2022 dated September 28, 2022 advised SLBC to explore the possibility of opening India Post Payment Bank branch or extension counter of Cooperative banks/ their branch in villages having population above 3000 or in the 122 identified villages. SLBC was advised to update RBI on the action taken.

(Action: SLBC)

- (iii) SLBC was requested vide e-mail dated October 18, 2022 to provide the list of active Business Correspondents outlet in the identified 122 villages. SLBC may update the action taken on both of the above letters/emails.

V. Currency Management:

- (i) With a view to provide a platform to all the stakeholders viz. RBI, Police Department and banks, it was discussed in the 28th meeting of State Level Security Committee (SLSC) meeting held on July 07, 2022, 158th meeting of SLBC held on May 30, 2022 and 158th meeting of SLBC held on September 15, 2022 that SLBC may constitute a sub-committee on Security to discuss various aspects of security related to banks maintaining Currency Chests, Currency storage and movement. SLBC may update the action taken.

(Actions: SLBC)

VI. Sharing of information with competent authorities:

- (i) It is observed that the under mentioned banks are delaying or not responding despite 2 to 3 summons issued under section 3 (1a) read with Section 6(2) of Karnataka Protection of Interest of Depositors in Financial Establishments Act:

HDFC, IDFC first bank, Development Credit bank, Indian Overseas bank, Indian bank, Canara Bank, Karnataka Gramin bank, Punjab National Bank, Union Bank of India, Yes bank and Bank of Baroda. SLBC has addressed a letter to the above banks to comply with the directions. The banks were advised to share the latest position with RBI. All member banks were also advised to provide an updated and correct list of Nodal Officers for communication with competent authorities.

(Action: All member Banks)

VII. Posting of non-Kannada speaking branch managers

RBI informed that Lead Bank, Chamarajanagar vide e-mail dated October 20, 2022 has informed that farmers/ villagers face communication gap due to the posting of non-Kannada speaking branch managers. The lead bank Chamarajanagar had requested RBI, FIDD Bengaluru to take up the issue in SLBC. Major banks informed that at least one Kannada speaking official is posted in their branches.

VIII. Enhancing State infrastructure and improving ease of doing business for micro and small entrepreneurs and small and marginal farmers.

- (i) As per instructions of RBI CO, handholding of the FPOs (i.e., collectives of farmers) is required to increase their bargaining power. SLBC, DCC and NABARD were requested to design training programs involving RBI.

(Action: NABARD)

- (ii) A model farming plot in every village should be established which can be adopted by farmers leading to enhancement of need based KCC/ doubling of income of farmers. Adoption of Lead Institution Scheme was suggested by RBI in this regard and shared with state government for consideration.

(Action: State Government)

- (iii) More than 25% of the national population is outside the ambit of the formal financial system. In order to provide bouquet of financial services such as insurance, pension, etc., to this excluded segment of the society, measures should be taken for formalization of rural finance. Awareness should be spread about the difference in interest rates and facilities for doorstep banking maybe provided. SLBC was requested to identify district-wise population outside the formal sector and put in place a mechanism to set formalization targets and monitor their performance against the same.

(Action: SLBC)

- (iv) As per instructions of RBI CO, SLBC is requested to identify credit deficient districts in Karnataka and ascertain utilisation of RIDF and other development funds in these districts. Considering the unavailability of warehouses in villages, the efficient usage of RIDF or Agri Infrastructure fund may be explored. Progress in this regard and identified ground level constraints, if any, should be brought to the notice of SLBC. RBI advised that the RIDF related agenda may be modified to provide district-wise utilisation of RIDF and all other development funds. Further, causes of low utilisation of these funds in identified credit-deficient districts should be identified, and measures should be taken to improve the utilization.

(Action: NABARD, SLBC)

IX. Micro, Small and Medium Enterprises

a. Onboarding of Government & Corporate Buyers on TReDS platform

- (i) RBI suggested that Government of Karnataka may consider measures similar to that taken by Tamil Nadu, Kerala and Goa governments to augment onboarding of remaining public sector undertakings, departments and corporations onto the TReDS platform and its effective utilization to enhance working capital availability for MSMEs. State government was requested to onboard government boards/corporations functioning in the state on TReDS. SLBC offered to give a list of eligible companies already on boarded on different TReDS portals.

(Action: SLBC, State Government)

- (ii) SBI, Karnataka Bank, Canara Bank, Union Bank of India, BoB, BoM, IoB, Indusind Bank, YES Bank, HDFC Bank were advised to provide data on onboarding of those companies which are having turnover of more than Rs.500 crors and yet to onboard on TReDS platform, vide email / letter dated October 17, 2022. Banks were advised to update on the action taken with regard to onboarding of companies on TReDS

(Actions: All Member Banks)

b. Issues observed during MSME Cluster visit

RBI informed the house that Visits to MSME clusters were made in seven districts (Belgavi, Chikkaballapura, Shivamoga, Bidar, Gadag, Uttara Kannada and Vijayapura) in Karnataka. The issues observed therein were as under:

- (i) Challenges in credit and flow of government benefits:
Some units were not sanctioned collateral free loans up to Rs 10 lakh. Sericulture department appeared to be financing the reeling phase upon mortgage of self-owned properties (Chikkaballapura), cluster required more bank credit since it has huge potential to support the MSME sector (Shivamoga), banks neither provides adequate loan to MSEs nor grant any loan without collaterals even if the cost of small units is less than ₹5 lakh (Gadag)
- (ii) Lack of infrastructure and challenges in operationalization:
Units are not having proper knowledge for branding and proper marketing is absent (Gadag), For upgradation of units, a big crusher costing Rs 90 lakh is required (Belagavi), unit not yet operationalized due to the escalation of machinery prices beyond the sanctioned prices (Uttara Kannada), erratic electricity is detrimental to the machinery in the unit and hampered the productivity (Vijayapura).
Respective banks and line departments of state government were advised to look into the problems highlighted by RBI.

(Actions: All Member Banks, State Government)

b. Adoption of MSE clusters

Each lead bank of a district was advised to adopt at least one MSE cluster. SLBC was requested to identify MSE clusters in each of the districts and allocate them among banks.

(Actions: All LDMs)

d. Special initiatives for MSME sector

- (i) RBI suggested that State Government may consider simplification of registration process in UDYAM portal. A single window for all government approvals, one-page application etc. may be introduced so that beneficiaries can avail all benefits with ease.
- (ii) RBI also suggested that State Government may consider exemption of micro unit set up (Small oil press units, poultry farms, non-polluting units etc.) from restrictions like conversion of agriculture land, panchayat approvals etc. to bring more beneficiaries into the ambit of the formal financial system.

(Actions: State Government)

X. Market Intelligence Issues

- (i) Pendency of Cybercrime Incident Reports (CIRs)

RBI suggested to refer to discussions in 158th SLBC meeting where in list of Cybercrime Incident Reports (CIRs) pending with the banks for necessary action/furnishing information to Office of Deputy Commissioner of Police (DCP), Command Centre, Bengaluru was discussed. The above list was received vide their e-mail dated July 15, 2022. The concerned banks were advised to update the action taken on the pending CIRs and confirm updation of the contact details of the nodal officers to Police Authorities at ccps_cir@ksp.gov.in.

(Actions: HDFC Bank, Federal Bank, Yes Bank, Axis Bank, SBI, ICICI, UBI, Phone Pe, SCB, Paytm, PNB, CBI, Kotak Mahindra, Canara Bank, Indian Bank, Razor Pay, Airtel Payments Bank, UCO Bank, IDFC, BOI, Citibank, BOB, Indus Ind Bank, South Indian Bank, AU Small Finance Bank, IDBI, Equitas SFB, IOB, Indian Post Payment Bank, DBS, RBL, Bharath Pay, BOM, Dream Pay, Freecharge, Mobikwik, Karnataka Bank)

- (ii) **Unauthorised lending in FINTECH**

Banks were advised to report any unauthorized digital lending extended by unscrupulous lenders/ mushrooming of unauthorised fintech noticed by them. SLBC was requested to

advise all LDMs to discuss this aspect in DCC meetings and submit feedback for discussion in SLBC.

(Actions: SLBC, All LDMs)

(iii) International money transfer fraud due to phishing emails

Densol Engineering Pvt. Ltd is in the business of supplying and installing air conditioning related products and imports components from overseas suppliers based out USA and China. In one of their transactions, while importing cooling tower part from Baltimore Air Coil company (BAC), China factory, advance payment was made in the month of February 2022. Material was manufactured and was ready for dispatch in the month of June 2022. In order to receive the material from the factory, balance payment was to be remitted to BAC company. Densol Engineering Pvt. Ltd started receiving emails for payment of balance amount and was also informed that their supplier has changed the bankers and the balance amount should be remitted to the new account. The Proforma invoice on the BAC letter head was received by Densol Engineering Pvt. Ltd. Believing it as a genuine communication from the BAC company, the complainant had remitted an amount of ₹ 1,25,90,533/- on July 02, 2022 to an account in Signature Bank, New York. Thereafter, a complaint was registered at Cybercrime, Bengaluru and Basaveshwaranagar Police Station on July 12, 2022 and the complaint was forwarded to RBI, MI Unit, Bengaluru on July 13, 2022. As the account of the complainant was in ICICI Bank, Vijayanagar branch, MI Unit, Bengaluru advised ICICI Bank to take immediate action regarding the case and Swift recall requests were initiated. Due to the prompt action of RBI and ICICI Bank, the complainant was able to recover the lost amount.

Modus Operandi:

- 1) The fraudster hacks the victim company email ID and checks for the communications between the business partners.
- 2) A bank account is opened in the same name of the beneficiary account in a different bank.
- 3) Emails are sent by the hacked email/fake email ID to the victim stating that the banker has changed account details, and further remittances has to be made to the new account.
- 4) Once the amount is credited to the new account, the fraudster transfers the money to multiple accounts from where it is withdrawn.

Awareness programs may be conducted to educate regarding such type of frauds to banking customers who transfer funds overseas.

(Actions: All Member Banks).

(iv) Complaints received through SACHET portal

MI Unit, Bengaluru has received complaints against the following online digital lending apps through SACHET portal.

- | | | | |
|-----------------|-------------------|-----------------|----------------|
| 1. Small Credit | 2. Rupee Key | 3. Shiny Rupee | 4. Amla Credit |
| 5. Swift loan | 6. Blink loan | 7. Happy Borrow | 8. Wonder loan |
| 9. Full Coin | 10. Fortress loan | | |

The nature of complaints were as follows:

- 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.

The complaints were forwarded to AIGP, Crime, Bengaluru for necessary action.

The list of Digital Lending Apps was forwarded to Government of Karnataka (GoK) to be taken up with Ministry of Electronics and Information Technology (MeitY), GoI, for removal of such apps from Google Play store. GoK has informed us that the matter was taken up with the Secretary, MeitY, who in turn forwarded the letter from GoK to Department of Financial Services (DFS), GoI, for appropriate action vide letter dated September 29, 2022. State Government may provide update, if any, in this regard.

(Actions: State Government)

AGENDA 11: NABARD AGENDA:

Agenda 11.1: Enhancing Credit Flow to Agriculture and Allied Sector through Credit Guarantee:-

CGM NABARD informed that Govt of India has launched two new schemes viz. Animal Husbandry Infrastructure Development Fund (AHIDF) and CSS for formation and Promotion of 10,000 FPOs. Both these schemes have a credit guarantee component to encourage banks to lend for these activities. For this NABARD has established a fully owned subsidiary i.e. NABSAnrakshan Trustees Pvt Ltd to manage the credit guarantee operations for these two schemes. NABSAnrakshan has commenced on boarding member banks through online portal. The status of bank wise sanctions/disbursements of loans, coverage of loans under credit guarantee fund may be reviewed. (In case of any assistance, the Banks may contact at 022-26539241/9243 or email their queries at: ho@nabsanrakshan.org).

(Actions: All Member Banks)

Agenda 11.2- Support to Government of Karnataka under RIDF

NABARD informed that it has been supporting GoK for creating rural infrastructure covering Agri and allied sector, rural connectivity and social sector including drinking water projects thereby improving the standard of living for the rural populace which has a multiplier effect on India's overall economic development. The sector wise details of support extended so far are given below:
Sector Wise RIDF details (Tranche I-XXVII) as on 15.08.2022

(Rs. Crore)

Sn	Name of the Sector	No. of projects	Total Financial Outlay	Loan Sanctioned	Amount Disbursed
1	Agriculture and allied projects	5611	2030.61	1882.67	1283.78
2	Social sector projects	23137	6059.59	4703.64	3022.39
3	Irrigation projects	5584	5188.26	4356.95	3563.49
4	Rural roads and bridges	12885	8207.09	6687.51	5974.74
	Total	47217	21485.55	17630.77	13844.4

Impact of RIDF

NABARD informed that under RIDF, GoK has undertaken rural infrastructure projects in all the districts of the State. RIDF assistance has helped in creating more than 45353 KM of road length and 58872 M of bridge length besides creation of education and social infrastructure in rural areas. Further, RIDF assistance has helped the state in bringing more than 4.69 lakh Ha of land under irrigation. With a view to optimizing the benefits accrued from the implementation of these projects

banks may consider extending crop loan and other investment credit to farmers operating in the command area of these projects.

Agenda 3: Reporting of KCC data of other banks under RRBS/Cooperative banks in the portal.

KCC data in respect of RRBs and other private sector commercial banks is being included under the cooperative banks and this is leading to high pendency under the DCCBs. As this is being reviewed at the highest level by DFS, GOI, LDMs may be instructed not to report data pertaining to other banks under DCCBs. Also, district level meetings to review pendency in KCC/status of KCC implementation may be conducted regularly.

(Actions: All LDMs)

Agenda 4: AMI Subsidy Scheme

Agriculture Marketing Infrastructure (AMI) scheme has been extended by Government of India up to 31 March 2023. Banks may popularize the scheme and encourage potential beneficiaries to avail benefit of the schemes.

Agenda 5. Agriculture Infrastructure Fund

SLBC had allocated physical & financial targets to banks for the years 2021-22 and 2022-23. Banks, in turn, may allocate branch wise targets depending on the potential. Banks need to drive awareness about the scheme - include AIF as a key Agri scheme in all local marketing campaigns, bank melas, etc. Banks can also generate AIF projects through their business correspondents. NABARD has sanctioned Special Refinance amounting to ₹373.91 crore in respect of 1083 projects to PACS in Karnataka State.

(Actions: All Member Banks)

Agenda 6. Financial Inclusion Fund

1. Grant support is available for various schemes under Financial Inclusion Fund (FIF) from NABARD. The target allocated during the current year for sanction and disbursement are Rs.10.24 crore and Rs.8.52 crore respectively for the State of Karnataka.
2. The various schemes supported under FIF for which Banks can claim grant support are as under:
 - Conduct of Financial and Digital Literacy Campos by rural branches of Banks.
 - Reimbursement of Examination fee of BC/ BF
 - Deployment of micro ATM by SCBs in schools and colleges in Special Focus Districts and in milk societies in all districts
 - Deployment of PoS/mPoS terminals in Tier 3 to Tier 6 centres
 - VSAT deployment in sub-service area (SSA) of the Bank for new branches opened and for kiosk/fixed CSP
 - Mobile signal booster deployment in SSA of Bank for new branches opened and for kiosk/fixed CSP
 - 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)
 - Handheld Projector with Battery, Screen & Speaker per FLC/rural branch

3. The grant support available is 90% of the eligible expenditure incurred by the Bank for Special Focus Districts and 60% for other districts subject to scheme-wise ceiling as per our Circular No.105 dated 23.04.2019.

4. Agenda 7: Awareness Creation on Handloom Mudra Portal.

Awareness creation among bankers on Handloom Mudra Portal managed by Punjab National Bank wherein the Banks RO is the maker and Bank HO is the checker. The respective branch has to send the information to their RO for putting in the Handloom Mudra (Bunkar Mitra) Portal.

Agenda 12 Agriculture Department Agenda:

Agenda 12.1 Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS):

Season wise insurance claims settlement status under PMFBY and RWBCIS

Agriculture Department, GoK informed that there is huge claim amount of Rs 5.27 Crore is pending with ICICI Bank, it has been directed to the Agri Dept. by the concerned Ministry to take action against the bank. Further ICICI Bank is not responding to the SLBCs advisories. SLBC has addressed a letter to ICICI bank to do the needful in the matter.

Further all the member banks are requested by Agriculture Department to display a message in prominent places that default borrowers under KCC are not automatically covered under crop insurance.

(Actions: ICIC bank &All Member Banks)

12.2. 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 (which is tantamount to dishonesty) 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 for no fault of theirs, but only because of the acts of commission/omission by ICICI bank.

ICICI Zonal Head was informed to ensure the correctness and the authenticity of the Aadhaar numbers of the insured farmers, update the details on the portal and submit to Agriculture Department office the details along with the list of application numbers, name of the insured farmer, year and season. But till date in spite of many reminders and letters the said bank has not completed the process of updation of the Aadhaar details on Samrakshane Portal. Year wise proposals pending for approval by the bank

(Actions: ICICI Bank)

It is requested that the SLBC direct the Bank to take immediate action to approve the details in the portal thus facilitating the speedy settlement of claims. Year wise, season wise details pending to be validated in portal by ICICI Banking Corporation Bank Ltd

Year/Season	Number of Proposals	Claims in Rs.
2019-20 Kharif	1805	38275599
2019-20 Rabi	489	8655518
2019-20 Summer	30	366051
2020-21 Kharif	755	12439684
Total	3079	59736852

Agriculture Department requested SLBC to advise the bank to complete the said task within a week failing which action has to be initiated as per the discussions had in the meeting held on 02.06.2022 under the Chairmanship of Honorable Agriculture Minister and as per the decision taken in the SLBC meeting held on 30.05.2022.

(Actions: All Member Banks)

AGENDA 13

13.1 . Crop Loan Waiver Scheme -2018

Internal Audit of the CLWS-2018 accounts by the implementing banks

FDFR GoK has addressed a letter to CLWS Special cell, GOK, to place internal audit guidelines in the portal to enable the member banks to complete the internal audit. All the member banks are hereby requested by SLBC to abide by the guidelines and time schedule. CLWS special cell to confirm having placed the audit guidelines in the portal and banks to complete the process of auditing.

(Action: All banks, CLWS cell)

13.2: Fisheries Loan Waiver Scheme:

Directorate of Fisheries in Karnataka informed that, an amount of Rs. 49.00 crore was released to implement the scheme and Rs. 48.99 crore has been utilized. During 158th SLBC meeting the department informed the house that they have received some more applications for waiver and the same is in the process.

SLBC requests the department to share the details. SLBC also request member banks to complete the process immediately on receipt of details from the department.

(Action: All banks, Fishery Department)

AGENDA 14. Banking statistics as on 30th September 2022:

Convenor presented the Banking Statistics on Deposits, Advances, CD Ratio, total PSA, Advances to MSE/ Agriculture/ Weaker Section in the State of Karnataka as on September 2022.

There is a Y-o-Y growth of 7.91% in Deposits and 15.61% in Advances. CD ratio of the state as on 31.09.2022 is 72.70.

The level of PSA in the State has increased from Rs. **313601** crores as of September 2021 to Rs. **367325** crores as of September 2022 showing an absolute growth of Rs.53724 crores and percentage growth of 17.13% on Y-O-Y basis.

Agricultural advances have increased from Rs.**155983** crores as of September 2021 to Rs.**177458** Crores as of September 22, showing an increase of Rs.**21475** crores (13.77 %) on Y-O-Y basis.

The outstanding level under MSME has increased from Rs.**105789** Crores as on September 2021 to Rs.130507 Crores as on September 2022 an absolute growth of Rs.24718 crores i.e., growth of 23.37% on Y-o-Y basis.

The Convenor requested member banks, LDMs to give more focus on priority sector lending (Agriculture, Housing & MSME sector) to further improve the disbursements under PSA and ensure reporting as per revised classification of PSA and MSME.

(Action: All banks, all LDMs)

14.2: Branch Network:

Convenor informed the house that the number of bank branches has increased from 11716 as on 30.06.2022 to 11750 as on 30.09.2022, thus showing an increase of 34 branches on Q-o-Q basis.

14.3 Status of Rural Bank Branch closure/merger/relocation:

District name	Bank name	Merging Branch /Relocation	Acquiring Branch	Distance between branches	Remarks
Dakshina Kannada	Bank of Baroda	Belthangady	Beltangadi	500 m	Amalgamation of Vijaya Bank with Bank of Baroda
Hassan	Canara Bank	Rayarkoppal	-	250 m	Relocation of Branch
Hassan	Canara Bank	Guddenahalli	-	400 m	Relocation of Branch
Hassan	Canara Bank	Koravangala	-	400 m	Relocation of Branch
Vijayapura	Canara Bank	Vandal	Golsangi	6000 m	Since Vandal village is going to be submerged in Almati backwaters, DCC committee accepted the proposal of merger of Canara Bank, Vandal Branch with Canara bank, Golsangi Branch.

The house discussed and permitted for amalgamation/closure/relocation.

(Action: Bank of Baroda and Canara Bank)

14.4: ATM Network:

Convenor informed the house that total number of ATMs as on 30.09.2022 is 16987 against 16996 as at 30.06.2022, thus showing a reduction of 9 ATMs.

(Action: All banks)

Agenda 15 : Progress under Aadhar seeding of operative CASA a/cs:

Convenor informed that percentage of Aadhaar seeding was 88.8 as on 30.09.2022.

Convenor requested all member banks & LDMs to sensitize the branches and to arrange for further improving Aadhaar seeding to facilitate more and more Aadhaar based online DBT credits and popularize digital banking particularly in two aspirational districts of Raichuru and Yadgir and also in Haveri district as it was selected for digitalization.

(Action: All Member Banks & LDMs)

15.1: Progress under Aadhaar seeding in PMJDY a/cs:

Convenor informed that percentage of Aadhaar seeding was 86.23% as on 30.09.2022 in PMJDY a/cs. Convenor requested, all member banks to encourage customers of new PMJDY and existing PMJDY accounts for Aadhaar and mobile seeding.

(Action: All Member Banks)

15.2: Progress under Social Security Schemes:

Convenor informed the House that the performance of banks in PMSBY, PMJJBY and APY (19.99, 7.67 & 10.03 % growth over June quarter 2022) as on September 2022.SLBC requested all the banks to give focused attention to extend the benefit of all these social security schemes to all eligible customers in their area of operation on a campaign mode.

Convenor also requested all the banks to create awareness through FLCs, BCs and facilitate achievement of INSURED and PENSIONED INDIA goal.

(Action: All Member Banks and LDMs)

AGENDA 16: Government sponsored schemes

19.1a. Performance under Govt Sponsored Schemes for the FY 2022-23:

Convenor informed the house that Performance under PMEGP & NRLM is satisfactory as compared to other Government Sponsored schemes.

Performance under schemes sponsored by Dr.B R Ambedkar Development corporation Ltd and Dr. Babu Jagjivanram Leather Industries Dev. Corp and other corporations are yet to take off as targets are recently communicated / yet to be communicated..

(Action: Concerned Department-GoK, Member Banks and LDMs)

16.2: PMEGP:

Convenor informed the “Bank wise progress under PMEGP as on 30.09.2022 both in first dose and second dose.

(Action: Member banks, Govt. Department &KVIC)

16.3 CREDIT FLOW TO MINORITY COMMUNITIES:

16.3.1: Progress under finance to Minority Communities in the state:

Convenor informed the house that outstanding loans to minority communities was Rs.35966 Crores as on 30.09.2022.

SLBC requested all Banks to achieve mandatory requirements under PSA lending to weaker sections in their ACP targets during FY 2022-23 by sanctioning maximum loans to minority community in Karnataka state.

SLBC also requested Minority Development Corporations of all districts to sponsor applications of all eligible minorities and take up the issues if any with SLBC through Lead District Managers.

(Action: ALL Banks, LDMs & Minority Development Corporation-GoK)

16.3.2: Progress under finance to Minority Communities in the identified districts of state:

Convenor informed the house that the flow of credit to minority communities in all the three minority community concentrated districts were Rs.910.81 cr in Bidar District, Rs.765.96 cr in Kalburgi District, and Rs.7382 cr in Dakshina Kannada District .

SLBC requested Lead District Manager of Bidar (SBI) and Kalburgi (SBI) districts and Dakshina Kannada District (Canara Bank) to advise branches for more Credit flow to Minority Communities for the FY 2022-23.

(Action: LDMs Bidar , Kalburgi , Dakshina Kannada District and All Member banks)

19.4: Grant of Education Loans:

Convenor informed the house that during the review period (01.04.2022 to 30.09.2022) of the FY 2022-23, various banks in the state of Karnataka have disbursed Education loans to the tune of Rs 902.29 Crores to 30730 accounts under both priority and non-priority segments.SLBC requested the member banks to sanction more number of education loans to all eligible and deserving students and reach the targets for FY 2022-23.

(Action: All Member Banks)

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

16.5.1. A: SELF HELP GROUPS:

Convenor informed the house that, Credit Linkage to SHGs up to September 2022 for FY 2022-23 is Rs.2222.16 crores.

The house requested member banks to examine properly while disbursing/processing the credit to SHGs.

(Action: All Member Banks)

16.5.2 : JOINT LIABILITY GROUPS:

Convenor informed the house that, total outstanding as on 30.09.2022 was Rs.10000.83 crores and also requested member banks to give focus on SHG/JLGs and achieve allocated targets.

(Action: LDM & All Member Banks)

16.6: Progress in Stand Up India scheme as on 30.09.2022

Convenor brought to the notice of the house that, as on September 2022 banks have sanctioned an amount of Rs.103.36 crores. Convenor requested all the member Banks to implement the scheme in a big way in the State by taking advantage of the publicity and marketing done during credit outreach programme in the state and advised banks to concentrate more on sanctioning of loans under Stand Up India scheme to SC, ST & Women beneficiaries.

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

(Action: All Member Banks & LDMs)

16.7: Progress in Sanctions under MUDRA scheme:

Convenor informed the house that member banks have sanctioned 2009564 MUDRA loan accounts amounting to Rs.12847.62 Cr from 01.04.2022 to 30.09.2022.

Convenor informed that Karnataka state had secured number **5th 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 fourth quarter of the current financial year.

SLBC requests all the Banks to implement the scheme in a big way in the State by taking advantage of the publicity and marketing done during “Azadi Ka Amrit Mahaotsav” in the state. Further member banks are requested to share the outstanding as at end of each quarter, henceforth.

(Action: All member Banks)

16.8 Progress under PMFME scheme:

Convenor informed the house that Karnataka state has secured **3rd Place** in PAN India and banks had sanctioned 545 number of applications as on 30.09.2022 in respect of target of 3871 for FY 22-23.

(Action: All Member Banks, LDMs, Special officer of PMFME, Agricultural department-KAPPEC)

AGENDA 17: Position of NPAs in respect of schematic lending, certificate cases and recovery of NPAs

17.1: Non-Performing assets position as on 30.09.2022:

Convenor has informed the house that total non-Performing assets position as on 30.09.2022 was 56240.90 crores.

(Action: Member Banks)

17.2: Recovery of bank dues under PMEGP:

Convenor informed the house that under PMEGP share of NPA was 21.64% and requested the concerned depts. to extend necessary support to banks for recovery.

The Chief Secretary advised the member banks to share complete details of NPA under PMEGP with KVIC which can help the member banks for recovering NPA accounts under PMEGP, as NPA percentage is very high for this scheme.

(Action: KVIC, KVIB & DIC department and Member Banks)

17.3: Recovery of bank dues under KPMR & KACOMP Acts:

Convenor requested the departments and the banks to arrange more and more joint recovery drives in association with Revenue Officials to improve recovery in RC filed cases. SLBC also advised LDMs to coordinate the joint recovery drives in a big way.

(Action: Revenue Dept. & All LDMs and Banks)

17.4 Recovery of bank dues under SARFAESI, DRT & LOK ADALATS Acts:

Convenor informed the house that, from 01.04.2022 to 30.09.202, 122375 Notices were sent for the amount involving Rs. 1188350 lakhs and recovered 159788 lakhs.

(Action: ALL Member Banks & GoK)

AGENDA 18: REVIEW OF RESTRUCTURING OF LOANS IN NATURAL CALAMITY AFFECTED DISTRICTS IN THE STATE, IF ANY

Convenor SLBC informed that, Government of Karnataka had not issued any notification on either flood or drought during the quarter, hence Member banks have not restructured any accounts in connection with flood and drought.

(Action: ALL Member Banks & GoK)

AGENDA 19: Promotion of Organic Farming - RBI:

Agriculture department informed that, Joida taluk of Uttara Kannada district is selected as Organic farming taluk for implementation.

Convenor informed to house that Agricultural Department had conducted on State level meeting in Joida taluk of Uttara Kannada district on 16.04.2022 regarding implementation of organic farming in Joida. We request Agricultural Department to provide action plan/road map for implementation at banks level.

(Action: All Member banks & Agriculture Department GoK)

AGENDA 20: Integration of FRUITS (Farmer Registration & Unified Beneficiary Information System) with Banks

SLBC Convenor informed the house that FRUITS Portal is rolled out across the state with the effect from 01.11.2021 and all SROs of made live implementation of FRUITS portal.

(Action: all banks)

AGENDA 21: ISSUES REMAINING UNRESOLVED AT DCC/DLRC MEETING

Convenor informed that, SLBC has not received any unresolved issues from the LDMs.

Convenor requested the controlling heads of member banks to advise their bank managers, district coordinators to attend all BLBC, DCC & DLRC meetings without fail.

(Action: LDMs & LDM State controlling office of Banks, Canara Bank, SBI, UBI, BOB and all other banks)

AGENDA 22: SUB COMMITTEE MEETINGS HELD DURING THE REVIEW PERIOD:

Convenor informed the house that 1 sub-committee meeting viz., SHG-linkage, was conducted by Convenors of SLBC Sub-committees for quarter September 2022. Convenor requested the remaining 7 sub-committee Convenors to conduct the meeting immediately and share the minutes.

Convenor requested all the SLBC Sub-committee convenors to conduct meeting regularly, without any delay, so that SLBC can place the proceedings of sub-committees in SLBC meeting.

(Action: Convenors of all SLBC Sub-Committees, Canara Bank, SBI, UBI, BOB & State Director for RESETIs, Karnataka)

AGENDA 23: Atma Nirbhar Bharat Abhiyan

23.1: ECLGS for Existing MSME borrowers during COVID-19 situation:

It has informed by NCGTC, GoI vide their letter 1404/NCGTC/ECLGS dated:30.03.2022 regarding duration of Emergency Credit Line Guarantee Scheme (ECLGS) has been extended up to March 31,2023 or till guarantees for an amount of Rs 4,50,000 crore are issued (taking into account all components of ECLGS), whichever is earlier.

Convenor informed to house that member Banks have sanctioned 416489 accounts with amount of Rs 27785 crore. under ECLGS scheme against total eligible amount of Rs 30472 crore as on 30.09.2022.

Convenor SLBC requested all member banks to sanction all pending applications and disburse all sanctioned loans.

(Actions: DIC and All Banks)

23.2: PMSVANidhi scheme:

Convenor, SLBC informed that 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 and keep a minimum repayment period of six months for 2nd loans to be eligible for the next cycle of loan with an enhanced limit.

Convenor also informed that under PMSVANidhi scheme Karnataka state sanctioned 208254 and total disbursement is 181075

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

(Action: NULM, GoK and ALL Member Banks & LDMs)

AGENDA 24: Other Issues

24.1. 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.

(Action: All Member Banks, LDMs)

24.2: Special Agenda on Saturation drive on Jan Suraksha Schemes:

Convenor informed that, based on the speech made by Hon'ble Prime Minister, on the day of independence of 2021", a campaign is being initiated for enrolment of persons eligible under the three schemes namely PMJJBY, PMSBY. Campaign commenced from 02.10.2021 and for achieving saturation enrollment under each of the PMJSS schemes of the unenrolled accounts by 30.09.2022.

As per DFS letter ref F.No.M-18012/1/2020 dated 20.04.2022 DFS has revised timeline from 30.09.2021 to 30.09.2024, all member banks and LDMs are requested to take suitable action to ensure that the targets fixed for enrolment of identified eligible PMJDY account holders and PMMY beneficiaries are achieved well within the revised timelines. The timeline for achieving the targets is as follows:

Period	Target to Achieve
Upto Sep 2022	40 % of total target
Upto Sep 2023	70 % of total target
Upto Sep 2024	100 % of total target

The timeline for saturation drive in respect of opening of PMJDY accounts remains unchanged. Data pertaining to the targets and achievements during the saturation drive shall continue on weekly basis by the Banks. SLBC request the banks to take initiatives in this regard at the earliest.

(Action: All Member Banks & LDMs)

Agenda 24.3: Activities under Azadi ka Amrit Mahotsav (AKAM) in Karnataka state

Convener SLBC informed that, GOI, India is celebrating 75 years of independence "Azadi ka Amrit mahotsav (AKAM)" which commenced on 12th March 2021 marked a 75-week countdown to the 75th Anniversary of our Independence on 15th August 2022 and will continue for a year thereafter, till 15th August 2023. The whole program has been categorized under iconic, non-iconic (anchor and non-anchor) and media campaign / activity.

Ministry of Finance has allocated iconic months, and the iconic activities have been conducted during those months. In this connection, DFS has advised us as under:

1. All the public sector banks in the state have to identify 75 branches for opening 75 Jandhan accounts.
2. Provide 75 micro insurance in the state
3. Sanction 75 KCCs, 75 Mudra Loans, loans to 75 women entrepreneurs, 75 SC/STs, 75 PMSVANidhi loans, 75 education loans etc during iconic week in the state.

(Action: All Member Banks & LDMs)

24.4: Performance by Banks under Annual Atal Pension Yojana (APY) Targets during FY 2022-23: (from 01.04.2022 to 30.09.2022)

Convenor informed the house that, Karnataka has achieved **46%** of APY target set by PFRDA during FY 2022-23 up to **30.09.2022**.

Major Banks (All PSBs and 4 Private banks i.e. ICICI Bank, AXIS Bank, HDFC Bank, IDBI Bank) achieved 37% target, Private Banks achieved 36% target, RRBs achieved 82% targets.

Convenor informed that, all Banks have to achieve allotted targets during FY 2022-23 by mobilizing more number of APY applications.

(Action: All Member Banks and LDMs)

24.5: Status of Aadhaar Enrolment Centers in banks in the State:

Convenor informed that, UIDAI, Bangalore had informed that as on 30.09.2022 , 823 kits were active with 236267 enrolments/updates in the last 30 days against 814 active kits with 271193 enrolments/updates in the last 30 days as on 31.09.2022

Convenor informed that, all Banks should improve the enrolments and carryout maximum enrolments/updates. SLBC also requested all Member Banks to give more focus for enrolments/updates in Raichur & Yadgir districts.

(Action: ALL member Banks)

24.6 Standard operating procedure for obtaining Encumbrance Certificate when a property is registered in a Sub-registrar's office [SRO] other than the jurisdictional Sub-Registrar's office.

Convenor informed that Karnataka Bank had requested that in case of registration of property at SRO other than jurisdictional SRO, the EC generated from jurisdictional SRO does not reflect the transaction of other SROs, due to the lack of interlinking of SROs. As this is a fraud prone area and affecting all the bankers, they have requested SLBC to take up the matter. SLBC requests GoK to guide in the matter.

Chief Secretary clarified that all the SROs are interlinked and there is no scope for such incidents.

AGENDA 25: Skill development:

25.1: RUDSETI / RSETIs

Convenor informed that there are 7 RUDSETIs and 24 RSETIs are functioning in Karnataka state as on 30.09.2022

25.2: Status of RSETIs / RUDSETIs as on 30.09.2022 reported by sponsor Banks is as under:

Convenor informed the house that total number of training programmes conducted were 481 against the target of 855 as on 30.09.2022.

25.3 Functioning and performance of RUDSETI (7) / RSETI (26) in Karnataka state

Convenor informed to house that number of trained persons were 12110 and number of trained persons credit linked were 767 during financial year 2022-23 as on September 2022

All member banks were requested to arrange for credit linkage to all RUDSET/RSET trained candidates to foster self-employment and also to arrange for awareness programmes to migrant labours in each district in coordination with the District Labour Offices for the awareness programmes conducted by RSETIs.

Convenor, requested RSETIs to show improvement in conducting more credit awareness programmes.

(Action: State Director of RSETIS/RUDSETIS, Convenor-SLBC Sub-Committee on RSETIS & Dept. of Skill development- GoK)

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

The District administration of Ballari District had allotted the land of 1.11 acres in TS No.1084/2b, near Bandihatti village, Ballari in the name of "The CEO, ZO, Ballari" instead of "The Director,

CB RSETI, Ballari''. As per the guidelines of MoRD, the land should be allotted in the name of "The Director, RSETI" whereas the land is allotted in the name of "The CEO, ZP" at Ballari.-At present the same is under court dispute.

During the last DLRAC meeting, district administration assured the institute for alternate land allotment for RSETI building construction. Subsequently RSETI Ballari requested to The CEO, ZP, Ballari vide its letter dated 28.07.2022 to allot the land of at DIC compound only as DIC is not utilizing the land.

Canara bank had requested the house to solve the issue. SLBC once again requests the State Government authorities to resolve the issue.

During 158th SLBC meeting The Chief Secretary, GoK had directed to address a suitable letter to the DC of Ballari district under signature of ACS & DC, GoK. According letter has been addressed on 23.09.2022 under signature of Additional Chief Secretary, Development Commissioner, GoK.

(Action: Skill Development Department GoK)

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

The total no. of calls received at the Helpdesk from April 2022 to Sept 2022 is 5074.

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

SLBC Had requested Banks to share the Toll-free Number expenses by remitting their share for the period from June 2022 to September 2022. The Banks yet to pay their share are: Bandhan Bank, Equitas Small Finance Bank, IDFC First Bank, IndusInd Bank, RBL Bank Ltd. and YES Bank

(Action: All Member Banks and LDMs)

Photos of the 159th SLBC meeting held on 15.11.2022





**SLBC – KARNATAKA
LIST OF PARTICIPANTS
159th SLBC Meeting held on 15.11.2022**

Sl. No.	Name Shriyuths -	Designation	Organization
1	Mrs. Vandita Sharma	Chief Secretary	Govt of Karnataka
2	Sri. R Gurumurthy	Regional Director	Reserve Bank of India Bengaluru
3	Mr. Brij Mohan Sharma	Executive Director	Canara Bank(Through VC)
4	MS Sunanda Batra	General Manager	Reserve Bank of India (Through VC)
5	Sri. T Ramesh	Chief General Manager	NABARD
6	Sri. A Muralikrishna	Convenor- SLBC & GM	Canara Bank
Reserve Bank of India (Through VC)			
7	MS Sunanda Batra	General Manager	Reserve Bank of India
8	A K Pathak	Deputy General Manager	Reserve Bank of India
CONVENOR – Canara BANK			
10	B Parshwanath	Deputy General Manger	Canara Bank
11	Preveen M P	Assistant General Manager	Canara Bank
12	T S Vasudevatachar	Divisional Manager	Canara Bank
13	Thimma naik M	Divisional Manager	Canara Bank
14	Amol R Akolkar	Manager - SLBC	Canara Bank
15	Anup kumar	Manager - SLBC	Canara Bank
16	Manoj Kumar Sinha	Manager- SLBC	Canara Bank
17	Vidya M	Manager- SLBC	Canara Bank (Through VC)
18	Kavitha T K	Officer - SLBC	Canara Bank
MEMBER BANKS AND STATE GOVT DEPARTMENTS			
19	Debananda saho	Chief General Manager	Canara Bank
20	Anand	Senior Manager	Canara Bank
21	Sridhar Narayana Kulkarni	General Manager	State Bank of India
22	M Arunagiri	Deputy General Manager	State Bank of India
23	Rajesh Gupta	DeputyGeneral Manager	State Bank of India
24	Subramanya	Assistant General Manager	State Bank of India
25	Sudhakar Nayak	General Manager	Bank of Baroda
26	Venkatesh	Senior Manager	Bank of Baroda
27	Sunil Kumar Yadav	Deputy General Manager	Union Bank of India
28	M P Ramesh	Deputy General Manager	Bank of India
29	Satish	Senior Manager	Bank of India
30	All member banks , all state govt departments & LDMs		Through VC