

# STATE LEVEL BANKERS' COMMITTEE KARNATAKA

## PROCEEDINGS OF THE 161<sup>th</sup> SLBC MEETING HELD ON 05.05.2023

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 161<sup>st</sup> SLBC MEETING and BANKING STATISTICS AS ON 31<sup>st</sup> March 2023 HELD ON 05.05.2023**

The 161<sup>st</sup> SLBC meeting of the state of Karnataka was held on 05.05.2023 at 3.00 PM at Conference Hall, #313, Vidhana Soudha, Bengaluru under the Chairmanship of Smt.Vandita Sharma, Chief Secretary, GoK, Sri.Ramana Reddy E V, ACS and DC, GoK, and attended by Sri. Hardeep Singh Ahluwalia, Executive Director, Canara Bank, Shri A Muralikrishna, Convenor and General Manager, SLBC Karnataka, Sri T Ramesh, Chief General Manager NABARD , Sri. P N Raghunath, O-I-C, & Chief General Manager, 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 General Manager, SLBC** welcomed Smt. Vandita Sharma, Chief Secretary, GoK, Sri.Ramana Reddy E V, ACS and DC, GoK, Sri. Hardeep Singh Ahluwalia, Executive Director, Canara Bank, Sri. P N Raghunath, O-I-C, & Chief General Manager, RBI, Bengaluru ,Ms. Sunanda Batra, General Manager RBI , Sri T Ramesh, Chief General Manager NABARD besides Principal Secretaries, Secretaries, Commissioners & Directors from Govt. departments / Corporations and senior executives from RBI, NABARD, SLBC and different banks and all the dignitaries, members, participants & invitees.

**Sri. Hardeep Singh Ahluwalia, 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 31.01.2023 under ACP under Agriculture is **113.40%** of the annual target, total credit is **129.96%** and total priority sector is **89.57%**. He complemented all the bankers for good performance. He also informed that, under Priority Education [18.18%] and Priority Housing [16.48%] performance is not as expected. He urged the bankers to achieve the set targets under all parameters.

Further, he informed that DFS has launched Gram Panchayat level campaigns for saturation of social security schemes and he further informed that state wise target for PMJJBY and PMSBY are 25,18,711 and 83,77,962 respectively. He also informed that Government of Karnataka initiated Swami Vivekananda Youth JLG scheme for the generation of employment to Youth. He requested member banks for sanctioning applications received under Affordable Housing Scheme.

He urged upon the bankers to achieve the target allotted under PM Formalization of Micro Food Processing Enterprises (PMFME), Agricultural Infrastructural Fund scheme and Animal Husbandry Infrastructure Fund scheme, KCC Animal Husbandry and Fisheries which will contribute in a big way in enhancing farmers' income and meeting the needs of the most vulnerable sections of the society.

He expressed his happiness in informing the house that Karnataka state ranks 3<sup>rd</sup> under PMFME and 7<sup>th</sup> position in case of PMSVANidhi scheme. He congratulated all the bankers as Karnataka stood 4<sup>th</sup> place in MUDRA sanctions and disbursements as at March 2022. He requested member banks to aim No.1 position in implementation of all the Govt. Sponsored schemes.

He also requested member banks to keep the momentum of overall growth in business, with special emphasis on priority sector advances and achieve the ACP targets.

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

**AGENDA 1: Confirmation of the minutes of 160<sup>th</sup> SLBC meeting held on 14.02.2023**

The minutes of 160<sup>th</sup> SLBC meeting held on 14.02.2023 were circulated among all the member banks and Govt. Departments. As no suggestions received, the house may kindly confirm the minutes

**AGENDA 2: FOLLOW-UP ACTION ON THE DECISIONS TAKEN DURING THE PREVIOUS SLBC MEETING**

Convenor informed the house that DBS bank and Bandhan Bank had not updated complete data, whereas Yes Bank, Axis Bank, Federal Bank, Bank of Maharashtra, Federal Bank and IndusInd Bank had delayed in uploading the data.

**Agenda 3.1: Progress under Social Security Schemes:**

Convenor informed the House that the performance of banks in PMSBY, PMJJBY and APY (8.55%, 10.81% & 3.09% growth over December quarter 2022) as on March 2023. Chief Secretary 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 member banks to participate in DFS 3 months' saturation campaign and achieve the target once the Model Code of Conduct (MCC) is over

**3.2 Progress under Aadhaar seeding in PMJDY a/cs:**

Convenor informed that percentage of Aadhaar seeding was 78.78% as on 31.03.2023 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)**

**Agenda 4. 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 2<sup>nd</sup> loan to be eligible for the next cycle of loan with an enhanced limit.

Convenor also informed that under PMSVANidhi scheme Karnataka state sanctioned 255951 and total disbursement is 213632

Various review meetings were conducted by MoS Finance, 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 5: REVIEW OF CREDIT DISBURSEMENT BY BANKS:**

**5.1. Achievement under ACP and Priority Sector Lending:**

Convenor presented a comparative analysis of disbursement up to the quarter ending March 2023 of FY 2022-23.

- The banks have disbursed Rs. **79157** Crore under **Short Term agriculture** loans registering 96.66% achievement of the Annual target as on 31.03.2023

- The banks have disbursed Rs. **80595** Crore as on March 2023 under **Agricultural Term loans** registering 136.65% achievement of the Annual target.
- **Total agriculture** registering **113.40%** achievement as on 31.03.2023, of the annual target.
- The banks have disbursed Rs. **117835** Crore under **MSME** as on 31.03.2023 registering **90.92%** achievement of the Annual target
- The banks have disbursed Rs. **5403** Crore under **priority Housing** as on 31.03.2023 registering only 16.48 % achievement of the Annual target.
- 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 2023.24.

The Chief Secretary advised banks to focus more on improving Housing loan and Education Loan.

(Action: All member banks)

## **5.2 Major Bank wise performance/Achievement of ACP as on March 2023**

The house took note of the performance of all the banks under ACP as at 31.03.2023. Chief Secretary advised some of the banks where performance is very poor to achieve better performance by mission mode. SLB was advised to write to their controlling heads

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

## **Agenda 6: Swami Vivekananda Youth JLG (SVY JLG):**

Convenor informed to house that member banks have to open all the accounts of pending applications and convert all the SHG account into the JLG account. ACS Youth Empowerment and Sport department requested member banks to provide bankable projects for the said scheme.

## **AGENDA 7: PMAY-U (HOUSING FOR ALL 2022)**

Convenor SLBC informed the house about 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 were requested to gear up for the speedy disposal off the pending applications. Chief Secretary critically reviewed the performance under the scheme and instructed all banks to clear the pendency for disbursement and sanction eligible loans immediately. Convenor informed the house that they will conduct a meeting with all member bank along with RGHCL officials.

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

## **AGENDA 8: REVIEW OF DISTRICTS HAVING CD RATIO LESS THAN 60% AND WORKING OF SPECIAL SUB-COMMITTEES OF DCC (SCC)**

### **8.1 Districts with CD Ratio of less than 60% as on March 2023:**

Convenor informed the house that, The CD Ratio of the state as a whole as on 31.03.2023 was 73.52%. Uttara Kannada and Udupi districts is slightly down by 0.39% and 0.79 over December 2022, respectively.

DCs and LDMs were requested to continue necessary corrective measures in this regard and continuously monitor the same in their special subcommittee and DCC meetings.

RBI advised LDMs of these districts to form District level sub-committee to review the progress under CD ratio on regular basis where DC shall also be a member. 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)**

## **8.2 Issues - Reimbursement of pending BPL claims of training expenditures:**

SLBC requested the department to clear the pending claim of **Rs. 25.53** crores at an early date. The Mission Director, NRLM Dept., assured to clear the same as soon as the funds are received from Government of India.

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

## **AGENDA-9: REVIEW OF FINANCIAL INCLUSION INITIATIVES, EXPANSION OF BANKING NETWORK AND FINANCIAL LITERACY**

Convenor informed the house that, as per Jan Darshak app and FI Plan portal, there are 16 unbanked villages without any Branch, BC, or IPPB within a radius of 5 KM. SLBC requested member banks to open banking outlet and update the same in JDD portal. Out of 16 villages, 10 villages already having IPPB centres. Due to technical error they are unable to update in JDD portal and they have taken up with DFS, GoI. Out of remaining 6 villages, State Bank of India and Bank of Baroda are yet to appoint 5 BCs and 1 BC respectively.

**(Action: IPPB, SBI and BOB)**

## **AGENDA 10: FINANCIAL INCLUSION INITIATIVES:**

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

Convenor informed that, there were 11889 inactive BCs as on 31.03.2023 and of which 90% of inactive BCs were from YES Bank. Convenor 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 that some portion of BCs may 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. Chief secretary advised SLBC to communicate the same to MD& CEO of YES bank under her signature.

**(Action: All member Banks)**

### **10.2: Financial literacy initiatives by banks.**

As at 31.03.2023 there were 26 non-functional FLCs. Convenor requested SBI, UBI, BOI & KGB Banks to appoint FL counsellors (15,9,1 & 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 FL Councillors shortly.

**(Action: SBI, UBI, BOB, BOI and KGB)**

### **10.3 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 31.03.2023 was reviewed by the house. In respect of all the parameters, both the districts have achieved the set targets.

The Chief Secretary advised the bankers to actively participate in Gram Panchayat level campaign from 01.04.2023 to 30.06.2023

**(Action: all banks in Raichur and LDM of Raichur district)**

### **AGENDA. 11: RBI AGENDA (INPUTS FROM RESERVE BANK OF INDIA)**

#### **I. Financial Inclusion & Financial Literacy**

##### **a. Appointment of Financial Literacy Centers (FLCs)**

(i) Out of the 177 Financial Literacy Centers (FLCs), 154 FLCs were active as on March 31, 2023 leading to vacancies of 23 FLCs. It is observed that barring Bank of Baroda and KGB, there were no positive changes in FLC position of other banks. Number of vacancies have increased for SBI. Controlling offices of the above banks were advised to submit a plan of action with timeline to operationalize vacant FLC positions and take steps to curtail attrition among FLCs. SBI was advised to modify its FLC recruitment policy to ensure FLCs with requisite health/fitness only were issued appointment letters.

**(Action: SBI, UBI, BoI, KGB)**

##### **(ii) Special Camps and Target-Specific camps**

During March 2023 quarter, there was a shortfall of 40 special FL camps by 11 active FLCs under 5 banks. In terms of target specific camps, there were shortfall of 120 camps by 15 active FLCs under 7 banks. Further, there was a shortfall in holding 8530 special camps by 4293 rural branches across the state. Decline in shortfall in number of camps held by 248 was observed vis-à-vis last quarter when number of branches increased by 24.

The banks were advised to (a) Submit a plan of action with timeline to conduct all the pending camps and to ensure that a calendar for each quarter (6 special camps and 15 target-specific camps per quarter) was prepared in advance by each FLC and shared with the SLBC and the Regional office of RBI (within 10 days of the start of the quarter) (b) Ensure that FLCs that were failing to hold requisite camps for consecutive quarters were monitored more closely (c) Monitor FI activities of rural branches to ensure conduct of requisite camps every month by the branches. The banks were advised to conduct all deficit camps for March 2023 quarter by May 15, 2023 and also ensure that target for June quarter is met. (d) SLBC was advised to submit data on bank wise shortfall within a week (SLBC is daily following with member banks but as on date 37 banks submitted data, 12 banks are yet to submit the same).

Member Banks were also advised to share the details of number of beneficiaries linked with formal financial systems as a result of these financial awareness programs/camps and put in place a mechanism to set targets and monitor their performance against the same. SLBC may issue necessary instructions to all banks in this regard.

**(Action: SLBC and All Member Banks)**

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

(i) As on March 31, 2023, 11889 BCs (16.68%) were inactive out of total 71268 BCs. The banks were advised to operationalize inactive BC locations quickly and not later than June 30, 2023. As advised in the last SLBC meeting, SLBC to monitor closely.

**(Action: All member banks and SLBC)**

- (ii) Out of total 11889 inactive BCs, 11744 inactive BCs pertained to 8 banks –Bank of Baroda, Bank of India, Punjab National Bank, UCO Bank, Karnataka Bank, HDFC Bank, Yes Bank and State Bank of India whose inactive to total BC percentage was above 10% for Mar 2023 quarter. These eight banks were advised to provide explanation for the increase in in-active BC/significant variation in reported data.

**(Action: State Bank of India, Yes Bank, Bank of Baroda, Punjab National Bank, Bank of India, HDFC Bank, UCO Bank and Karnataka Bank)**

- (iii) RBI expressed displeasure about YES Bank achieving marginal reduction only in number of inactive BCs over previous quarter though it agreed post last SLBC meeting that all inactive BCs would be activated by March 31, 2023. The state coordinator of the bank was advised to ensure activation quickly and provide bank's policies on inactive BCs.

**(Action: Yes bank)**

**c. Based on Financial Inclusion Index (FI-Index),**

Three districts (Ballari – usage criteria, Udupi and Uttara Kannada – Quality criteria) in Karnataka had been identified by FIDD CO in the bottom 10 percentile of the FI-index. In this regard, SLBC informed that it had already requested LDMs of these 3 districts to provide an update in the matter. SLBC was advised to instruct LDMs to form sub-committee for FI index in Ballari, Udupi and Uttara Kannada for improving the FI-index of these districts. SLBC may further collate quarterly data on progress made by these districts and add agenda item to next SLBC meeting.

**(Action: SLBC and LDM Udupi, Karwar and Ballari)**

**II. Lead Bank Scheme**

**a. Meetings under Lead Bank Scheme (LBS):**

- (i) It was observed that both District Consultative Committee (DCC) and District Level Review Committee (DLRC) meetings of Bidar district had not been held till April 28, 2023 for September 2022 and December 2022, while these meetings for Kalaburgi for Dec 2022 quarter were pending. SBI was advised to conduct the pending meetings. Chief Secretary Madam agreed to instruct the concerned government officials.

**(Action: SBI)**

- (ii) Further it was also observed that both DCC and DLRC meetings in Haveri district for Quarter ended Dec 2022 were held beyond the prescribed timelines. Controlling Head of Bank of Baroda was advised to indicate reasons for delay.

**(Action: Bank of Baroda)**

- (iii) Banks and line departments of state government were also advised to ensure representation of appropriate authority in the DCC/DLRC meetings.

**(Action: Member banks and state Govt. Line Departments)**

- (iv) The list of line departments absent in the DCC / DLRC meetings were not being shared in the proceedings by LDMs. SLBC was advised to ensure that the LDMs indicate the same in the minutes in future. SLBC was also requested to collate data on absenteeism in BLBC meetings and take necessary steps to ensure adequate representation by banks.

**(Action: All LDMs, SBI, Canara, UBI & BOB)**

- (v) LDMs were advised to forward the meeting invitations sent to public representatives with notices forwarded to FIDD, Bengaluru for DLRC meetings,

but the same was not being shared. Controlling banks may ensure that the instruction is followed in future.

**(Action: All LDMs, SBI, Canara, UBI & BOB)**

- (vi) It was observed that in 80% of the DLRC meeting, the representatives of the public i.e. MPs/MLAs were absent. Participation of public representatives being the main differentiator between DCC and DLRC meetings, the Lead Banks were advised that the efforts may be made to invite elected members, preferably heads of local Panchayats/ wards if MP / MLA / MLCs were not available, to receive important feedback of representatives of common people for whom this entire exercise is being conducted.

**(Action: Lead Banks)**

#### **b. Meetings of SLBC Sub-Committees**

- (i) It was observed that Bank of Baroda had not conducted SLBC Sub-Committee meeting on Retail loan from Sept 2022 quarter onwards.

**(Action: Bank of Baroda)**

- (ii) SLBC Sub Committee on Recovery and Rehabilitation and Govt. Sponsored Schemes (convened by State Bank of India): All banks were requested to share NPA related data on all Govt. Schemes with loan sourcing Government departments and recoveries therein may be discussed in SLBC sub-committee meeting on Recovery and Rehabilitation, so that the high NPA levels can be brought down in loans extended under various Government schemes.

**(Action: All banks)**

#### **c. Expanding and Deepening of Digital Payment Ecosystem**

- (i) Haveri and Yadgir districts have achieved 99.83% and 95.58% in case of eligible savings account and 98.44 % and 82.83 % in case of current/business accounts respectively. Controlling offices of nodal banks (BoB and SBI) were advised to take necessary action to achieve 100% digitization of savings and current accounts in Haveri and Yadgir districts, including ensuring data accuracy and consistency by June,30, 2023. SLBC identified three new districts viz Chikkamagalur, Bengaluru Urban and Dharwad for 100% digitization in six months.

**(Action: SBI and BoB, all member banks)**

- (ii) In the 160<sup>th</sup> SLBC, banks were advised to enhance digitization process through UPI123PAY for feature phone users on a large scale and SLBC was requested to monitor the progress in this area. SLBC was advised to update RBI on the current status on adoption of UPI123PAY in the state.

**(Action: SLBC, All Member Banks)**

#### **d. Data Upload by Banks in SLBC Revamped Portal**

Banks were required to upload the quarterly data in SLBC revamped portal within 15 days from the end of concerned quarter. In order to streamline data submission process and ensure submission of MIS returns in time, SLBC was advised to explore feasibility of extracting requisite data directly from member banks CBS to eliminate interim data upload processes by banks.

**(Action: SLBC)**



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

(i) Banks had achieved a proportionate target of 88.80% under priority sector ACP. SLBC was advised to rationalize the targets for priority and non-priority sector advances while finalizing ACP for financial year 2023-24.

**(Action: Member Banks, SLBC)**

(ii) The analysis of bank category-wise achievements as on March 31, 2023 revealed that Private Sector Banks, Rural Cooperative Banks and Small Finance Banks had performed relatively better than Public Sector Banks and Regional Rural Banks in achieving PSL targets. SLBC was advised to examine the trend of achievements of each bank for 3 years and suitably allocate targets.

**(Action: SLBC)**

(iii) RBI informed that banks set their internal annual target based on outstanding while SLBC sets ACP targets for disbursements only. This leads to branch focusing on outstanding rather than disbursements for priority sector segments. For ACP to be effective, the bank's management / boards were advised to align target fixation with RBI norms given in Para 3.2(e) on Master Circular on LBS. SLBC was advised to fix targets as per Para 3.3 on Master Circular on LBS. State controlling heads of the banks were accordingly advised to provide a confirmation that they will be aligning their internal targets with targets set by SLBC.

**(Action: All Member banks, SLBC)**

**III. Opening of Banking Outlets in Unbanked Villages: -**

(i) Out of the 4 villages identified by DFS for opening bank branches, 3 branches have been opened and SLBC vide email dated Dec 16, 2022 has informed that location change has been sought by Karnataka Grameen Bank for opening of branch at Yalagatta Village instead of at Yarjanti. SLBC vide letter dated April 20, 2023 has advised KGB to complete the process of opening of branch at the earliest.

**(Action: KGB)**

(ii) The Office of the Additional Chief Secretary to Government, Finance Department, Government of Karnataka (GoK) has vide letter no. FD-CAM/179/2022 dated September 28, 2022 had advised SLBC to explore the possibility of opening India Post Payment Bank (IPPB) branch or extension counter of Cooperative banks/ their branch in villages having population above 3000 or in the 122 identified villages. In this regard, SLBC vide letter dated January 07, 2023 to GoK, has stated that out of 122 villages, 18 are covered by brick-and-mortar branches and remaining 104 were covered by BCs. Out of 104 villages, 52 villages were covered by IPPB centres and for remaining 52 villages, SLBC has advised member banks to explore possibility of opening branches. In the previous SLBC meeting, it was informed that out of 8 villages with population of more than 3000 and not having brick-and-mortar branches of a bank within 5 km radius, the IPPB centre in one village (Sambargi) was yet to be opened. SLBC confirmed on May 17, 2023 that branch has since been opened in Sambargi.

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

(i) For enhancement of need based KCC/ doubling of income of farmers, it was suggested that a model farming plot in every village may be established. Adoption of Lead Institution Scheme was suggested by RBI in this regard and shared with state government for consideration on Nov 24, 2022. GoK secretary, Finance Department

had forwarded the scheme to Agriculture Department on December 08, 2022. The Agriculture department was requested to update the forum.

**(Action: State Government)**

- (ii) RBI top management has instructed to bring population outside the ambit of the informal financial system into formal fold. In order to provide bouquet of financial services such as insurance, pension, etc., to this excluded segment of the society, it was suggested that measures should be taken for formalization of rural finance. SLBC had taken up the matter with GoK and as GoK has stated that it does not have data on unbanked population, SLBC was advised to instruct Lead districts banks to conduct one survey each in one taluk to identify such population, utilising services of FLCs and CFLs.

**(Action: SLBC, Canara Bank, State Bank of India, Union Bank of India, Bank of Baroda)**

- (iii) It was observed that only 13% of state GDP comes from agriculture whereas nearly 60% population depends on it. To ensure that share of agriculture in state GDP increases, NABARD was requested to identify the districts lagging behind in agriculture infrastructure and having lower per capita income & credit for agriculture vis-à-vis their potential. Preference may be given to these districts while allocating RIDF and other developmental funds. Higher ACP targets may also be considered for such districts. Data received from NABARD of past three years has revealed the following
- CD Ratio – Three districts have CD ratio less than 70% - Uttar Kannada, Udupi, Dakshin Kannada. 14 districts have CD ratio between 70-100% and 14 districts have CD ratio more than 100% with Haveri having highest CD ratio of 126.62.
  - Agriculture and Infrastructure – The top districts getting more support in this aspect are Vijayanagara, Shimoga and Davangere.
  - Micro Credit given – The top districts here are Tumkur, Gulbarga, Ballari.
  - Food producer organizations (FPOs) – The top districts are Yadgir, Uttar Kannada and Vijayanagar.
  - Per capita income – As per Economic Survey 2022-23, the top districts in terms of per capita income per person per lakh is Bangalore Urban, Dakshin Kannada and Udupi irrespective of the fact that they are not getting highest allocation of agriculture, infrastructure, FPO or Micro credit.

Trend analysis for the various Financial years highlights the following aspects

- FPO was highest in 2020-21 (especially for Mysore) and thereafter decreasing trend was observed except for Kolar, Chikballapur and Belgaum in 2021-22 and for Bidar in 2022-23.
- Micro credit decreased after 2020-21 except for Chitradurga and Chamrajnagar.
- Agriculture and Infrastructure have increased over the years for Bagalkote, Gadag, Tumkur, Chikmagalur, Bangalore Urban and Davangere.

On analysis of the district wise ranking for CD ratio, Per Capita Income, allocation of funds for agri infra, FPO and micro credit, the following observations are made –

- Uttar Kannada, Udupi, Dakshin Kannada, Belgaum, Bangalore Rural, Dharwad, Chickballapur lag behind in majority of above parameters.
- Gulbarga, Ballari, Chamrajnagar lag in Agriculture and FPO.
- Mysuru and Bangalore Urban lag in micro credit.

State government and NABARD were requested to allocate RIDF and other developmental funds to deficient districts. The above analysis may be considered while allocating funds for different purposes.

**(Action: NABARD and State Government)**

#### **V. Demonstration and Disruption at KGB**

On March 29, 2023, information was received from local Police Station about demonstration by farmers under the leadership of Karnataka Rajya Raitha Sangha and Hasiru Sene, Karnataka in Freedom Park, Bengaluru. Prior to that they agitated in front of Karnataka Gramin Bank (KGB), Head Office in Ballari for about 100 days. The farmers' association submitted a memorandum primarily on settlement of farmers' loan extended by the bank. There were demonstrations at the same bank's Head Office in June – July 2022 which stopped after State and Local Government intervened on our request in EC meeting on RRBs held on July 8, 2022. State Government intervention in the matter is sought as such repetitive disruptions are impacting the functioning of the bank which is already struggling to reduce high NPAs.

**(Action: State Government)**

#### **VI. Micro, Small and Medium Enterprises**

##### **a. On boarding of Government & Corporate Buyers on TReDS platform**

- (i) Till date, GoK had confirmed that only 7 state entities had registered under TReDS and 6 were not dealing with MSMEs. The status of remaining 85 Government Undertakings and Boards/Corporations was awaited despite many emails/letters sent from February 2022 onwards.

**(Action: State Government)**

- (ii) As ROC, Bengaluru telephonically informed that they were not maintaining data on registration of eligible companies on TReDS platforms, the banks were advised to provide the status. Till date, 10 banks had furnished the data to RBI. Member banks that were yet to share the data were advised to submit the same. GoK proposed that RBI may conduct training / workshops for state government entities for TReDS popularisation and RBI accepted the proposal.

**(Action: All Member Banks, RBI)**

- (iii) Controlling offices of banks were advised to instruct LDMs to create awareness about Trade Receivables Discounting System (TReDS) and discuss the progress of on boarding eligible entities on TReDS in BLBC/ DCC meetings.

**(Action: Canara Bank, State Bank of India, Union Bank of India, Bank of Baroda)**

##### **b. Popularization of CGTMSE scheme**

One common major problem flagged by the participants in various Town hall Meetings on MSMEs is that banks are not giving loans without adequate collateral security/ guarantees and deny credit facility to the entrepreneurs in spite of various Central Government Schemes like CGTMSE and subsidies provided by the Government. The participants in all these meetings also suggested that CGTMSE schemes and various subsidy schemes required to be well popularized to help young and budding entrepreneurs and for awareness of bankers in some cases. SLBC and all member banks were advised to create awareness among MSMEs as per extant RBI instructions.

**(Action: All Member Banks, SLBC)**

**c. Visit to a MSME Cluster –Textile Park, Burgaon Village, Nippani Taluk, Belagavi District**

It was noted during MSME Cluster visit to Textile Park, Burgaon Village, Belagavi that UCO Bank, Banshankari Branch, Bengaluru had sanctioned on 23/11/2021 a Term Loan of Rs 310 lakhs to M/s Jahova Textiles, Plot No SPL C-148, Textile Park, Borgaon, Belgaum, Karnataka. However, till March 15, 2023, the date of visit, the bank did not disburse the sanctioned loan amount. The unit has already completed 75% of the building construction from own source of funding and has also ordered for machineries. As there is no banking facility surrounding the Textile Park, they have requested to provide at least one ATM inside the Textile Park and UCO bank to explain the reason for non-disbursement of sanctioned loan. The Branch Head, SBI, Shamanewadi Branch, informed that one BC has been operationalised in Burgaon Village from March 15, 2023. The SBI Branch Head was advised to inform the BC to visit the Textile Park.

**(Action: UCO Bank, SBI)**

**VII. Market Intelligence Issues**

**Unauthorised lending in FINTECH**

Banks were advised to report any unauthorized digital lending extended by unscrupulous lenders/ mushrooming of unauthorized 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.

**(Action: SLBC, All LDMs)**

**Sharing of information with competent authorities**

During the deliberations of the State Level Coordination Committee meetings (SLCC) meetings, it was brought to the notice that many banks are not responding/furnishing the required information promptly to the Competent Authorities and other Law Enforcement Agencies (LEA's). All the banks and SLBC were advised to do the needful.

**(Action: All Member Banks, SLBC)**

**VIII. Currency Management Issues**

**a. Constitution of Sub-Committee of SLBC on Security**

With a view create a high-level platform where issues related to currency and its movement can be discussed at a frequent periodicity, a sub-committee of State Level Bankers' Committee (SLBC) was constituted with State Bank of India as convener. As per the notification issued by Government of Karnataka, this sub-committee will be headed by Additional Director General of Police (Admin), GoK, Bengaluru. Periodic meetings of the sub-committee will go a long way in addressing security of currency and its movement in the state. RBI sincerely thanked Government of Karnataka for constituting the subcommittee.

**b. Non-acceptance of ₹10 coins by KSRTC and BMTC staff**

Notwithstanding awareness efforts made by the Reserve Bank towards acceptance of Rs 10/- coin for transaction and payment, shopkeepers, traders and common public continue to refuse acceptance and usage of Rs 10/- coins. Coins are legal tender as per Section 6 of the Indian Coinage Act 2011 to the extent specified therein. Incidentally, RBI is also in receipt of complaints wherein non-acceptance of coins of Rs 10 by staff of BMTC and KSRTC has been highlighted.

RBI requested State Govt. (GoK) to issue directions to the district collectors / administration to make efforts so that instances of refusal to accept coins of Rs 10 can be addressed.

**(Action: State Government)**

### **IX. Integrated Public Tech Platform for Frictionless Credit**

The Reserve Bank of India (RBI) is developing an integrated Public Tech Platform for Finance (IPTPF) to which all the financial ecosystem players could connect seamlessly. Recently the pilot project of digital Kisan Credit Card was operationalized. The doorstep disbursement of loans in an assisted or self-service mode within a short time without any paperwork has evinced keen interest from the farmers. The KCC pilot project entailed that the digitized land records of the State is to be made available through Application Programming Interface (API) with partner banks. As the IPTPF is at an advanced stage of completion and the user test is likely to start soon, the digitized land records of the State may also be made available to IPTPF. State Government was requested, vide ED's letter dated March 21, 2023 addressed to the Chief Secretary, to coordinate with Reserve Bank Innovation Hub (RBIH), a wholly owned subsidiary of RBI to facilitate integration of state level land records with the platform. State Government may confirm the action taken.

**(Action: State Government)**

### **X. Special invitees to SLBC meetings**

Academics, researchers are to be invited occasionally to add value to the discussion and associate them with studies in accordance with the instructions contained in para 2.3.2(vi) of Master Circular on Lead Bank Scheme. Success stories of successful NGOs etc., were also to be presented as envisaged in para 2.3.2 (vii) of the Circular. It has been observed that special invitees were not being called in the SLBC meetings. RXIL was invited to make a power point presentation on TReDS. RoC was also invited to the SLBC meeting to discuss progress on TReDS. However, due to election commission directions, non – members were advised to leave the meeting. However, a decision was taken as per para II.VII. a.(ii). SLBC to do the needful in this regard.

**(Action: SLBC)**

### **AGENDA 12: NABARD AGENDA:**

#### **Agenda 12.1- Support to Government of Karnataka under RIDF**

NABARD informed the house that they are supporting GoK in creating rural infrastructure covering Agriculture 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.

#### **12.2: Resumption of nationwide fisheries and AH KCC campaign.**

Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying informed that the Nationwide Fishery KCC Campaign will resume from 1<sup>st</sup> May 2023 and will continue till 31<sup>st</sup> March 2024 for providing Kisan Credit Card facility to all eligible Fishery and Animal Husbandry Farmers.

#### **Agenda 12.3: Reporting of KCC data of other banks under RRBS/Cooperative banks in the portal.**

NABARD informed that KCC data of AH and Fisheries 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, NABARD requested to instruct LDMs 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. SLBC informed that it had already taken up the matter with DFS and the portal is to be modified by DFS.

**(Actions: All Banks)**

#### **12.4: Loans must be reported under districts where the end utilization takes place**

It is observed that loans are reported under the sanctioning center rather than the districts where the end utilization takes place leading to reduced C:D ratio in the districts. It is to be reported where the limit/loan is availed.

**(Actions: All Banks)**

### 12.5: 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 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 from the RIDF tranche (I to XXVIII) are as indicated below:

(Rs. Crore)

Sn	Name of the Sector	No. of projects	Total Financial Outlay	Loan Sanctioned	Amount Disbursed
1	Agriculture and Allied	4996	2225.60	2072.91	1384.07
2	Bridges	1922	1289.86	1050.42	930.96
3	Irrigation	5233	5799.59	4919.84	4047.50
4	Roads	10720	7064.86	5755.14	5117.33
5	Social	21025	8083.12	5214.74	3600.59
	<b>Total</b>	<b>43896</b>	<b>24463.03</b>	<b>19013.05</b>	<b>15080.45</b>

### Agenda 12. 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:
  - a. Conduct of Financial and Digital Literacy Campos by rural branches of Banks.
  - b. Reimbursement of Examination fee of BC/ BF
  - c. Deployment of micro ATM by SCBs in schools and colleges in Special Focus Districts and in milk societies in all districts
  - d. Deployment of PoS/mPoS terminals in Tier 3 to Tier 6 centres
  - e. VSAT deployment in sub-service area (SSA) of the Bank for new branches opened and for kiosk/fixed CSP
  - f. Mobile signal booster deployment in SSA of Bank for new branches opened and for kiosk/fixed CSP
  - g. Installation of solar power unit/ UPS deployment in SSA of Bank for new branches opened and for kiosk / fixed CSP
  - h. On boarding to Positive Pay System (PPS) (Applicable for RCBs only)
  - i. 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.

## **AGENDA 13: KCC**

### **13.1 KCC Loans – Disbursements & Outstanding:**

SLBC-Convenor informed the house that the achievement in the total KCC outstanding as on March 2023 is Rs. 61171.66 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 2023-24. Convenor requested state Government department to share data of farmers whose land holding is less than 1 acre. E Governance department requested all member banks to submit Hash of Aadhar for saturation of KCC.

**(Actions: All Member Banks, Dept. of e-Governance GoK)**

### **13.2 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”

He informed the house that Banks have sanctioned 64233 KCC –AH loans against the accepted applications of 132641 during special saturation drive for KCC AH from 01.04.2022 to 31.01.2023. 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.

Issuance of KCC-Fisheries:

SLBC Convener informed the house that banks have sanctioned 12753 KCC fishery loans amounting to Rs.204.13 Cr from period 01.04.2022 to 31.12.2022.

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

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

### **13.3. Pledge financing for Agriculture Commodities through electronic- Negotiable Warehouse Receipt (e-NWR) :-**

Convenor informed that 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.

He requested member banks to give more impetus to this scheme and informed the disbursement position as at 31.03. 2023.Chief Secretary informed that system of creating Pari Passu charge can be implemented.

### **13.4. 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 NABSanrakshan 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)**

### **Agriculture Infrastructure Fund (AIF)**

Convenor requested 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.

### **Agenda 14 Agriculture Department Agenda:**

#### **Agenda 14.1 Pradhan Mantri Fasal Bima Yojana (PMFBY)**

Agriculture Department, GoK informed that total 4375 no. of applications amounting to Rs. 6.22 Cr is pending for settlement under PMFBY due to NPCI payment failure and Blank Aadhar from different member Banks. Out of total pending amount, 2.68 Cr (43%) is pending due to Blank Aadhar and non updation of Aadhar in NPCI portal from ICICI Bank. ICICI Bank was having pendency of 2310 applications and 4.17 Cr of amount which has reduced to 1542 applications and 2.68 Cr amount i.e. reduction of around 36%.

Total number of pendency has increased due to addition of new applications from Kharif 2022-23.

SLBC requests Department of Agriculture, GoK to advise ICs settle the pending claims at the earliest. Executive Director of Canara Bank advised to settle the pending cases due to blank Aadhar.

**(Actions: ICICI bank & All Member Banks)**

### **AGENDA 15. Banking statistics as on 31<sup>st</sup> March 2023**

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 March 2023

There is a Y-o-Y growth of 7.66 % in Deposits and 15.99% in Advances. CD ratio of the state as on 31.03.2023 is 73.52

The level of PSA in the State has increased from Rs. **351165** crores as of March 2022 to Rs. **392945** crores as of March 2023 showing an absolute growth of Rs. **41780** crores and percentage growth of **11.90** % on Y-O-Y basis.

Agricultural advances have increased from Rs. **170411** crores as of March 2022 to Rs. **143047** Crores as of March 23, showing an increase of Rs. **21857** crores (**12.83**%) on Y-O-Y basis.

The outstanding level under MSME has increased from Rs. **128161** Crores as on March 2022 to Rs. **137145** Crores as on March 2023 an absolute growth of Rs **14886** crores i.e, growth of 11.62% 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)**

#### **15.2: Branch Network:**



Convenor informed the house that the number of bank branches has increased from 11878 as on 31.12.2022 to 12001 as on 31.03.2023 thus showing an increase of 123 branches on Q-o-Q basis.

**15.3 Status of Rural Bank Branch closure/merger/relocation:**

District name	Bank name	Merging Branch /Relocation	Acquiring Branch	Distance between branches	Remarks
Kolar	Kotak Mahindra Bank	Byrakuru Branch	-	250 m	Closer of Branch
Kolar	South Indian Bank	Shifting of Alambadi branch	to Malur		Shifting of Branch
Hassan	Karnataka Bank	Bikkodu	Bikkodu	300m	Shifting of branch
Hassan	Union Bank of India	Doddamandiganahalli	Hassan	1.3kms	Shifting of branch
Hassan	State Bank of India	Kirisave	Hirisave	2 kms	Shifting of branch
Hassan	Canara Bank	Ibbeedu	Ibbeedu	200 mtr	Shifting of branch
Hassan	Canara Bank	Yalahanka	Yalahanka	200 mtr	Shifting of branch
Hassan	Canara Bank	Gonisomanahalli	Gonisomanahalli	500 mtr	Shifting of branch
Hassan	Canara Bank	Ambuga	Ambuga	300 mtr	Shifting of branch
Hassan	Canara Bank	Sathenahalli	Sathenahalli	400 mtr	Shifting of branch
Hassan	Canara Bank	Anathi	Anathi	250 mtr	Shifting of branch
Hassan	Canara Bank	Settiahalli	Settiahalli	250 mtr	Shifting of branch
Chamarajana nagara	State Bank of India	Ponnachi	Vadakehalla	12.-15 km	Closer of Branch

The house discussed and advised SLBC to take up the matter in the next SLBC.

**(Action: Kotak Mahindra Bank, South Indian Bank, Karnataka Bank, UBI, Canara Bank & SBI)**

**15.4: ATM Network:**

Convenor informed the house that total number of ATMs as on 31.12.2022 is 17308 against 16978 as at 31.03.2023, thus showing a decrease of 330 ATMs.

**Agenda 16: Progress under Aadhaar seeding of operative CASA a/cs:**

Convenor informed that percentage of Aadhaar seeding was 88.9 as on 31.03.2023. 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 Raichur and Yadgir and also in Haveri district as it was selected for digitalization. It has been requested to all member banks to provide NPA list to SLBC to intern send it to concerned department for their assistance in recovery.

**(Action: All Member Banks & LDMs)**

**AGENDA 16: Government sponsored schemes**

**16.1. 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.

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

**17.2: PMEGP:**

Convenor informed the "Bank wise progress under PMEGP as on 31.03.2023 both in first dose and second dose and requested member banks to clear the pending applications which helps in generating more job opportunities. Chief Secretary congratulate bankers for achieving target under PMEGP. Further, convenor, SLBC requested all the member banks to share the list of NPA accounts under the scheme with SLBC and in turn SLBC shares the same with KVIC/KVIB which assists in recovery of the same.

**(Action: Member banks,)**

**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. 40763 Crores as on 31.03.2023.

SLBC requested all Banks to achieve mandatory requirements under PSA lending to weaker sections in their ACP targets during FY 2023-24 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. 918.78 cr in Bidar District, Rs. 1218.30 cr in Kalburgi District, and Rs. 8102.34 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 2023-24.

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

#### **16.4: Grant of Education Loans:**

Convenor informed the house that during the review period (01.04.2022 to 31.03.2023) of the FY 2022-23, various banks in the state of Karnataka have disbursed Education loans to the tune of Rs 2059.28 Crores to 72767 accounts under both priority and non-priority segments.

**(Action: All Member Banks)**

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

##### **16.5.1.: SELF HELP GROUPS:**

Convenor informed the house that, Credit Linkage to SHGs FY 2022-23 is Rs. 7981.37 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 under JLGs as on 31.03.2023 was Rs. 12840.35 crores and also requested member banks to focus on SHG/JLGs and achieve allocated targets.

**(Action: LDM & All Member Banks)**

#### **16.6: Progress in Stand Up India scheme as on 31.03.2023**

Convenor brought to the notice of the house that, as on March 2023 banks have sanctioned an amount of Rs.778.08 crore under SUI. 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 5592066 MUDRA loan accounts amounting to Rs. 40964.95 Cr from 01.04.2022 to 31.03.2023

Convenor informed that Karnataka state has secured 4<sup>th</sup> **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.

**(Action: All member Banks)**

#### **16.8 Progress under PMFME scheme:**

Convenor informed the house that Karnataka state has secured 3<sup>rd</sup> Place in PAN India and banks have sanctioned 2095 number of applications as on 31.03.2023 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 31.03.2023:**

Convenor has informed the house that total non-Performing assets position as on 31.03.2023 was 48718.17 crore.

**(Action: Member Banks)**

**17.2: Recovery of bank dues under PMEGP:**

Convenor informed the house that under PMEGP share of NPA was 20.43% and requested the concerned depts. to extend necessary support to banks for recovery.

The Additional Chief Secretary & Development Commissioner advised the member banks to share complete details of NPA under PMEGP with KVIC which can help the member banks in recovering NPA accounts under PMEGP, as NPA percentage is very high in 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 31.03.2023, 232599 Notices were sent for the amount involving Rs. 1169711 lakhs and recovered 167857 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 -:**

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

Convenor informed the 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 sub-committees on Retail loans for September and December 2022 were not conducted. Convenor requested the member convenor bank to conduct above meetings immediately and share the minutes.

**(Action: BOB)**

**Agenda 23: State Level Security Sub Committee (SLSC): -**

Convenor informed the house that, DGM, RBI, Bengaluru while delineating the objective and the way forward of the sub-committee stated that GoK has since nominated Additional Director General of Police (Admin), Police Head Quarter, Nrupathunga Road, Bengaluru to chair the Sub-Committee of SLBC on Security and Convenor shall be State Bank of India.

Convenor also informed that All banks having presence in the State of Karnataka with 300 branches or more and maintaining at least one currency chest in the State of Karnataka are eligible to be a member

**AGENDA 24: Atma Nirbhar Bharat Abhiyan**

**24.1: ECLGS for Existing MSME borrowers during COVID-19 situation:**

It has informed by NCGTC, Gol 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 5,00,000 crore are issued (taking into account all components of ECLGS), whichever is earlier.

Convenor informed to house that member Banks have sanctioned 373380 accounts with amount of Rs 11198 crore.

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

**(Actions: DIC and All Banks)**

**AGENDA 25: Other Issues**

**25.1. 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)**

### **Agenda 25.2: 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 12<sup>th</sup> March 2021 marked a 75-week countdown to the 75<sup>th</sup> Anniversary of our Independence on 15<sup>th</sup> August 2022 and will continue for a year thereafter, till 15<sup>th</sup> 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)**

### **25.3: Performance by Banks under Annual Atal Pension Yojana (APY) Targets during FY 2022-23: (from 01.04.2022 to 31.03.2023)**

Convener informed the house that, Karnataka has achieved **85%** of APY target set by PFRDA during FY 2022-23 up to **31.03.2023**

Major Banks (All PSBs and 4 Private banks i.e. ICICI Bank, AXIS Bank, HDFC Bank, IDBI Bank) achieved 76% target, Private Banks achieved 63% target, RRBs achieved 122% targets.

**(Action: All Member Banks and LDMs)**

### **25.4: Status of Aadhaar Enrolment Centers in banks in the State:**

Convener informed the house that, UIDAI, Bangalore has informed that as on 31.03.2023, 716 kits were active with 192665 enrolments/updates in the last 30 days against 727 active kits with 203974 enrolments/updates in the last 30 days as on 31.12.2022.

Convener 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)**

**25.5: Expanding and Deepening of the Digital Payments Ecosystem:**

Convenor informed to house that the, in steering committee meeting it is identified Chikkmagalur allotted to union Bank of India , Bengaluru Urban allotted to Canara Bank and Dharwad allotted to Bank of Baroda for new district for Expanding & Deepening of the Digital Payments Ecosystem.

**AGENDA 26: Skill development:**

**26.1: RUDSETI / RSETIs**

Convenor informed that there are 7 RUDSETIs and 24 RSETIS are functioning in Karnataka state as on 31.03.2023

**26.2: Status of RSETIs / RUDSETIs as on 31.03.2023 reported by sponsor Banks is as under:**

Convenor informed the house that total number of training programmes conducted were 980 against the target of 855 as on 31.03.2023.

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

Convenor informed to house that number of trained persons were 24937 and number credit linked out of said training were 5682 during financial year 2022-23 as on March 2023

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)**

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

Convenor informed to house that 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.

Convenor informed that, Tahasildar Ballari Taluk has recommended allotment of 1.00 acre of land for RSETI building construction. SLBC requested the state Government to initiate the steps at an early date.

**(Action: Skill Development Department GoK)**

## **26.5 Providing add-on services through Toll Free Desk for addressing Public**

The total no. of calls received at the Helpdesk from April 2022 to March 2023 are 11464

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

**(Action: All Member Banks and LDMs)**

## **26.6 Fintech Adoption**

Convenor informed to house that FinTech has the potential to profoundly transform the financial landscape, provide consumers with a greater variety of financial products at competitive prices, and help financial institutions become more efficient. However, the increasing popularity of FinTechs could exacerbate data use, protection and privacy concerns. The rapid and transformational changes brought on by FinTech need to be monitored and evaluated so that regulators and banks can keep up with the underlying technological flux.

### **Table Agenda: -**

#### **1. SHG account opening status as on 31.03.2023**

Convenor informed the house that total 34379 SHG accounts were opened from 01.04.2022 to 31.03.2023 and 22 accounts are pending for opening. Bank of India and Indian Overseas Bank were requested to open the pending accounts immediately.

**(Action: Bank of India and Indian Overseas Bank)**

#### **2. Swami Vivekananda Youth JLG: -**

Convenor informed the house that Gazette notification received from Finance Department Govt. With regard to Swami Vivekananda Youth JLG, MINISTRY OF FINANCE (Department of Financial Services) vide notification dated 21st March, 2023 has notified as under.

1. Paragraph at Serial No.2 [xii] of chapter 1 of Notification No. S.O.1443[E] dated the 18<sup>TH</sup> April 2016 shall be read as :

"Eligible borrower" means new or existing micro unit / enterprise, including micro unit/enterprise set up under Joint Liability Group (JLG) framework, individually or jointly (irrespective of the availability of guarantee under JLG), falling under any sector covered under PMMY or as defined in the MSMED Act, 2006 (as amended from time to time), who meets eligibility criteria prescribed by the Fund and whose credit requirement does not exceed the specified limit under PMMY. Specified limit of the loan shall be Rs.10 lakh or such other amount as may be decided by the Fund from time to time. Further, Overdraft loan amount of Rs.10,000/- sanctioned under PMJDY accounts shall also be eligible to be covered under Credit guarantee Fund. Eligible borrower would also mean Self Help Groups who meet eligibility criteria prescribed by the Fund and whose loan amount is above Rs.10 lakh and upto Rs.20 lakh.

2. Paragraph at Serial No. 8 (i) (a) of Chapter III of Notification number S.O. 1443(E) dated the 18th April, 2016, shall be read as:

(a) During the base year (year of portfolio built-up) – Guarantee fee shall be paid on the sanctioned amount corresponding to the outstanding balance of the quarterly built up balance of the portfolio of micro loans, including micro unit/enterprise set up under Joint Liability Group (JLG) framework, individually or jointly, for the full year or broken period i.e. till March 31 of the subsequent year, as the case may be, and the



Guarantee will be valid upto the end of that financial year. It may be noted that for such sanctioned cases which have been cancelled/repaid/prepaid/taken over during the currency of the portfolio, no guarantee fee shall be charged for such sanctioned cases in the portfolio and no guarantee cover would be applicable.

3. Paragraph at Serial No. 9 (i) of Chapter IV of Notification number S.O. 1443(E) dated the 18th April, 2016, shall be read as:

- (i) In the nature of 'First Loss Portfolio Guarantee', wherein first loss to the extent of 3% of the amount in default, will be borne by the MLI and therefore, will be excluded for the claim. Out of the balance portion, the 'extent of guarantee' will be to a maximum of 75% of 'Amount in Default' in the portfolio or such other percentage as may be specified by the Fund from time to time on a pro-rata basis. The same shall apply for micro unit/enterprise set up under Joint Liability Group (JLG) framework, individually or jointly.

All other terms and conditions of the said Scheme shall remain unchanged

**3. Allocation of villages having population more than 3000 not having a brick and mortar branch within a radius of 5km for opening of branch to member banks.**

Convenor informed the house that DFS has sent communication for allocation of villages having population more than 3000 not having a brick and mortar branches within radius of 5 km.

The Chair has advised to allot the villages to concerned Lead Bank of the District. Accordingly 2 villages to Canara Bank (Salgaon & koppa –uttara Kannada) and 2 villages to state Bank of India (Ibrahimpur-Yadgir & Punajur State Forest-Chamrajanagar ).

**(Action: Canara Bank & State Bank of India)**

**SLBC – KARNATAKA  
LIST OF PARTICIPANTS  
161<sup>st</sup> SLBC Meeting held on 05.05.2023**

Sl. No.	Name Shriyuths -	Designation	Organization
1	Mrs. Vandita Sharma	Chief Secretary	Govt of Karnataka
2	Sri. Ramana Reddy E V	Additional Chief Secretary & Development commissioner	Govt of Karnataka
3	Mrs. Shalini Rajneesh	Additional Chief Commissioner	Planning & Youth Department GoK
4	Sri. Shivshankar	Managing Director	RGHCL
5	Mrs.Ekroop Caur	Secretary-Budget	Govt of Karnataka
5	Mr. P N Raghunath	O-I-C, & Chief General Manager	RBI, Bengaluru
6	MS Sunanda Batra	General Manager	Reserve Bank of India
7	Sri. Hardeep Singh Ahluwalia	Executive Director	Canara Bank
8	Sri. T Ramesh	Chief General Manager	NABARD
9	Sri A Muralikrishna	Convenor-SLBC Karnataka	Canara Bank
10	Sri B Parshwanath	DGM SLBC	Canara Bank
<b>CONVENOR – Canara BANK</b>			
11	Preveen M P	Assistant General Manager	Canara Bank
12	T S Vasudevatachar	Divisional Manager	Canara Bank
13	Amol R Akolkar	Manager - SLBC	Canara Bank
14	Anup kumar	Manager - SLBC	Canara Bank
15	Manoj Kumar Sinha	Manager- SLBC	Canara Bank
16	Vidya M	Manager- SLBC	Canara Bank
17	Vinay O Nirwani	Manager - LB	Canara Bank
18	Ankur	Officer - SLBC	Canara Bank
<b>MEMBER BANKS AND STATE GOVT DEPARTMENTS</b>			
19	P GopiKrishna	General Manager	Canara Bank
20	Anand	Senior Manager	Canara Bank
21	Anurag Joshi	General Manager	State Bank of India
22	M Rajshekhar R	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	Manoj K Sinha	Assistant General Manager	Bank of Baroda
26	Venkatesh	Senior Manager	Bank of Baroda
27	Rajesh B	Manager	State Bank of india
28	Sandeep Dharkar	Deputy General Manager	NABARD
29	S K Sharma	Assistant General Manager	Punjab National Bank
30	Suman Kumar	Chief Manager	DBS Bank
31	Sunil Kurthkoti	Advisor	GoK FD-FR
32	All member banks , all state govt departments & LDMS		Through VC

