

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

**AGENDA NOTES FOR 162nd SLBC MEETING &
BANKING STATISTICS AS ON 11.08.2023**

As per the revised RBI guidelines on Lead Bank Scheme, SLBC Karnataka is convened the Steering Committee Meeting on 24.07.2023 at 3rd Floor, Conference Hall, Canara Bank, HO Annexe, Gandhi Nagar, Bengaluru under the Chairmanship of Sri. M Bhaskara Chakravarthy Convenor SLBC Karnataka and General Manager, Canara Bank. The suggestions made in the meeting have been duly incorporated.

AGENDA 1: Confirmation of the minutes of 161st SLBC meeting held on 05.05.2023.

The minutes of 161st SLBC meeting held on 05.05.2023 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

Sl.	Action Points	Action Taken
01.	Standardized system for direct flow of data from CBS of the member banks.	Despite repeated reminders Bank of Maharashtra, DBS Bank Indian Bank, Indian Overseas Bank and Indian Bank, DCB Bank and IndusInd Bank have delayed in uploading the data.

Agenda 2.1: Progress under Social Security Schemes:

(No. of enrolments in lakh)

Scheme	Outstanding as on	
	31 st March 2023	30 th June 2023
PMSBY	196.58	140.72
PMJJBY	87.82	95.03
APY	28.36	29.07

NOTE: The variation in data for PMSBY is due to the decrease in data reporting by SBI (March 88.61 lakh & June 28.87 lakh, difference of 59.73 lakh) and Canara Bank. (March 17.70 lakh and June 13.86 lakh, difference of 3.84 lakh for PMJJBY)

- DFS Gol has launched 3 months' saturation campaign at Gram Panchayat level to a cover all Gram panchayats. Due to state elections, Model Code of Conduct (MCC) Karnataka has started the campaign from 16.05.2023. Under Jansuraksha Campaign for PMJJBY and PMSBY Karnataka state have enrolled **26,54,811** and **68,90,856** against target of **25,18,711** and **83,77,962**. PAN India basis SLBC Karnataka secured **1st** position under enrolment as on date
- SLBC glad to inform that banks have covered **100% GP** under this scheme.
- Bank wise progress under all the above social security schemes as on July 2023 is provided in Annexure 1. (page no. 42).

Agenda 2.2 Conducting Special District Level Review Committee meeting and credit outreach programme: -

A meeting of Consultative committee attached to Ministry of Finance was held on 19.06.2023 under the Chairmanship of Hon'ble Finance Minister on the subject "Financial Inclusion – Progress & Prospectus. Finance Minister instructed to hold special District Level Review Committee (DLRC) meetings at the earliest, in each district between 15th July 2023 to 15th August 2023 duly involving the MPs of respective district without fail, wherein a roadmap to open bank account of all unbanked adults would also be prepared. Also Finance Minister instructed to identify five most credit deficient districts of each state to give boost to credit off take in those districts. Accordingly credit deficient districts have been identified by DFS based on data of quarterly statistics on deposit & credit.

As per DFS 5 credit Deficient District are identified namely **Bengaluru Urban, Bengaluru Rural, Dakshina Kannada, Udupi and Uttara Kannada** to credit outreach programme on regular basis.

Agenda 3: PMSVANidhi scheme:

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

It has been decided to keep a minimum repayment period of six months for 2nd loans to be eligible for the next cycle of loan with an enhanced limit. Minimum Loan amount for 3rd loans in PMSVANidhi scheme is Rs.30000/-

Karnataka Ranks 5th position in sanction of PMSVANidhi loans.

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

Progress under PMSVANidhi scheme in Karnataka state as on 30.06.2023

Term	Target	Total Loan Applied (Eligible Applications)	Sanctioned	DISBURSED	Returned by Bank	% Sanctioned against Eligible Loan Application	% Disbursement Against Sanctioned
1st Term	313000	269958	247558	207798	22400	91.70	83.94
2nd Term	110200	91078	78389	67239	12689	86.07	85.78
3rd Term	19900	10167	9937	8208	230	97.74	82.60
Total	4,43,100	3,71,203	335884	2,83,245	35,319		

Major Pendency are under following banks. - **Karnataka Bank (9956), Canara Bank (3179), Union Bank of India (603), KVGB (4111), KGB (2212) Bank of Baroda (737) and HDFC Bank (568).**

As the pendency includes returned/rejected applications also, SLBC has addressed a letter to FD-FR GoK for modification of portal. We request all ULBs to source maximum application under this scheme to reach the target.

Bank wise & district wise sanction/disbursements/pendency/rejection of applications under the scheme and guidelines are furnished in Annexure -2 page no. (43-49)

**AGENDA 4: Review Of Credit Disbursement By Banks:
4.1. Achievement under ACP and Priority Sector Lending**

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

Sector	Annual Target	Mar-23		Annual Target	Jun-23	
	2022-23	Ach	% Ach.	2023-24	Ach	% Ach.
Short Term Loan	81896	79157	96.66	97994.6	24605.16	25.11
Agri Term Loan	58977	80595	136.65	79474.86	22703.46	28.57
Total Agri Loans	140873	159752	113.4	177469.46	47308.62	26.66
MSME	129604	117835	90.92	132129.35	57316.84	43.38
Export Credit	3967	791	19.94	3948.17	172.06	4.36
Education	6316	1148	18.18	4539.83	142.49	3.14
Housing	32794	5403	16.48	25571.57	1362.65	5.33
Social Infrastructure	2549	1119	43.9	3659.27	11.23	0.31
Renewable Energy	3565	35	0.98	2868.92	3.22	0.11
Other PSA	10555	9687	91.78	15959.94	2494.00	15.63
Total PSA	330223	295769	89.57	366146.51	108811.11	29.72
Total Non-Priority	259483	470614	181.37	477663.12	148233.91	31.03
Total Credit	589706	766383	129.96	843809.65	257045.02	30.46

Bank wise & sector wise level of disbursement/achievement in PSA and NPSA under Annual Action Plan during June quarter 2023 is provided in Annexure--3 (Page no. 50- 63).

Bank wise level of outstanding for PSA and NPSA as on 30.06.2023 Annexure-4 Page no (64-73)

4.2 Major Bank wise performance/Achievement of ACP as on June 2023: (Rs in crores)

Name of the Bank	TOTAL PRIORITY			TOTAL CREDIT		
	Target	Achievement	% Achieve	Target	Achievement	% Achieve
PSBs						
Canara Bank	53406.61	13633.01	25.53	104359.49	28970.12	27.76
State Bank Of India	47117.76	7075.47	15.02	109709.90	13892.99	12.66
Union Bank Of India	28180.27	9533.90	33.83	64377.95	18533.14	28.79
Bank Of Baroda	25076.20	8110.42	32.34	54498.43	14285.71	26.21
Bank Of India	6235.52	2095.48	33.61	12688.90	3665	28.88
Bank Of Maharashtra	2139.94	318.16	14.87	8424.26	798.32	9.48
Central Bank Of India	1876.71	491.04	26.16	3857.24	895.35	23.21

Indian Bank	7221.78	1347.63	18.66	16062.12	3878.95	24.15
Indian Overseas Bank	3250.59	432.25	13.30	6062.37	686.1	11.32
Punjab National Bank	1872.75	335.46	17.91	7178.16	1361.75	18.97
Punjab And Sind Bank	300.74	102.69	34.15	492.08	899.01	182.70
UCO Bank	2672.59	201.62	7.54	3951.99	267.55	6.77
Major Pvt Banks						
Karnataka Bank	7265.07	6696.57	92.17	19014.26	9660.71	50.81
HDFC Bank	24869.68	12392.65	49.83	85769.94	40314.79	47.00
Axis Bank	9199.73	8704.14	94.61	28401.35	16019.9	56.41
ICICI Bank	15850.23	7948.01	50.14	58028.88	31065.67	53.53
Kotak Mahindra Bank	14590.54	4494.98	30.81	35032.97	8070.95	23.04
RRBs						
Karnataka Grameena Bank	17931.55	3598.92	20.07	21352.64	3818.75	17.88
Karnataka Vikas Grameena Bank	10074.10	1935.83	19.22	12553.34	2316.73	18.46
Co-Op Sector						
K.S.Coop Apex Bank Ltd	32288.70	6360.45	19.70	40482.54	10514.87	25.97

SLBC request all the member banks for special initiative to achieve priority sector targets on regular basis especially in case of agriculture, MSME, Housing, and Education sectors.

Agenda 5. ACP performance district wise (Top 5 district and bottom 5 five district)

SR. No.	Name of the Bank	Priority Sector			Total Credit		
		Target	Achievement	% Achieve	Target	Achievement	% Achieve
Top 5 district under ACP performance							
1	DAKSHINA KANNADA	16423.54	9507.36	57.89	43299.98	17048.34	39.37
2	DHARWAD	6874.95	3898.11	56.70	14580.69	6284.16	43.10
3	HAVERI	3907.37	1892.41	48.43	4274.83	2265.74	53.00
4	CHIKKAMAGALURU	5086.04	2137.14	42.02	7142.78	2534.80	35.49
5	KODAGU	3223.89	1330.64	41.27	4504.70	1917.19	42.56
Bottom 5 District under ACP performance							
1	BIDAR	5920.37	782.57	13.22	9788.09	1220.09	12.47
2	GADAG	4985.52	856.38	17.18	5930.1	1038.13	17.51
3	VIJAYAPURA	11274.2	1969.71	17.47	15529.4	2758.17	17.76
4	HASSAN	13638.6	2471.89	18.12	15838	2963.27	18.71
5	KALABURAGI	8478.26	1597.84	18.85	10684	2247.35	21.03

AGENDA 6: PMAY-U (Housing for All 2022)

Rajiv Gandhi Housing Corporation Limited:

RGHCL has been nominated as State Level Nodal Agency for implementation of PMAY (U).

Affordable Housing in Partnership (AHP)

Under AHP vertical, 347453 houses are being constructed under 400 projects across the State through RGHCL, ULBs and KSDB.

Regular meetings are being held at various level ACS & Development Commissioner, Secretary, DoH, MD, RGHCL & SLBC etc., to review the progress and sort out the bottlenecks.

Based on banker's request, GoK has relaxed all the conditions in order to ease sanctioning loans.

Progress achieved in bank linkages under AHP vertical of PMAY (U) as on 19.07.2023 is as follows:

RGHCL / ULB / KSDB						
Implementing agency	Status	No of Houses required bank loan	No of loan applications submitted	No of loan applications sanctioned	No. of loan Disbursement	No of loan applications Rejected
ULB	Ongoing	42678	14287	4566	628	1456
RGHCL/ CM 1 Lakh	Ongoing	52735	2341	537	0	140
KSDB	Phase I	44061	15846	2961	219	1397
	Phase II	97134	5500	167	0	1450
Grand Total		236608	37974	8231	847	4443

SLBC requests member banks to conduct camps during next three months to clear the pending applications. SLBC requests member banks to inform the % of applications rejected for the reasons 'applicant having other loans" and income is low", henceforth. SLBC had convened meetings with major member banks where pendency is on higher side and requested member banks to clear the pendency where non tendered projects also including under pending applications. SLBC advised these banks to get the clarifications from RGHCL regarding inclusion of non-tendered/yet to tender applications. Major Pendency for sanctions are with **State Bank of India (6247), Canara Bank (6266), Union Bank of India (2829), Bank of Baroda (2233) and Karnataka Bank (1601),**

Union Bank of India was identified as Nodal Bank for digital documentation on AHP. Union Bank of India kindly update the latest status regarding the same.

Bank wise and District wise progress under PMAY-AHP provided in the Annexure - 5 (74-76)

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

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

(Rs in Cr)

Sl No	Name of the district	As on March 2023			As on June 2023		
		Deposits	Advances	CD Ratio %	Deposits	Advances	CD Ratio %
01	Uttara Kannada	20789.08	9003.29	43.31	20803.12	9122.9	43.85
02	Udupi	35260.33	16243.97	46.07	35634.63	17040.9	47.82

- **The CD Ratio of the state as a whole as on 30.06.2023 is 73.01%.**
- DCs and LDMs are requested to continue necessary corrective measures and continuously monitor the progress in their special subcommittee and DCC meetings.
- SLBC advised LDMs of these districts to form District Level Sub-committee to review progress under CD ratio on regular basis.
- Bank wise CD ratio as on June 2023 is provided in Annexure -6 [Page No.77-78].
- District wise CD ratio as on June 2023 is provided in Annexure - 7 (Page No.79).

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

As on 30.06.2023, about **Rs. 25.49** crores are pending to be released by SRLM to various RSETIs in Karnataka and the pendency is continuing for many years. SLBC once again request SRLM to clear the long pending dues to banks. RSETI wise details are provided in Annexure - 8 (page No. 80-81)

Bank Name	Pending Amt.(Actuals)
Canara Bank	85593065.6
Union Bank	34822457
Kotak M Bank	4750207
RUDSETI	63043222
SBI Total	41059559
DCCB Bidar	12785108
BOB (VB) T	12888410
Total	254942028.6

AGENDA-9: Review of financial inclusion initiatives, expansion of banking network and Financial Literacy

As per Jan Dhan Darshak app and FI Plan portal, as on date, there are 16 unbanked villages without any Branch, BC, or IPPB within a radius of 5 KM as on May 2023. Out of 16 villages 2 villages BC are already appointed by BOB and IPPB. Now remaining 14 villages are unbanked and same we have allotted these villages to member Banks to open banking outlet and update the same in JDD portal.

Out of 16 villages, 9 villages already having IPPB centres. Due to technical error they are unable to update in JDD portal and the same is taken up with DFS, Gol.

Out of remaining 5 villages State Bank of India is yet to appoint 4 BCs. SBI has informed that they are unable appoint BC at those 4 villages due to village population is low and poor connectivity issue and same has been taken up with DFS, Gol. Karnataka Vikasa Grameena Bank is yet to appoint 1 BC.

We request KVGB [1] and, SBI [4] to appoint banking outlets immediately.

Present status of unbanked villages in Karnataka State:

Villages not having any	More than 5000 population villages	Between 3000 to 5000 population villages	Less than 3000 population unbanked villages
	Nil	6 villages	14 villages

banking outlet		2- Canara Bank 2- SBI 1-KGB 1-IPPB	9 – IPPB (already IPPB BC exists due to technical error unable to update in JDD portal) 4 – SBI (yet to appoint BC , SBI has informed that they are unable to appoint BC at these 4 villages due to village population is low & poor connectivity and same has been taken up with DFS,Gol) 1 – KVGB (1 yet to appoint BC)
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Present status of opening of brick & mortar branches at more than 3000 populations:

Sl.no	District	Sub District	Village name	Village code	Population	Allocated bank	Present status
1	Uttara Kannada	Mundgod	Salgaon	603039	3474	Canara Bank	Canara Bank communicated vide their letter dated 26.07.2023 that as per their survey it is informed that already Canara Bank branches exists at Mundgod village which is 3.5 km away from Salgaon village and Shirali village which is 4 km away from Koppa village. We taken up with DFS, Gol for further guidance.
2	Uttara Kannada	Bhatkal	Koppa	603823	3832	Canara Bank	
3	Yadgir	Shahpur	Ibrahimpur	621138	3905	State Bank of India	SBI has conducted preliminary survey and searching for suitable premises. RBO is arranging for paper notification on 14.07.2023.
4	Chamara janagara	Chamara janagar	Punajur State Forest	619781	4705	State Bank of India	SBI vide their survey report dated 19.06.2023 has reported opening of brick & mortar branch at Punajur State Forest village is not feasible. We have instructed SBI to take up the matter with DFS, Gol through their Head Office for change of new location.
5	Belagavi	Athani	Sambaragi	597255	4116	IPPB	Sambaragi Village already had a post office in the village itself and IPPB services were not provided due to unavailability of permanent DOP staff. IPPB has confirmed that the Sambaragi post office is now manned by a regular DoP employee from the co-located access point to provide IPPB services to the mentioned village.
6	Raichur	Lingsugur	Yalagatta	-	-	Karnataka Gramin Bank	District Magistrate has granted consent to open the Branch at Yalagatta village in their letter dated 04.07.2023 & No. MSC/ /2023-24-RAI_PRO-Raichur Dist. Accordingly we have taken the following steps- 1. Building identification: We have identified one premise in Yelagatta village. Rental negotiations are under way. 2. Tentative date of opening the branch is on or before Q2 FY 2023-24.

AGENDA 10: Financial inclusion Initiatives:

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

As on June 2023	Total No. of BC locations	No. of active BCs available	No. of inactive BC locations	BCs certified by IIBF
	76212	65323	10889	8981

*As on 30.06.2023, the No. of inactive BCs are **10889**. This is due to high number of inactive BCs of following banks:

Bank Name	Inactive BC as on 31.03.2023	Inactive BC as on 30.06.2023
Yes Bank	10956	9390
Canara Bank	73	122
State Bank of India	268	292
Bank of Baroda	315	315
AXIS Bank	0	499
HDFC Bank	79	65
IDFC Bank	36	51

Bank wise details of BCs as on 30.06.2023 is furnished as an Annexure -9 (page No. 82-83)

10.2: Financial literacy initiatives by banks.

The status of FLCs as on 30.06.2023 as reported by sponsor Banks is as under:

	Financial Literacy Centers (FLCs)				Total FLCs
	As on 31.03.2023		As on 30.06.2023		
	Functional	Non Functional	Functional	Non Functional	
Total	151	26	148	29	177

SBI, BOB, UBI & BOI, Banks are requested to expedite appointment of 19,1,7 & 1 FL Counsellors respectively and make these FLCs functional. SLBC requests member banks to ensure that all FLCs are functional by 30.08.2023

Activities of FLCs enclosed in annexure- 10 (page No.84)

AGENDA 11: Inputs from RBI:

I. Financial Inclusion & Financial Literacy

a. Appointment of Financial Literacy Centres (FLCs):

Out of the 177 Financial Literacy Centres (FLCs), 151 FLCs are active as on June 30, 2023 leading to vacancies of **29 FLCs** (16.38% of the available positions).

S.No.	Concerned Bank	Vacancies in FLCs	
		As on March 31, 2023	As on June 30, 2023
1	State Bank of India (SBI)	15	19
2	Union Bank of India (UBI)	6	7

3	Canara Bank	0	1
4	Bank of Baroda (BoB)	0	1
5	Bank of India (BoI)	1	1
	Total	23	29

Despite advising Controlling offices of the above banks during last SLBC meeting to appoint FLCs in vacant positions and to initiate measures to reduce attrition amongst the FLCs, number of vacancies have increased for all except BoI. Controlling offices of the above banks are advised to explain the reasons for the above deterioration in vacant positions.

b. 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:

- (i) 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.
- (ii) Minimum number of camps by rural branches of banks are conducted (one camp per month on the Third Friday of each month after branch hours).

However, there was a shortfall in holding 6732 camps by 6030 rural branches across the state during June 2023 quarter. Decline in shortfall in no. of camps held by 1798 is observed vis-à-vis last quarter. However, shortfall continues to be high and is unacceptable.

Data on shortfall in FLC camps for Mar 2023 and June 2023 quarters

Shortfall data	Mar-23			Jun-23		
	No of Banks	No of FLCs	Shortfall	No of Banks	No of FLCs	Shortfall
Special Camps	5	11	40	4	10	23
Target Specific Camps	7	15	120	4	10	44

The shortfall in conduct of FLC camps has declined in June 2023 vis-à-vis March 2023. Detailed data on shortfall in FLCs camps for Mar 2023 and June 2023 quarters is given in **Annexure-44 and 44 A.** (page no 197-198)

In this regard, controlling offices of the banks are advised to:

- (i) Ensure that FLCs (listed in Annexure 1A) that are failing to hold requisite camps for consecutive quarters are monitored more closely
- (ii) Monitor FI activities of rural branches to ensure conduct of requisite camps every month by the branches.

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

During the last SLBC meeting, there was 11889 BCs (16.68%) were inactive out of total 71268 BCs as on March 2023. As on June 30, 2023, there are 10390 (14.02%) inactive BCs out of total 74090 BCs. The list is furnished in **Annexure 44 B** (page no 199-200)

	NAME OF THE BANK	Active BCs (June 2023)	Inactive BC (June 2023)	Total BC (June 2023)	% of inactive BCs (June 2023)	% of inactive BCs (March 2023)	Q-o-Q Variation %
1	STATE BANK OF INDIA	2618	292	2910	10.03	10.69	-0.66

2	BANK OF BARODA	1416	315	1731	18.20	18.20	0
3	PUNJAB NATIONAL BANK	32	36	68	52.94	52.94	0
4	UCO	27	29	56	51.79	60.38	-8.59
5	HDFC BANK	346	65	411	15.82	17.29	-1.47
6	YES BANK	25412	9390	34802	26.98	35.18	-8.2
7	IDFC FIRST BANK	390	51	441	11.56	7.9	+3.66

There has been reduction in the percentage of inactive BCs for State Bank of India, UCO bank, HDFC bank and Yes bank.

There is no change in the position w.r.t Bank of Baroda and PNB. The percentage of inactive BCs has increased for IDFC First bank. SLBC and the controlling offices of BoB, PNB and IDFC First bank are requested to update in this regard.

d. Financial Inclusion Index (FI-Index)

Based on 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 was advised to have an agenda item on this aspect for monitoring performance of the parameters across all districts. Data format for monitoring the progress was forwarded to SLBC vide e-mail dated October 10, 2022 and August 07, 2023. SLBC was also advised to provide an update on their letter dated Dec 13, 2022 sent to the LDMs regarding forming sub-committee for FI index in Ballari, Udupi and Uttara Kannada district.

II. Lead Bank Scheme

a.DCC/ DLRC meetings

(i) As per para 2.2.2 and Annex V of the Master Circular on LBS dated April 03, 2023, it needs to be ensured that meetings are held at quarterly intervals. It has been observed that both District Consultative Committee (DCC) and/or District Level Review Committee (DLRC) meetings of previous quarters, i.e., March 2023, of the following districts have not been held till August 07, 2023: -

S.No.	District	Lead Bank	Concerned Quarter	Expected date of Meeting
1	Chamarajanagar	SBI	March 2023	
2	Kodagu	Union Bank	March and June 2023	August 10, 2023

(ii) It has been observed that both DCC and DLRC meetings (of 11 districts) for the quarter ended March 2023 in Bagalkot (July 04, 2023), Bengaluru Urban (August 05, 2023), Chikkamagaluru (July 11, 2023), Gadag (July 19, 2023), Hassan (July 14, 2023), Haveri (July 18, 2023), Raichur (July 05, 2023), Shivamogga (July 14, 2023), Tumakuru (August 05, 2023), Udupi (July 11, 2023), Uttara Kannada (July 07, 2023) and Kolar (July 27, 2023) were held beyond the prescribed timeline of 90 days from end of concerned quarter. Controlling Heads of the lead bank of concerned districts are advised to avoid such delays in future. State Government is also requested to issue necessary instructions to the concerned.

b. Meetings of SLBC Sub-Committees

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

SI No.	Sub Committee	Convenor Bank	QE March 2023
1	Recovery and rehabilitation and Govt. Sponsored Schemes	State Bank of India	Not conducted
2	Currency – Security (newly formed)	State Bank of India	Not conducted

State Bank of India may please state the reasons for non-conduct of the above meetings.

c. Delay in data submission by Banks in SLBC Revamped Portal

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

Based on last meetings ATR, SLBC has written letters to ED of the banks with a request to advise their bank controlling offices to upload the data on time. **However, the issue has not been resolved and 10 banks, listed below, had not submitted data for June 2023 by due date i.e. (IndusInd Bank, Bank of Maharashtra, DCB Bank, DBS Bank (e-LVB), Axis Bank, Indian Bank, CSB bank, Fincare SFB, Apex bank and Bank of India).**

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. Further, delayed submission of various statements – Strengthening of Monitoring Information System (All-inclusive MIS), PRAGATI, Statement for Local Board meeting has been assigned risk rating in our RBIA audit.

SI. No.	Statement	Delay for March 2023	Delay for June 2023
1	MIS (within 15 days of end of quarter)	26 days	Not received yet (Interim data received on August 03, 2023)
2	Local Board	19 days	Not received yet
3	PRAGATI	26 days	NA (Half yearly statement)

An e-mail dated July 03, 2023 followed by reminders (latest sent on August 03 and 07, 2023) has been sent to SLBC with the list of statements to be forwarded along with the timelines for quarter ended June 2023.

SLBC is, therefore, now advised to form a committee to streamline this data collection process and eliminate the risk of delayed, incomplete and unreliable data.

d. Standardized system for data flow on SLBC/ UTLBC website

Please refer to para 2.3.5 of RBI Master Circular on Lead Bank Scheme dated April 03, 2023 on SLBC Website – Standardisation of information /data, which envisages that SLBC Convenor Banks are required to maintain the SLBC websites where all instructions pertaining to LBS and

Government Sponsored Schemes are made available and are accessible to the common man desiring any information relating to the conduct of meetings or State-wise data/ bank-wise performance. In order to standardize the information and data that is to be made available on the SLBC website, an indicative list has been provided in the **Annexure 46**.(page no 202) SLBC should arrange to place the prescribed minimum information on the websites of SLBCs of their bank and keep it updated regularly, at least on quarterly basis.

The following deficiencies were identified in the SLBC, Karnataka website and communicated vide e-mail dated July 20 and August 07, 2023:

- i) Calendar of meetings – For FY 2023-24: The four quarters to be correctly mentioned
- ii) Financial Inclusion - Data available till December 31, 2022, needs to be updated

SLBC has confirmed uploading the current Calendar of meetings and the remaining data as on March 31, 2023 vide e-mail dated August 07, 2023. However, it is found that, the quarters are wrongly mentioned as March 2022 in the Calendar of meetings and under Financial Inclusion, the database on FLC and RSETI has to be updated. SLBC is requested to upload the current data and ensure updation of the portal at regular intervals.

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

i. The list of 16 unbanked villages in Karnataka (i.e. villages not having any bank branch/BCs/IPPB Centre within a radius of 5 km as on 31.05.2023) from Jan Dhan Darshak App has been provided by Department of Financial Services, Government of India. List of villages is provided in **Annexure 45 (page no 201)**

ii. SLBC vide e-mail dated July 28, 2023, has provided the status of coverage of the unbanked villages by banking outlets. SLBC is requested to monitor and ensure the coverage of the remaining 5 unbanked villages, allotted to State Bank of India (4 villages) and Karnataka Vikas Grameen Bank (1 village), by banking outlets. SLBC, SBI and KVGB may please provide an update.

iii. With regards to opening of Brick-and-Mortar Branches in four villages (Huinahole, Hirehalli, Yarjanti and Salgar Basanthpur) of Karnataka, 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 (KGB) for opening of branch at Yalagatta Village instead of at Yarjanti. The Additional Deputy Commissioner of Raichur district has written a letter to the Regional Manager, Karnataka Gramin Bank, Raichur vide letter no MSC/2023-24/RAI/PRO/Raichur dated July 4, 2023 advising that the Additional Chief Secretary and Development Commissioner, Vidhana Soudha Bangalore, has granted the permission to open a brick and mortar branch of Karnataka Garmin Bank at Yalagatta village, Guruganta hobli, Lingsugur taluk, Raichur district in place of Yerjanti village. Regional Office of Karnataka Gramin Bank, Raichur vide email dated July 19, 2023 has confirmed that the premises have been identified and the feasibility test for network is under process and the branch will be opened within next 15 to 20 days. Karnataka Gramin Bank is requested to complete the process of opening of branch at the earliest (e-mail seeking update sent on August 07, 2023). SLBC/ Sponsor bank may follow up for expeditious opening of the branch.

IV. Expanding and Deepening of Digital Payment Ecosystem

(i) Haveri and Yadgir districts had been identified for deepening of digital payment ecosystem in the state in September 2021 (19 months ago). SLBC vide their mails dated May 17, 2023 and June 13, 2023, informed that Haveri and Yadgir districts respectively achieved 100% digital coverage.

In 161st SLBC meeting, three new districts viz. Bengaluru Urban, Chikmagaluru and Dharwad were identified for Expanding and Deepening of Digital Payment Ecosystem (EDDPE). Timeline for achieving 100% digitisation was fixed as Sep 30, 2023. As you all are aware that Kerala and Telangana have achieved 100% digitisation of all districts in their state. Karnataka is lagging behind. All banks are advised to achieve 100% digitisation in all three districts at the earliest. It is a matter of concern that RBI is yet to receive data for EDDPE in the above identified districts. SLBC may present data on digitisation of these three districts so far in 162nd SLBC meeting.

Since the 158th SLBC meeting held on September 15, 2022, banks have been continuously advised to enhance digitization process through **UPI123PAY** for feature phone users on a large scale and SLBC was advised to monitor the progress in this area. SLBC and banks may update the current status.

V. Annual Credit Plan (ACP) as on March 31, 2023:

Basis para no. 3.2 (e) of Master Circular on Lead Bank Scheme dated April 03, 2023 and advices in earlier SLBC meetings and EC meetings on RRBs and MSMEs, SLBC modified bank-wise Annual Credit Plan target for 2023-24 which was released on July 01, 2023. The state level bank-wise targets have now been more closely aligned with bank's achievements in FY 2022-23. All member banks are requested to strive hard to ensure that the targets envisaged are achieved. **NABARD is requested to look into districts where PLP has been much higher than respective DCPs or vice-versa for last two years. These districts are Bengaluru Urban, Bidar, Chikkaballapur, Chikkamagaluru, Davanagere, Dharwad, Kodagu, Kolar, Tumakuru, Haveri, Ramanagara, Uttara Kannada and Vijayanagar. NABARD may form special committees for these districts to examine reasons for non-realisation of potential and suggest concrete steps to achieve the potential.**

VI. District Level Special Sub Committee of the DCC to monitor CD Ratio

As per letters dated May 30, 2023 from the Additional Chief Secretary to the Deputy Commissioners of Uttara Kannada and Udupi Districts, the Lead Bank of these districts have been requested to constitute a District Level Sub Committee to review the CD ratio and take remedial actions to increase the CD ratio to 60%.

The Lead Banks have also been requested by RBI vide e-mails dated March 16, July 11, 12 and August 07, 2023 to form a sub-committee of major banks present in the district for monthly review of ACP target and CD Ratio, besides designing strategies to achieve the ACP targets. SLBC to please furnish a response.

Sl. No	District	CD Ratio as on March 2023	CD Ratio as on June 2023
1	Uttara Kannada	43.31	43.85
2	Udupi	46.07	47.82

VII. Priority Sector Lending - targets and classification

It has been observed that that the banks are submitting the data on loans for setting up Agri-clinics and rural godowns under Investment Credit, which is a sub-component of farm credit. However, in terms of Annex II of Master Direction — Priority Sector Lending — targets and classification dated September 4, 2020 (updated from time to time), setting up of Agri-clinics are a part of Ancillary Activities and loans for construction of storage facilities are part of

Agriculture Infrastructure. The instructions were forwarded to SLBC vide e-mail dated July 05, 2023.

All member banks are requested to classify loans for setting up of Agri-clinics and loans for construction of storage facilities (including godowns) as eligible activities under Ancillary activities and Agriculture infrastructure respectively. The impact of reclassification may be collated by SLBC and shared with RBI as requested vide e-mail dated August 07, 2023.

VIII. “100 Days 100 Pays” Campaign

Reserve Bank had recently come out with a focused campaign under the caption “100 Days 100 Pays”, with primary purpose to persuade the banks to make concerted efforts to trace and settle the top 100 unclaimed deposits of every bank in every district of the country within 100 days. The campaign, which commenced on June 01, 2023 will run for 100 days and conclude on September 08, 2023. RBI press release on the above campaign is enclosed as **Annexure - 47. (page no 203)**

A meeting was held by RBI (DoR, CO) with Top management of select banks on July 19, 2023 to review the progress made by them in the captioned campaign and it was observed that the performance of these banks was abysmal and far from satisfactory both in terms of outcomes achieved and the strategies envisaged to accomplish them. These banks are Axis Bank, Bank of India, Bank of Maharashtra, Canara Bank, HDFC Bank, Indian Bank, Indian Overseas Bank, SBI, UCO Bank and Union bank of India. The details are furnished in **Annexure 47A and 47B. (page no 204-208)** State Heads of these banks are requested to make sincere efforts to achieve better outcome by the end of campaign.

In this connection all the banks and SLBC are already given reporting format by RBI (FIDD, Bengaluru). To accelerate the progress of the campaign, two meetings were conducted by RBI, Bengaluru viz, on July 25, 2023 with the heads of 14 banks having Unclaimed deposits and on July 26, 2023 with the LDMs of all 31 districts. RBI is taking weekly updates. Eight banks had reported during the meeting held on July 25, 2023 that 372 accounts amounting to Rs.19.24 crore have been settled. However, 6 banks (Indian Bank, HDFC, ICICI, UBI, BoM, and BOI) did not furnish the data. The data on the progress of the campaign as furnished by bankers during the meeting dated July 25, 2023 is given in **Annexure 47C. (page no 209)** In this regard, we request banks to sensitize the staff handling cases of deceased depositors and dealing with nominees/ legal heirs.

All banks were advised by SLBC vide email dated June 21, 2023 to furnish the data in the prescribed format, however eight banks viz, PNB, BoB, UBI, Indian Bank, IOB, HDFC Bank, BoM and Axis Bank had not furnished the data to SLBC for the week July 27, 2023 to August 02, 2023. All banks are requested to furnish the data to SLBC on time.

SLBC has vide e-mail dated July 31, 2023 forwarded to State Government the list of 44 unclaimed deposit A/Cs in non-retail segment (Govt. A/Cs). State Government is requested to provide an update.

IX. Status of Karnataka in Southern Region (Based on RBI Local Board Observations)

During the meeting of the Standing Committee of Central Board for Southern Region held on May 22, 2023, the following points were observed:

- a) NPA% in MSMEs of Karnataka at 7.54% is higher than NPAs for Southern zone at 6.91%. However, it may be noted that the state has reduced its NPA in MSMEs percentage by 8.27% on Q-o-Q basis.

- b) CD Ratio as on March 2023 is 72.38 for Karnataka while the Southern zone average is 85.13. However, the CD ratio registered a growth of 7.88% on Y-o-Y basis for Karnataka as against growth of 2.48% for Southern zone.
- c) NPA% in agriculture and allied activities for Karnataka at 11.07% is way higher than the Southern zone average of 5.67%.
- d) Y-o-Y growth in Priority Sector advances was in negative at (-1.45%) lower than the Southern zone average of (-0.04%)

The controlling heads of banks and SLBC are requested to take appropriate initiative.

X. Micro, Small and Medium Enterprises

a. Onboarding of Government & Corporate Buyers on TReDS platform

(i) Till date, GoK has confirmed that only 7 state entities have registered under TReDS and 6 are not dealing with MSMEs. The status of remaining 85 Government Undertakings and Boards/Corporations is awaited despite many emails/letters sent, latest sent on May 02, 2023. State government is requested to update the forum.

(ii) As ROC, Bengaluru telephonically informed that they are not maintaining data on registration of eligible companies on TReDS platforms, the banks were advised to provide the status. Till date, 10 banks have furnished the data. Accordingly, of the 408 eligible companies, 94 companies have registered on at least one of the three TReDS platforms and 11 companies which have availed bank finance have not registered on any of the TReDS platforms. All other banks are advised to provide the requisite data.

(iii) The contact details of remaining eligible entities have again been sought from ROC Bengaluru vide our email dated January 12, 2023, so as to educate MSMEs on the benefits of onboarding on TReDS platform. A meeting to discuss the implementation of TReDS with select bank representatives, ROC and MSME-DFO was also held on January 24, 2023 at RBI Bengaluru. We are planning to hold series of familiarization programmes for onboarding of eligible Corporates and MSMEs on TReDS. Controlling offices of banks are also advised to instruct LDMS to create awareness about Trade Receivables Discounting System (TReDS) and discuss the progress of onboarding eligible entities on TReDS in BLBC/ DCC meetings.

XI. 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 should be established. In this regard, a 'Lead Institution Scheme' was suggested by RBI to GoK for consideration vide letter dated Nov 24, 2022. GoK secretary, Finance Department had forwarded the scheme to Agriculture Department on December 08, 2022. The Agriculture department is requested to update the forum.

(ii) RBI top management has instructed to bring population outside the ambit of the formal 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 in 159th SLBC meeting 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 in the 160th and 161st SLBC meeting to request Lead districts banks to conduct one survey each in one taluk to identify such population, utilising services of FLCs and CFLs. SLBC may update action taken.

It is 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 in the previous meeting to identify the districts lagging behind in agriculture infrastructure and having lower per capita income & credit for agriculture vis-à-vis their potential. Further, NABARD was requested to suggest higher PLP for such districts. NABARD may please update the forum on the action taken.

XII. Representation from the Karnataka Cashew Manufacturers Association

The Karnataka Cashew Manufacturers Association has represented that cashew processing industries provide employment to thousands of women and their families in the coastal parts of Karnataka (Dakshina Kannada, Udupi and Uttara Kannada) and has contributed to the economy of these areas. However, in recent times the cashew processing units are facing the below mentioned hardship:

- i. Low volume of export sales due to global uncertainties post COVID pandemic.
- ii. The alarming rise in illegal import of cashews by avoiding import duty, which has resulted in stiff competition for the domestic producers.

The Association has represented that the above reasons have affected the cash flow generation capability of the cashew processing units and they have been unable to make timely repayment of loans extended under COVID rehabilitation package (Resolution Framework 2.0: Wherein facility to restructure existing standard loans without a downgrade in the asset classification was extended to MSMEs whose exposure to the banking system does not exceed 50 cr).

In view of the above, the Association has requested relief as under:

- a) Moratorium of at least 18 months for the WCTL and extension of repayment period
- b) Moratorium on repayment of EMIs towards GECL 2.0 till the closure of EMIs with regard to GECL 1.0 also with term of repayment extended accordingly.
- c) Provide FITL (Funded Interest Term Loan) for the total overdrawn amount in all the accounts with bullet repayment after 12 months from closure of GECL 2.0
- d) Reduction in the Rate of Interest in accounts which have availed WCTL and COVID loan packages as they are already stressed accounts

Further, KASSIA has forwarded another copy of the representation, dated July 13, 2023, which is addressed to Finance Minister. KASSIA has requested vide their letter dated July 10, 2023, that the loans given to Cashew Manufacturing Units to be restructured and rescheduled by the banks by extending repayment period by another 5 years. The case studies and data received from LDMs (Udupi, Uttara Kannada and Dakshina Kannada) are presented in **Annexure 48**. (page no 210-216) The SLBC Convenor was advised in 162nd SLBC Steering Committee meeting held on July 24, 2023, to hold a meeting with banks and discuss on case to case basis and make recommendations to SLBC. Accordingly, a meeting was held by SLBC with bankers on August 01, 2023 and the proceedings forwarded by SLBC vide their e-mail dated August 05, 2023.

XIII. Creating charge on security by banks

The issue of keeping original property documents instead of creating mortgages so that stamp duty is not payable was discussed in the Frontline Manager's conference and also in the 70th EC meeting on MSME held on May 12, 2023. Majority of the banks have responded that creation of charge is mandatory so that the banks can exercise legal recourse in case of delinquent loans

A. Charges related	EQUITAS SFB	Federal Bank	Jammu and Kashmir Bank Ltd	DBS Bank	Indian Overseas Bank
iv) The banks may keep original property documents instead of creating mortgages so that stamp duty is not payable.	Noted for guidance. However presently Article 6 of the Karnataka Stamp Act states the stamp duty on the equitable mortgage. The stamp duty is 0.1% on the loan/debt amount if the loan amount is less than rupees ten lakh. This aspect should be examined by the State Government.	Considering the legal aspect, it is mandatory to charge mortgages in order to implement the SARFAESI charge in case of defaulters.	Matter has been referred to Head office.	The bank will follow the applicable law in this regard and will rely on RBI's advisory on this specific subject matter before implementing any change.	The same is followed and stamp duty is as per state regulations.

State Government is requested to compare the stamp duty levied by other states and examine feasibility of bringing down the duty, especially for micro and small enterprises.

XIII. Banking related Issues

1. Delay in reimbursement of Pension claims

The four authorized banks disbursing pension in Karnataka named SBI, Canara bank, Bank of Baroda and Union Bank of India have informed that around ten percent of the pension claims relating to DA arrears, gratuity, commutation, pension arrears etc. are not being reimbursed due to technical and operational issues in the Khajane-II portal. This accumulation of pension amount has reportedly led to adverse remarks from the Auditors of the respective banks. Resultantly, these banks are not able to claim agency commission for the outstanding portion of the pension claims.

Canara Bank, vide letters dated December 15, 2022 and July 17, 2023 and Bank of Baroda vide letter dated November 29, 2022, requested RBI's intervention for expeditious reimbursement of the pending pension amounts. We had, vide letters dated December 15, 2022, January 19, 2023 and August 01, 2023, requested the Office of the Commissioner of Treasuries to undertake remedial measures for reconciliation of the transactions to facilitate immediate reimbursement. State Government is requested to do the needful.

2. Claim for refund of K2 challans credited twice

SBI had uploaded Khajane II E-payment challans for the transaction date January 12, 2023 twice in E Kuber - on January 13, 2023 and again on January 16, 2023. This had resulted in double credit of ₹24,03,28,060/- to the State Government of Karnataka. SBI has been following up with Cyber Treasury and Commissioner of Treasuries to refund the wrongly credited amount. However, the refund is yet to be made by the State Government. State Government is requested to refund excess paid.

3. Inputs on Standard Operating Procedure (SOP) on 'Invocation of BCP'

As a measure of business continuity in the event of a disruption scenario, Banking Department, in consultation with SBI and Canara Bank had drafted a 'Standard Operating Procedure' (SOP) on 'Invocation of BCP-Facilitating Cash Withdrawal for Government Department from Currency Chests'. A copy of the draft SOP was forwarded to the State Government on April 05, 2023, requesting them to provide their comments/inputs/confirmation on the same. Response from the State Government is still awaited. State Government is requested to look into the matter.

XIV. Market Intelligence Issues

1. Complaints against a Pune based entity "Ashtavinayak Investment Company"

Modus Operandi

It was observed that the entity would search for people who were looking for loans and would offer personal (unsecured) loans to them at lower interest rate, with the condition that clients would avail maximum permissible personal loans amounts from various banks and transfer the entire amount to Ashtavinayak. The entity would then transfer only the original loan amount required by the client at a low interest rate (5-7%) and allegedly invest the rest of the amount in its various businesses. It would also pay the due EMIs of all the loans availed by the clients. In lieu of the risk taken by the client, Ashtavinayak offered them a return of up to 10% of the total personal loans availed payable at the end of the loan tenure (3-5 years). As per one complaint, the individual had availed of personal loans amounting to Rs 1 crore from 10 different banks in the year 2019. Ashtavinayak paid EMIs for all the loans from 2019 to December 2022, after which the payments were stopped, and the promoter of the entity - Mr. Selva Kumar Nadar has been missing since February 2023. The entity thus duped people, in the garb of a loan cum investment scheme, offering attractive loans and an investment opportunity. Some complainants have alleged that even bank officials were involved in the scam, with the entity employees assisting clients in applying for loans at various banks simultaneously and getting loans disbursed quickly.

Member banks may find out and report if their bank employees were involved in any manner in the modus operandi. They are also advised to issue suitable instructions to plug gaps in existing systems and procedures that might possibly be exploited by such fraudsters / fraud companies.

2. Zero cost study advertisement by GEEKLURN

The accused company GEEKLURN posted on social media that it offers training for data science program course on Zero Cost EMI option and advertised Pay After Placement scheme. A case has been registered with crime Number No.133/2023 U/S 406,420,504,506 R/W 34 IPC and investigation is in progress.

The complainants enrolled in the Data Science Program course on the promise of getting the loan in the name of the students and paying the loan EMI every month in the form of scholarship to the bank account of the students by GEEKLURN till they get a job. However, after obtaining the loan amount, the accused company transferred the scholarship money to the complainant's bank account for only one month to pay the EMI and after that no EMI was deposited for two months.

During the Course of investigation, it is found that the accused company processed the Loans through 1) Avanse Financial Services (Finance Peer), 2) NDX P2P Private Limited (LIQUI LOANS). 3) Aditya Birla Finance Limited (Propelled), 4) Credenc web technologies Pvt Ltd, 5) Satya Micro Capital Ltd, 6) ADUVANZ LOAN (Aditya Birla Finance Limited), 7) JM FINANCE

(BLUEBEAR TECHNOLOGY Pvt Ltd). 8) Neev Finance Pvt Ltd, 9) Piramal Finance and 10) Finance Pear Etc, These NBFCs have directly transferred the loan amount to the account of Geeklurn. The banks are advised to review the accounts of Geeklurn and any of the students who enrolled for the above course and scheme.

3. Kerala man loses ₹40k to AI-enabled deep-fake fraud

A 73-year-old man in India fell victim to a deepfake scam after receiving a call from someone impersonating his former colleague and asking for money. The scammer used deepfake technology to create a video call in which the impersonator's face and voice matched the victim's former colleague. The victim transferred money before realizing that he had been tricked. Police have traced the money to an account in Maharashtra and are investigating further. This is the first reported case of a deepfake scam in India. Deepfake fraud uses facial re-enactment. It involves mapping of facial movements of one to another person in a video or audio recording, using AI. The banks are advised to be careful about this new type of scam and apprise their customers to be beware of the same.

4. Schemes floated by M/s Accel Info Tech

M/s Accel Info Tech, an unincorporated body (UIB), identifies itself as an authorized sub broker of Forex.com and is collecting unauthorized deposits from the public promising exorbitant returns by running a scheme which is akin to a pyramid scheme.

Forex.com is forex trading platform authorized and regulated by Cayman Islands Monetary Authority. The UIB offers a Binary plan (Pyramid like scheme) for leaders who will receive 5% for every referral. Further, it is observed that UIB is collecting unauthorized deposits from the public promising exorbitant returns by running a scheme which is akin to a pyramid scheme. The banks are advised to report bank accounts where similar modus operandi are observed.

5. Complaints received through Sachet portal

We have received complaints against 1) Funmo, 2) Safe money, 3) Kashpoint loan, 4) k rupee, 5) Marvel loan, 6) Easy loan, 7) Unit cash, 8) Live cash, 9) Cashgo, 10) Easy money, online digital lending apps, through SACHET portal.

The nature of complaints are 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 have been forwarded to Economic Offences Wing, Bengaluru for necessary action. The banks are advised to report bank accounts where similar modus operandi are observed.

AGENDA 12: NABARD AGENDA:

Agenda 12.1: Entry of loan details for 2021-22 and 2022-23 in the KCC ISS portal (fasalrin.gov.in)

The GOI has developed an integrated portal for KCC-Interest Subvention Scheme in order to have a complete access to the granular data of farmers/borrowers of KCC including information about loans sanctioned and eligible interest subvention claims of the banks and to review and

monitor the scheme progress & its utilization. All banks are to ensure submission of all the short term loans processed in 2021-22 and 2022-23 on the ISS portal / DBT platform by 31.07.2023. GOI is conducting Weekly VC every Wednesday to redress the issues pertaining to the portal. All banks may be advised to attend the same and complete data entry.

Agenda 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 1st May 2023 and will continue till 31st 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.

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, 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.

Agenda12.4: Submission of Utilisation Certificate under Govt Subsidy Schemes(GSS)

ALL banks are advised to submit the UCs immediately upon receipt of final subsidy to NABARD, in case of AMIS and ACABC . This may be complied without fail.

Agenda 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)

S.No	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
	Total	43896	24463.03	19013.05	15080.45

Agenda 12.6: Pledge financing for agriculture commodities through electronic Negotiable Warehouse Receipt (e-NWR)

Warehousing Development and Regulatory Authority (WDRA) has been established under the Warehousing (Development and Regulation) Act, 2007 for setting up a negotiable warehouse

receipt system in the country, making Negotiable Warehouse Receipt (NWR) a prime tool of trade and regulation of warehouses.

e-NWR can facilitate easy pledge financing by Banks and other financial institutions e-NWR also helps to save expenditure in logistic as stock can be traded through multiple buyers without physical movement and can be spilt for partial transfer or withdrawal. e-NWRs promote scientific warehousing for storage of agricultural goods and commodities.

Therefore, banks are advised to examine and include pledge financing through e-NWRs.

Agenda 12.7: JLGs formation under SYSY :

A reference is invited to NABARD's letter addressed to Convenor, SLBC vide No KA RO/ 250/ 2023-24/ dated 14.06.2023 on JLGs formation under SYSY. In this connection the following may be taken as agenda for ensuing SLBC

Under Secretary to Government Department of Youth Empowerment and Sports has forwarded a letter dt 12.5.2023 from DGM SBI addressed to Additional Chief Secretary regarding their concerns in opening JLG accounts through CSP/BC. SBI has conducted a meeting with the Common Service Centre(CSC) on 4th May 2023 to find out the opportunities for opening of JLG accounts through the CSC. CSC advised them that they have not opened such accounts with any other bank in Karnataka State. SBI is not authorized to open JLG accounts through CSP/BC. This is hampering the formation of JLGs under the SYSY scheme as SBI is the Anchor Bank.

Agenda 12.8. Financial Inclusion Fund

1. . Grant support is available for various schemes under Financial Inclusion Fund (FIF) from NABARD. The various schemes supported under FIF for which Banks can avail grant support are as under:

- Conduct of Financial and Digital Literacy Camps by rural branches of Banks.
- Reimbursement of Examination fee of BC/ BF
- Demonstration Van for financial literacy (For RRBs and RCBs)
- Deployment of micro ATM by a)SCBs in schools and colleges in Special Focus Districts and in milk societies in all districts b) RRBs in Schools and colleges in SFDs, Fixed BC points, branches, Milk Societies in all districts c) RCBs in Branches, PACS/Milk Societies/other non credit societies.
- Deployment of PoS/mPoS terminals in Tier 3 to Tier 6 centres
- Implementation of Green Pin facility(For RRBs and RCBs)
- Onboarding Bharat Bill Payment System(For RRBs and RCBs)
- Installation of solar power unit/ UPS deployment in SSA of Bank for new branches opened and for kiosk / fixed CSP
- On boarding to Positive Pay System (PPS) (Applicable for RCBs only)

- Grant support up to a maximum of ₹4.50 lakh (all inclusive) per RSETI/RUDSETI from FIF for purchase of training equipment and maintenance thereof

2. The grant support for SFDs is 90% of the eligible expenditure incurred by the implementing bank. For other districts and for projects applicable to SFD and other districts alike, grant support is 60%, 80% and 90% of eligible expenditure for SCBs, (including SFBs and PBs), RRBs and RCBs respectively subject to scheme-wise ceiling as per our Circular No.11451-11899 dated 31.01.2023.

3. Department of Financial Services, Ministry of Finance, Government of India have advised NABARD to facilitate the implementation of the BHIM-UPI in Panchayati Raj Institutions by 15 August 2023 in all States/UTs and declare all the PRIs as BHIM-UPI compliant. NABARD had conducted meeting with SLBC on 04.07.2023 wherein we had requested SLBC to follow up with LDMs to facilitate generation of the UPI ID and linked QR Code for Panchayati Raj Institutions accounts.

Agenda 13 : State Level Implementation Committee for Targeted Financial Inclusion Intervention Programme (TFIIP):

The progress of KPIs by Banks at aspirational districts, reported by NITI Aayog as on 30.06.2023 are as under:

(A) Raichur District:

Particulars	Key Performance Indicators (KPIs) as on 30.06.2023			
	Bank Accounts (CASA) per lakh population	PMJJBY enrollments per lakh population	PMSBY enrollments per lakh population	APY enrollments per lakh population
Target set by DFS	129755	9772	30303	2886
Achievement till June 2023	118531	12175	22358	4505
% Achievement	91.00	125	74	156
Gap to target (per lakh population)		Achieved		Achieved

(B) Yadgir District:

Particulars	Key Performance Indicators (KPIs) as on 30.06.2023			
	Bank Accounts (CASA) per lakh population	PMJJBY enrollments per lakh population	PMSBY enrollments per lakh population	APY enrollments per lakh population
Target set by DFS	129755	9772	30303	2886
Achievement till June 2023	117890	9744	20151	4060
% Achievement	91	99.73	66	141

Gap to target (per lakh population)				Achieved
--	--	--	--	-----------------

As per data submitted by LDMs both the districts have achieved 100% target under all 4 KPIs set by DFS but as per NITI Aayog DFS data still yet to achieve the target under CASA and PMSBY.

The above Districts have achieved the above parameters; some banks are lagging behind. SLBC request those banks to improve their position.

Agenda 14: Pradhan Mantri Fasal Bima Yojana(PMFBY):

14.1 Bank wise pending insurance claims status under PMFBY: -

As on 13.07.2023 total 3133 no. of applications amounting to Rs. 4.82 Cr is pending for settlement under PMFBY due to NPCI payment failure and Blank Aadhar from different member Banks.

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

Notwithstanding the illegality of the action in doing so and violation of PMFBY guidelines, since Samrakshane portal allows as per the policy of Government of Karnataka, to pay the claims through Aadhaar based DBT transactions only, in all these cases farmers have been denied their claims 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 this 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 from this office the said bank has not completed the process of updation of the Aadhaar details on Samrakshane Portal.

Yearwise proposals pending for approval by the bank

Year	Bank_name	Proposal count	Claim Amt(Rs.)
19-20 Khrf	ICICI Banking Corporation Bank Ltd	477	14617931.64
19-20 Rabi	ICICI Banking Corporation Bank Ltd	192	3737582.69
19-20 Sum	ICICI Banking Corporation Bank Ltd	13	171798.9
20-21 Khrf	ICICI Banking Corporation Bank Ltd	228	4814092.99
Grand Total		910	23341406.22

Bank wise pendency for PMFBY payment as on 13.07.2023 is enclosed as Annexure 11 (page No. 85)

14.2 PMKISAN Recovery from Ineligible farmers:

SLBC has received communication from Agriculture Department GoK regarding recovery of Ineligible PMKISAN beneficiary. As on 31.05.2023, ₹46.35 crores amount is to be recovered from all ineligible farmers like taxpayers, deceased farmers etc.

SLBC request all member banks to recover the amount from ineligible beneficiaries and share the details like Name, Account Number, Mobile Number, amount recovered etc. to the Department.

Bank wise PMKISAN recovery from income tax payers and ineligible farmers as on 31.05.2023 is enclosed as Annexure 12 (page No. 86)

AGENDA 15: KCC

15.1 KCC Loans – Disbursements & Outstanding:

[cards in lakhs] [Amount in crores]

Disbursement of KCC from 1 April 2023 to 30 June 2023		KCC Outstanding as on 30 th June 2023	
No. of Cards	Amount	No. of Cards	Amount
10.19	15131.15	46.52	59746.12

Bank wise data on KCC loan as on June 2023 is provided in the Annexure-13(Page No. 87)

15.2 KCC-Dairy and other Animal Husbandry activities:

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

Progress under the campaign as on 14.07.2023 is given here below.

Parameters	Total no. of application received	Total no. of application accepted	Toto no. of application sanctioned	Total no. of application rejected
KCC-AH	137708	136238	66281	1339
KCC-FISH	28627	27493	12817	331
Total	166335	163731	79098	1670

The following are the main reasons for rejection of KCC AH & Fisheries applications:

- Applicant in default NPA.
- Already having KCC loan with other Bank and/or availed loan for same purpose from other Banks.
- Milk Payment is not coming to the concerned branch.
- Applicants unwilling to avail the loan.
- Members of the family applying for KCC against same milch animal
- Application for vending
- Not having permission/ licence for pond/reservoir
- Farmers do not have vessel

District wise progress under this campaign data is given in Annexure No -14 [page No. 88-89]

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

KCC AH O/S as on 30.06.2023 amounts to **708.56** Crores for **171327** accounts.

KCC Fisheries O/S as on 30.06.2023 amounts to **244.12** Crores for **14953** accounts.

KCC Dairy loans sanctioned during the quarter and outstanding as on 30.06.2023 is provided in the Annexure -15(page No. 90)

Performance under KCC-Fisheries as on June 2023 is provided in Annexure -16(page no.91)

15.3. Pledge financing for Agriculture Commodities through electronic- Negotiable Warehouse Receipt (e-NWR)

Warehousing Development and Regulatory Authority (WDRA) has been established under the Warehousing (Development and regulation) Act, 2007 for setting up a negotiable warehouse receipt system in the country, making Negotiable Warehouse Receipt (NWR) a prime tool of trade and regulation of warehouses.

e-NWR can facilitate easy pledge financing by Banks and other financial institutions. E-NWR also helps to save expenditure in logistics as stocks can be traded through multiple buyers without physical movement and can be even split for partial transfer of withdrawal. E-NWRS promote scientific warehousing for storage of agricultural goods and commodities.

Member Banks are requested to give more impetus to this scheme and inform us the disbursement position as at 30.06.2023.

15.4. 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 the banks to lend for these two activities. Credit guarantee relations are being managed by NABSanrakshan Trustee Pvt Ltd, a wholly owned subsidiary of NABARD. RBI suggested to handhold FPOs, SLBC, and NABARD in coordination with RBI to impart training to them.

Member banks are requested to give more impetus to these schemes.

15.5 Agriculture Infrastructure Fund (AIF):-

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

During June 2023 Quarter banks sanctioned **53** accounts amounting **287.50** Crores.

Karnataka state ranks **4th** in terms of disbursement and **6th** in terms of Sanctioning of loan

Progress under the scheme is given in the Annexure - 17 (Page No. 92).

AGENDA 16. Banking statistics as on 30th June 2023:

16.1: Business figures under various parameters:

(Amt in Cr)

Particulars	Jun-22	Mar-23	Jun-23	Y-o-Y – variance June 22 to June 23		Variation June 2023 over Mar 2023	
				Absolute	In %	Absolute	In %
Deposits	1288312	1411808	1436989.7	148677.72	11.54	25181.72	1.78
Advances	913163	1038003	1049110.9	135947.92	14.89	11107.92	1.07
Total Business	2201475	2449811	2486100.6	284625.64	12.93	36289.64	1.48
Credit-Deposit Ratio	70.88	73.52	73.01	2.13		-0.51	
Total PSA	358605	392945	397092.2	38487.2	10.73	4147.2	1.05
% of PSA to Total Advances	39.27	37.86	37.85	-1.74		-0.33	
Agricultural Advances	173489	192268	195179.7	21690.73	12.5	2911.73	1.51
% of Agri. Adv. to Total Adv.	19	18.52	18.6	-0.4		0.08	
Advances to MSME	132096	143047	146636.1	14540.14	11.01	3589.14	2.51
% of MSME to Total Advances	14.47	13.78	13.98	-0.49		0.2	

Sector	Particulars
Deposits, Advances & CD Ratio	There is a Y-o-Y growth of 11.54% in Deposits and 14.89% in Advances. CD ratio of the state as on 30.06.2023 is 73.01%.
Total PSA	There is a Y-o-Y growth of 10.73% in Total Priority Sector Advances.
Agricultural advances	There is a Y-o-Y growth of 12.50% in Agricultural Advances.
MSME sector	There is a Y-o-Y growth of 11.01% in MSME Advances.

SLBC requests the subcommittee on Agriculture to initiate steps to study/improve CD Ratio.

16.2: Branch Network:

(in numbers)

Particulars	Mar 2023	Jun 2023	Variation of June 23 over Mar 23
1. Rural	4293	4296	3
2. Semi-Urban	2731	2727	-4
3. Urban (including Metro)	4977	4980	3
Total	12001	12003	2

In comparison to the March quarter 2023, there is an increase of 2 branches for the June quarter 2023.

Bank wise No. of bank branches in the state is provided in Annexure --18 (Page No 93)

16.3 Status of Rural Bank Branch closure: Concerned bank to explain:

Dist. name	Bank name	Merging Branch /Relocation	Acquiring Branch	Distance between branches	Remarks
Kolar	Kotak Mahindra Bank	Byrakuru Branch Closure	-	300m	Kotak Mahindra Bank branch was converted to satellite office on 19.01.2004 due to merger business. They are having very less customer base. No SB accounts. it is not cost effective to run current branch. Existing 15 accounts holder served through their Mulbagal branch and they are digitally active. Already Karnataka Gramin Bank has full pledge branch in Byarakur village within 300m
Kolar	South Indian Bank	Shifting of Alambadi branch	to Malur	15 km	Alambadi branch is located inside campus of M/s Christ Academy of Science & Management with a temporary set up without any strong room & other related infrastructure. Since last 6 years Alambadi branch is manned only by 2 staff. It is primarily facilitating fee collection and other business operations from the college. Already Canara Bank Sampangere branch is 0.20 km and Chikkathirupathi is 1.50 km and State Bank of India is 1.50 km and Indian Overseas Bank is 2 km from Alambadi village.
Hassan	Canara Bank	Shifting of Ibbeedu	To Ibbedu	200 mts	Present branch premises is old and there is no strong room facility available.
Hassan	Canara Bank	Shifting of Yalahanka	To Yalahanka	200 mts	Present branch premises is old and there is no strong room facility available.
Hassan	Canara Bank	Shifting of Gonisomanahalli	To Gonisomanahalli	500 mts	Present branch premises is old.
Hassan	Canara Bank	Shifting of Ambuga	To Ambuga	300 mts	Present branch premises is old and there is no strong room facility available.
Hassan	Canara Bank	Shifting of Sathenahalli	To Sathenahalli	400 mts	Present branch premises is old and there is no strong room facility available.
Hassan	Canara Bank	Shifting of Anathi	To Anathi	250 mts	Present branch premises is old and there is no strong room facility available.

Hassan	Canara Bank	Shifting of Settihalli	To Settihalli	250 mts	Present branch premises is old.
Chamarajanagara	State Bank of India	Ponnachi	Vadake halla	12-15 kms	The branch premises is not located in proper building and there is no availability of new premises in current village. Attempt to robbery has taken place twice since inception. Branch is located in isolated place and there is no police station upto 25 km. Saturation in the branch business and potential for new business is very poor.
Hassan	Karnataka Bank	Bikkodu	Bikkodu	300 mts	Karnataka Bank Bikkodu branch current premises lease agreement got expired.
Hassan	Union Bank of India	Doddamandiganahalli	Hassan	1.3 kms	Union Bank of India Doddamandiganahalli branch is very close to their Hassan branch and the business area of these two branches are overlapping. To improve the profitability and operational efficiency. UBI is ready to appoint one BC point in Doddamandiganahalli branch to ensure proper customer service.
Hassan	State Bank of India	Kirisave	Hirisave	2 kms	State Bank of India, Kirisave branch customer base is limited in number and loss due to low business potential. The present business is Rs.8.76 crores and customers of Kirisave branch can be handled by Hirisave branch .
Bagalkote	Karantaka Vikas Gramin Bank	Bidari	Bidari RC II near Chikkalagi village	8-10 kms	Currently Bidari village comes under submerged area of UKP. Present condition of premises is very pathetic and during the rainy season water enters inside the premises and which becomes lifer threat for both staff and customers. There are no new constructions happening presently in Bidari village.
Mysore	Karnataka Bank	HD Kote	HD Kote	200 mts	Present branch premises is old.
Mysore	Karnataka Bank	Chilkunda	Chilkunda	200 mts	Present branch premises is old.

DCC / DLRC proceedings are provided in Annexure --19 (Page No.94-137)

16.4: ATM Network:

(in numbers)

Particulars	Mar 2023	June 2023	Variation of June 23 over March 23
1. Rural	2169	2156	-13
2. Semi Urban	3401	3538	137
3. Urban	11408	11806	398
Total	16978	17500	522

- ❖ The total number of ATMs has increased from 16978 as on 31.03.2023 to 17500 as on 30.06.2023, thus showing an increase of 522 ATMs during the quarter.

NOTE: Bank of Baroda has reported 516 more ATM in June 2023 quarter as compared to March 2023 quarter (March – 704 ATM and June-1220 ATM)

Bank wise No. of ATMs in the state is provided in Annexure -20 (Page no 138).

Agenda 16.5: Progress under Aadhar seeding of operative CASA a/cs:

(Rs in Lakhs)

As on	No. of operative CAS A/cs	No. of CASA A/cs seeded with Aadhar	% of Aadhar seeding
31.03.2023	911.39	810.77	88.9%
07.07.2023	926.41	825.6	89.1

- All member banks are requested to sensitize the branches for further improving in Aadhar seeding.
- The Bank-wise Progress under Aadhar seeding of CASA accounts in Karnataka state as on 07.07.2023 is furnished in the Annexure - 21 (page No.139)

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

17.1. Performance under various Govt. Sponsored Schemes as on 30.03.2023: Latest position on progress / achievements of various Govt. sponsored schemes are furnished in the Annexures: 22 (Page No.140-150)

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

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

17.2: PMEGP

TARGET AND ACHIVEMENT UNDER PMEGP IN KARNATAKA STATE DURING 2023-24 (As on 30.06.2023)									
(Projects and Employment in Nos.& M M Rs.In Lakhs.)									
STATE	TARGET			ACHIVEMENT			ACHIVEMENT IN %		
	PRO	M M	EMP	PRO	M M	EMP	PRO	M M	EMP
KARNATAKA	5215	15124	41720	1187	4421.29	9496	22.76	29.23	22.76
NOTE: The Percentage of Margin Money Utilization									

TARGET AND ACHIVEMENT UNDER PMEGP FOR 2nd LOAN IN KARNATAKA STATE DURING 2023-24						
(Projects and Employment in Nos.& M M Rs.In Lakhs.)						
Status as on	TARGET			ACHIVEMENT		
	PRO	M M	EMP	PRO	M M	EMP
30.06.2023	51	502.68	408	5	52.2	40

All member banks are requested to look into the matter and arrange for sanction of maximum loans under PMEGP scheme, if otherwise in order. Performance under the scheme as on 30.06.2023 as Annexure No.23 (page no151-153)

The percentage of NPA under PMEGP is **16.82%**.

17.3: CREDIT FLOW TO MINORITY COMMUNITIES

17.3.1: Progress under finance to Minority Communities in the state

Amount Rs. In Crore

O/s as at 31.03.2023			O/s as at 30.06.2023		
No. of A/cs	Amount	% to total PSA	No. of A/cs	Amount	% to total PSA
2459533	40763	10.37	3297550	41599.05	10.56

SLBC also requests Minority Development Corporation of all districts to sponsor applications from all eligible minorities and take up the issues if any, with State Level authorities through Lead District Managers.

SLBC request Minority department to source the maximum application to reach the Prime Minister 15 points programme.

Bank wise balance outstanding to Minority Communities as on June 2023 provided in Annexure -24 (Page No 154-157)

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

The outstanding level of credit to minority communities in the identified Districts as at June 2023 is as follows:

(Amount in Crs)

Name of the District	Bidar		Kalburgi		Dakshina Kannada	
	Mar 23	Jun 23	Mar 23	Jun 23	Mar 23	Jun 23
O/s advances under Priority Sector Credit	6381.07	2494.63	10209.56	7600.82	20458.09	21741.81
Lending to Minority Community	918.78	0.78	1218.30	945.94	8102.34	7974.48
% of Minority Community Lending to PSA	14.39	3.12	11.93	12.44	39	36.68

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

17.4: Grant of Education Loans:

During the sanctioning review period (01.04.2023 to 30.06.2023) of the FY 202-24, various Banks in the state of Karnataka have disbursed Education loans to the tune of Rs 423.62 Crores to 13835 accounts under both priority and non-priority segments.

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

Progress under Self Help Groups (SHG):

Agency	As at June 2023				
	Credit Linkage for June 2023 quarter of FY 2023-24		Cumulative during FY 2023-24		Average finance per group (Rs. in lakh)
	No. of SHGs	Amount (Rs. in Cr)	No. of SHGs	Amount (Rs. in Cr)	For (Apr 23 – June 23) period (cumulative)
PSBs + PVTs	67444	1870.26	67444	1870.26	2.77
RRBs, Cooperatives & Other Banks	12787	357.34	12787	357.34	2.79
Total	80231	2227.60	80231	2227.60	2.78

Bank wise progress under SHGs is provided in Annexure - 25 (page no. 158)

Progress under Joint Liability Groups (JLGs):

Agency	Balance O/S as on March 2023		Average finance per JLG Member (in lakhs)	Balance O/S as on June 2023		Average finance per JLG Member (in lakhs)
	No. of JLGs	Amount in Cr		No. of JLGs	Amount in Cr	
PSBs+PVTs	1698638	7835.97	0.46	1795582	8303.37	0.46
RRBs, Cooperatives and Small Finance Banks	1316459	5004.38	0.38	1298156	4813.44	0.37
Total	3015097	12840.35	0.43	3093738	13116.81	0.42

Bank wise progress under JLG-Bank linkage program as at June 2023 is given in Annexure-26 (page No.159).

17.6: Progress in Stand Up India scheme as on 30.06.2023

Member banks have sanctioned 132 SUI loans amounting to Rs. 27.03 Cr from 01.04.2023 to 30.06.2023.

(Nos. in actuals and Amount in crores)

Scheme	Sanctioned during June 23 Quarter		Cumulative FY 2023-24	
	No. of A/Cs	Sanction Amt.	No. of A/Cs	Sanction Amt.
SC	21	4.16	21	4.16
ST	3	0.48	3	0.48
Women	108	22.39	108	22.39
Total	132	27.03	132	27.03

Bank-wise and District wise details of sanctions and disbursements under SUI as on June 2023 is provided in Annexure - 27(page No. 160-161) Further member banks are requested to share the outstanding as at end of each quarter, henceforth.

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

17.7: Progress in Sanctions under MUDRA scheme: [Amount in Crores]

Scheme	June 2023 Qtr		Cumulative FY 2023-24	
	No of A/cs	Amount Sanctioned	No of A/cs	Amount Sanctioned
Shishu	578373	2054.74	578373	2054.74
Kishore	306244	4312.82	306244	4312.82
Tarun	24333	2627.02	24333	2627.02
Total	908950	8994.58	908950	8994.58

Member banks have sanctioned 908950 MUDRA loans amounting to 8994.58 Cr from 01.04.2023 to 30.06.2023

Bank-wise, District, State wise sanctions and disbursements under MUDRA is given in annexure -28(page no.162-164).

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

17.8 Progress under PMFME scheme: Progress under PMFME scheme in the state of Karnataka as on 30.06.2023

Details	No of A/cs
Target for Karnataka State	6850
Application Submitted to Banks	1382
Sanctions/Under process	1257
Rejection	125
Cumulative Sanction	2373
Disbursement during FY	161
Cumulative Disbursement	2044
% sanction during FY	90.95%

Karnataka state has secured **1st Place** in PAN India in terms of disbursement.

District wise, bank wise and target and progress under PMFME scheme is provided in Annexure - 29 (Page No. 165-166).

AGENDA 18: Position of sector wise NPAs:

18.1: Non-Performing assets position as on 30.06.2023:

(Amount in Crore)

Sl.	Sector	As on 31.03.2023		As at 30.06.2023			
		NPA Amt.	% of NPA	Acs - No.	NPA Amt.	Total Loan O/s Amt.	% of NPA
1	Agriculture	18608.67	9.68	891656	18964.60	195179.73	9.72
2	MSME	10906.64	7.62	318333	11251.17	146636.14	7.67
3	Housing	640.91	1.74	10870	540.78	36349.44	1.48
4	Education	483.51	7.91	19507	446.24	6019.20	7.41
5	Other Priority sector adv	854.46	5.83	109935	944.44	11571.83	8.16
6	Non priority sector NPA	17223.98	2.67	399989	20029.61	6,52,018.49	3.07
7	Total NPAs	48718.17	4.69	1752039	52250.47	1049110.64	4.98

Bank wise and segment wise NPA position is provided in Annexure- 30 (Page No 167- 176).

18.2: Recovery of bank dues under PMEGP:

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

(Amount in Crore)

As on 30th June 2023		
Balance O/S	NPA Level	% of NPA
973.63	163.81	16.82

Bank-wise NPA level under the PMEGP schemes is furnished in Annexure –31 (Page no. 177) . SLBC had requested all the member banks to share NPA details with KVIC, which had assured to assist in recovery. Few banks are yet to share the PMEGP data. Banks have already submitted the NPA data of PMEGP scheme to department. We request government to advice department to help in recovery of PMEGP NPA cases.

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

(Amount in lakhs)

FY 2023-24 (for the quarter ending June 2023)	RCs pending as on previous quarter		RCs filed during the quarter		RCs disposed during the quarter		RCs pending as at the end of the quarter		RCs pending for more than 1 year.
	A/cs	Amt	A/cs	Amt	A/cs	Amt	A/cs	Amt	A/cs
June 2023	58587	108893.06	1705	3173.28	1328	737.85	58964	111328.49	31089

SLBC requests 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 requests LDMs to coordinate the joint recovery drives in a big way.

The bank wise data is provided in Annexure -32 (Page no. 178).

18.4 Recovery of bank dues under SARFAESI Act, DRT Act & LOK ADALATS:

(Amount in Lakhs)

Particulars	Cumulative from 01.04.2023 to 30.06.2023		
	No. of Notices sent	Amount involved	Amount Recovered
SARFAESI	44475	22099355.58	190402.13
DRT	14651	501180.76	36156.98
LOK Adalat	153733	5559530.77	8693.22
Total	212859	28160067	235252

The Bank wise data is provided in Annexure - 33 (Page No.179). Member banks are requested to share district wise pendency under DRT Act, SARFAESI and Lok Adalats, henceforth.

AGENDA 19 : REVIEW OF RESTRUCTURING OF LOANS IN NATURAL CALAMITY AFFECTED DISTRICTS IN THE STATE, IF ANY

Government of Karnataka has 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.

AGENDA 20: Promotion of Organic Farming

Agriculture Department informed that, Joida Taluk of Uttara Kannada District is selected as Organic farming taluk for implementation.

The Agricultural Department has conducted State level meeting in Joida Taluk of Uttara Kannada District on 16.04.2022 regarding implementation of organic farming in Joida. We request Agriculture Department to provide action plan/road map for implementation at banks level.

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

FRUITS Portal is rolled out across the state with effect from 01.11.2021 and all SROs have been made live implementation of FRUITS portal.

AGENDA 21: issues remaining unresolved at DCC/DLRC meeting

SLBC has not received any unresolved issues from the LDMs.

AGENDA 22: subcommittee meetings held during the review period:

Sub-committee on **Retail loans meeting (Bank of Baroda)** for September, December 2022 and March 2023 are not conducted.

Subcommittee on **Review of functioning of RSETI & RUDSETI** (State Director for RSETIs, Karnataka) and **Recovery & Rehabilitation and Govt. Sponsored Schemes (SBI)** for March 2023 are not conducted

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

State Bank of India is the Convenor for the Subcommittee on weaker section and SLBC request Convenor bank that they should include data on SC/ST loan ,Women loan and Other Backward Class loan and it should be discussed on quarterly basis.

Agenda 23: State Level Security sub Committee (SLSC):-

With a view to discuss various aspects / modalities relating to constitution of the committee, a meeting was convened by Reserve Bank of India, Bengaluru on March 29, 2023 at RBI Bengaluru premises. The meeting was chaired by DGM, RBI, Bengaluru and attended by Convenor, SLBC, officials from SBI, LHO, Bengaluru besides officials of RBI, Bengaluru.

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.

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. Issue Department, RBI, Bengaluru will be an invitee to the meeting.

Accordingly, at present 10 bankers are identified to be members namely, SBI, Canara Bank, Union Bank of India, Bank of Baroda, Karnataka Bank, Karnataka Gramina Bank, Karnataka Vikas Gramin Bank, HDFC Bank, ICICI Bank and Axis bank.

We request State Bank of India to update the latest position in this regard.

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.

Agenda 24.2: Activities under Azadi ka Amrit Mahotsav (AKAM) in Karnataka state

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.

24.3: Performance by Banks under Annual Atal Pension Yojana (APY) Targets during FY 2023-24: (01.04.2023 to 30.06.2023)

Karnataka has achieved 11 % of APY target set by PFRDA during FY 2023-24 upto 30.06.2023.

Bank Category	No. of branches as on 01.04.2023	Target by PFRDA per branch	Total Target	Performance by Banks	Achievement %
PSB	5515	100	552800	60072	10.86%
Major Pvt Banks	1046	70	73220	1573	2.14%
PVT Banks	835	30	41280	5337	21.30%
RRB	1752	100	175200	25036	14.28%
COOP BANK	110	20	5100	610	11.96%
Total	9258		847600	92628	11%

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

Bank wise and District wise performance report provided by PFRDA is placed as Annexure 34 (Page no. 180-182) .

Agenda 24.4: Progress under Aadhar seeding in PMJDY a/cs: (Outstanding No. of Accounts in lakh)

Particulars	31.03.2023	30.06.2023
No. of PMJDY A/cs O/S	182.79	184.73
Total Aadhar Seeded A/cs	143.99	145.26
% Aadhar Seeding	78.78	78.63

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

Bank wise total progress under PMJDY Aadhar seeding as on 30th June 2023 is provided in the Annexure -35 (Page No. 183).

District wise total progress under PMJDY Aadhar seeding as on 30th June 2023 is provided in the Annexure -36(page No.184)

Member banks are requested to pay special attention to two aspirational Districts – Raichur & Yadgir.

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

UIDAI, Bangalore has informed that as on 19.07.2023, 716 kits are active with 390986 Enrolments / updates in the last 30 days against 716 active kits with 192665 enrolments/updates in the last 30 days as on 31.03.2023

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

Bank wise status of enrolment centers as per UIDAI in Karnataka is provided in Annexure – 37 (page No. 185).

24.6: Expanding and Deepening of the Digital Payments Ecosystem:

During 161st SLBC meeting in consultation with stake holder 3 new digital districts have been identified namely Bengaluru Urban (Canara Bank), Chikkmagalur (Union Bank of India) and Dharwad (Bank of Baroda).

SLBC request said LDMs to submit base data as on 31.03.2023 to SLBC and RBI.

AGENDA 25: Skill Development:

25.1: RUDSETI / RSETIs There are 7 RUDSETIs and 24 RSETIs functioning in the state of Karnataka.

25.2: Status of RSETIs / RUDSETIs as on 30.06.2023 reported by sponsor Banks is as under:

(Quarterly)

Name of the Sponsoring Institution	No. of RSETIs	Target for 2023-24		Achievements (as on 30.06.2023)		
		No. of Programmes	No of person needs to train	No of Programmes	No of person Trained	% Ach
RUDSETI	7	191	5516	52	1469	27
Canara Bank	11	305	8576	78	2134	25
State Bank of India	7	192	5358	48	1209	23
Union Bank of India	2	57	1576	14	368	23
Bank of Baroda	2	52	1580	20	470	30
Kotak Mahindra Bk	1	28	800	8	241	30
DCC Bank	1	30	900	8	267	30
Total	31	855	24306	288	6158	25

25.3: Functioning and performance of RUDSETI (7) / RSETI (24) in Karnataka state

SI No.	Particulars	As on 30.06.2023 (Cum since inception)	During FY 2023-24
1	No. of training programs conducted	12869	288
2	No. of persons trained	362000	6158
3	No. of persons secured employment / self-employment	262156	331
4	No. of trained persons credit linked	160936	217

The progress achieved by RSETIs during the year is provided in the Annexure - 38(page No.186).

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

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

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

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

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

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

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

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

The total no. of calls received at the Helpdesk from March 2023 to June 2023 is 4528

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

Agenda 25.6 Swami Vivekananda Youth JLG (SVY JLG):

The Chief Minister of Karnataka announced a new scheme on 28.07.2022 namely Swami Vivekananda Youth JLG and aims at generation of employment opportunities for the groups of "Swami Vivekanda Yuvakara Swasahaya Sangha" formed by Department of Youth Empowerment and sports, Department & Rural Development and Panchayat raj and Skill Development. State Bank of India is Anchor Bank for the implementation of the same scheme.

NABARD informed that they have received communication in which DGM SBI has addressed to additional Chief Secretary regarding their concerns in opening JLG account through CSP/BC. SBI has conducted a meeting with a CSC and CSC advised them that they have not opened such

accounts with any other bank in Karnataka State. SBI is not authorised to open JLG accounts through CSP/BC.

SLBC request member banks to convert the pending SHG account opened under this scheme into JLG accounts and sanction/ disburse loans as per norms.

District wise and bank wise account opening under SYSY is provided in the Annexure -39- (page No. 187-188)

Agenda 26 Other agenda received from stake holders for discussion

26.1 SVAMITVA (Survey of Villages and Mapping with Improved Technology in Village Areas) Scheme:

IBA has addressed a letter dated 05.07.2023 to all public sector banks regarding reluctance in providing loans against property cards issued under the subject scheme. It has also advised SLBCs to ascertain the status and discuss in SLBC meeting.

The above matter was also discussed in 156th and 158th SLBC meeting and the discussion points are as under.

The demarcation of abadi areas would be done using drone Surveying technology, with the collaborative efforts of the Ministry of Panchayati Raj, State Panchayathi raj Department, State revenue Department and Survey of India.

Objective of the Scheme:

- I. Creation of accurate land records for rural planning and reduce property related disputes.
- II. To bring financial stability to the citizens in rural India by enabling them to use their property as a financial asset for taking loans and other financial benefits.
- III. Determination of property tax, which would accrue to the GPs directly in States where it is devolved or else, add to the State exchequer.
- IV. Creation of Survey infrastructure and GIS maps that can be leveraged by any department for their use.
- V. To support in preparation of better-quality Gram Panchayat Development Plan (GPDP) by making use of GIS maps.

Further, we request concern State Government Department (Viz., Revenue Department, Department of rural development and Panchayat Raj, SS & LR), Banks and house to deliberate the issue regarding SVAMITVA about followings:

1. Recognition of property cards by Banks, as authentic legal documents.
2. To examine all issues related to use of SVAMITVA Property Cards for mortgage purpose for facilitation of additional loan facilities.
3. Recovery of outstanding by banks in case of default (SARFAESI Act 2002)

Banks views on SVAMITVA Property Cards:

The PR Cards alone cannot be considered as a Title Document for a property unless necessary Legislative changes are brought in, stipulating that PR Cards issued SVAMITVA Scheme shall confer absolute ownership rights to the holders with unconditional rights of transfer.

In light of the above, we may request concerned state government departments to issue necessary legislative changes stipulating property cards issued under SVAMITVA Scheme shall confer absolute ownership rights to the holders with unconditional right of transfer.

SLBC request to deliberate on the issue once again and request member banks to give their valuable remarks on the same.

26.2 Classification of Bank Loans to MFIs for on lending:

We have received communication from NABARD office that, bank loans to MFIs (NBFC-MFIs, Societies, trusts etc.) for on lending in the state has been classified under Farm Credit- Crop Loan by some banks are against the master circular of RBI Priority Sector lending (PSL).

SLBC request all member banks that kindly classify all the loans extended to MFIs, (NBFC-MFIs, societies, Trust etc.) properly as per RBI PSL policy.

Communication received in this regard is enclosed as annexure 40 (Page No.189)

26.3 Adoption of BHIM – UP in Panchayat Raj Institution (PRIs)

Ministry of Panchayati Raj (MoPR), in consultation with the National Payment Corporation of India (NPCI), has come out with a detailed SOP to promote UPI based digital payment system in the Panchayats.

Gram Panchayats/ Block Panchayats / District Panchayats need to contact the respective Banks to obtain UPI ID/ VPA to link their Bank account with the UPI platform for account linked payment and/or obtain QR codes for its installation at payment counter in the Panchayat Bhawans. This Bank account should be the one where all taxes and fees levied by the PRIs are deposited. Expeditious adoption of BHIM-UPI by PRIs will enable convenient, automatic transfer of funds and easy payment option for the common man.

MoPR has also urged all the States to declare all the PRIs to be BHIM-UPI compliant on 15th August 2023.

SLBC request all member banks to advice all their bank branches to extend all the necessary support for achieving the objective, as envisaged in the SOP.

Letter from DFS attached as annexure 41 (page no 190)

26.4 Digital Payment Campaign during G20 Presidency monthly reporting data

As per RBI instructions SLBC is collecting data from member banks regarding Digital Payment campaign monthly data.

SLBC request all member banks to provide the said data on monthly basis for onward submission to RBI.

The Digital Payment Campaign data is placed in annexure 42 (page no 191-193)

26.5 Implementation of NHFDC Scheme:

SLBC has received a communication from the office of the state Commissioner for the Rights of person with Disabilities Act- Karnataka and they requested for discuss the following points:

1. Publishing equal opportunity policy as per the provisions of section 21 of the RPwD Act 2016
2. Providing barrier free environment for persons with disabilities
3. CSR Support
4. Implementation of NHFDC Scheme.

The National Handicapped Finance and Development Corporation is a sector working under the department of Empowerment of persons with Disabilities (Divyangjans), Ministry of Social Justice and Empowerment and Gol.

Department requested to nominate any bank as the State Channelizing agency for the scheme in Karnataka.

Letter from Department is attached as annexure 43 (page no 194-196)