



STATE LEVEL BANKERS' COMMITTEE: KARNATAKA
CONVENOR: CANARA BANK

STATE LEVEL BANKERS' COMMITTEE KARNATAKA

PROCEEDINGS OF THE 162nd SLBC MEETING HELD ON 11.08.2023

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

(Through VC)

CONVENOR



HEAD OFFICE: ANNEXE, BENGALURU



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**MINUTES OF THE 162nd SLBC MEETING AND BANKING STATISTICS AS ON 30th
JUNE 2023 HELD ON 11.08.2023**

The 162nd SLBC meeting of the state of Karnataka was held on 11.08.2023 at 3.30 PM at Conference Hall, #313, Vidhana Soudha, Bengaluru under the Chairmanship of **Smt. Vandita Sharma**, Chief Secretary, GoK, **Sri. Ramana Reddy E V**, ACS and DC, GoK, and attended by **Sri. Hardeep Singh Ahluwalia**, Executive Director, Canara Bank, **Shri M Bhaskara Chakravarthy**, Convenor SLBC Karnataka, and General Manager, Canara Bank **Sri T Ramesh**, Chief General Manager NABARD , **Sri. P N Raghunath**, O-I-C, & Chief General Manager, RBI, Bengaluru Ms. **Sunanda Batra**, General Manager, RBI attended through video conference besides Principal Secretaries, Secretaries, Commissioners & Directors from Govt. departments / corporations and Senior executives from RBI, NABARD and different banks.

Sri. M Bhaskara Chakravarthy, Convenor SLBC Karnataka welcomed Smt. Vandita Sharma, Chief Secretary, GoK, Sri. Ramana Reddy E V, ACS and DC, GoK, Sri. Hardeep Singh Ahluwalia, Executive Director, Canara Bank, Sri. P N Raghunath, O-I-C, & Chief General Manager, RBI, Bengaluru ,Ms. Sunanda Batra, General Manager RBI , Sri T Ramesh, Chief General Manager NABARD.

HIGHLIGHTS OF THE KEY NOTE ADDRESS DELIVERED BY SRI. HARDEEP SINGH AHLUWALIA, EXECUTIVE DIRECTOR, CANARA BANK:

Sri. Hardeep Singh Ahluwalia, **Executive Director, Canara Bank** , in his key note address, once again welcomed all the dignitaries for the meeting on behalf of SLBC Karnataka and Canara Bank and he informed the house that Karnataka state ranked No 1 under “**3 Months Jansuraksha GP level Campaign**” launched by DFS, Gol.

He informed the house that the achievement as at 30.06.2023 under ACP under Agriculture is **26.66%** of the annual target, total credit is **30.46%** and total priority sector is **29.72%**. He complemented all the bankers for good performance. He also informed that, under Priority Education [3.14%] and Priority Housing [5.33%] performance is not as expected. He urged the bankers to achieve the set targets under all parameters.

Further he informed the house that all the member banks have to clear the pendency under PMSVANidhi scheme as the scheme is keenly monitored by Honorable Prime Minister.

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

He expressed his happiness in informing the house that Karnataka state ranks 1st under PMFME, 4th position in case of disbursement of AIF scheme and 5th position in case of PMSVANidhi scheme. He congratulated all the bankers as Karnataka ranked 3rd place in MUDRA sanctions and disbursements as at June 2023. He requested member banks to aim No.1 position in implementation of all the Govt. Sponsored schemes.



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

Discussion on Agenda Items

Sri M Bhaskara Chakravarthy General Manager, SLBC Karnataka informed the House that agenda papers have been placed before the participants and the point-wise agenda issues are being taken up for deliberations. The proceedings of the meeting placed hereunder for record and further necessary action by stakeholders

AGENDA ITEM NO. - 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 ITEM NO. - 2

Follow-Up Action on the Decisions Taken During The Previous SLBC Meeting

Convenor informed the house that **Bank of Maharashtra, DBS Bank, Indian Bank, Indian Overseas Bank and Indian Bank, DCB Bank and IndusInd Bank** had delayed in uploading the data.

Agenda 2.1: Progress under Social Security Schemes:

Convenor informed the House that the 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**.

Convenor congratulated all member banks, LDMs and Govt. depts. for securing 1st position under enrollment of PMJJBY and PMSBY applications.

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

Convenor informed that, Ministry of Finance instructed to hold special District Level Review Committee (DLRC) meetings in each district between 15th July 2023 to 15th August 2023 duly involving the MPs of respective district and also conduct credit camps in credit deficient districts (**Bengaluru Urban, Bengaluru Rural, Dakshina Kannada, Udupi and Uttara Kannada**) on regular basis.

(Action: All LDMs)

AGENDA ITEM NO. - 3



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PMSVANidhi scheme:

Convenor informed that Karnataka ranks 5th position in sanction of PMSVANidhi loans. Convenor also informed that under PMSVANidhi scheme Karnataka state sanctioned 335884 and total disbursement is 283245

Chief Secretary advised all the member bank to clear all the pending applications in respect of sanction and disbursement. ULBs in coordination with banks special camps has been arranged for clearing the pendency as well as onboarding of street vendor digitally by issuing QR codes.

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

AGENDA ITEM NO. - 4

Review of credit disbursement by banks:

Agenda 4.1. Achievement under ACP and Priority Sector Lending:

Convenor presented a comparative analysis of disbursement as on June 2023 quarter of FY 2023-24.

- The banks have disbursed Rs. **24605.16** Crore under **Short Term agriculture** loans registering 25.11% achievement of the Annual target as on 30.06.2023
- The banks have disbursed Rs. **22703.46** Crore as on June 2023 under **Agricultural Term loans** registering 28.57% achievement of the Annual target.
- **Total agriculture** registering **26.66%** achievement as on 30.06.2023, of the annual target.
- The banks have disbursed Rs. **57316.84** Crore under **MSME** as on 30.06.2023 registering **43.38%** achievement of the Annual target
- The banks have disbursed Rs. **108811.11** Crore under **total PSA** as on 30.06.2023 registering only 29.72 % achievement of the Annual target.

The Chief Secretary advised banks to focus more on improving Housing loan and Education Loan so that ACP targets under these segments will be achieved.

(Action: All member banks)

Agenda 4.2 Major Bank wise performance/Achievement of ACP as on March 2023

The house took note of the performance of all the banks under ACP as on 30.06.2023. Chief Secretary advised poor performing banks to achieve the ACP target on quarterly basis by conducting more number of credit outreach camps.

(Action: SBI, BOM, UCO bank, IOB, PNB, and KVGB Bank)

Agenda 4.3 ACP performance district wise: -

Convenor informed the house that **Dakshina Kannada (57.89)** ,**Dharwad (56.70)**, **Haveri (48.43)**, **Chikmagalur (42.02)** and **Kodagu(41.27)** are top five districts, who achieved ACP target for June quarter of FY 2023-24 .



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Further Convenor informed that **Bidar (13.22), Gadag (17.18), Vijayapura (17.47), Hassan (18.12) and Kalburgi (18.85)** are bottom five district in terms of ACP achievement for FY 2023-24. Chief Secretary advised these districts to improve the performance and achieve the allotted target invariably.

AGENDA ITEM NO. - 6

PMAY-U (HOUSING FOR ALL 2022)

Convenor SLBC informed the house about the progress achieved in bank linkages under AHP vertical of PMAY(U). The chief secretary, GOK reviewed the performance of major banks and informed the house that performance of major banks are not satisfactory and instructed all member banks to sanction more number of loans under AHP vertical of PMAY(U), Banks were requested to gear up for the speedy disposal off the pending applications.

Further Convenor informed that in coordination with RGHCL department 3 projects (Chikanahalli & Kamanhalli, Kooguru, Golimangala) are allotted to 6 banks, each project to 2 banks and housing NBFC for sanctioning all the eligible applications within stipulated time period .

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

AGENDA ITEM NO. - 7

Review of Districts having CD Ratio less than 60% and Working of Special Sub-Committees of DCC (SCC)

Agenda 7.1 Districts with CD Ratio of less than 60% as on June 2023:

Convenor informed that, the CD Ratio of the state as a whole as on 30.06.2023 was 73.05%. **Uttara Kannada** and **Udupi** districts is slightly increase by 0.54% and 1.75 respectively over March 2023.

RBI GM instructed to form District level sub-committee to review the progress under CD ratio on regular basis where DC shall also be a member. All member Banks and LDM in the district were advised to reach the CD Ratio target of 60% every quarter.

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

AGENDA ITEM NO. - 8

Issues - Reimbursement of pending BPL claims of training expenditures:

SLBC Convenor requested the department to clear the pending claim of **Rs. 25.49** crores at an early date. The Mission Director, NRLM Dept., assured to clear the same as soon as the funds are received from Government of India.

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



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AGENDA ITEM NO. - 9

Review of Financial Inclusion Initiatives, Expansion of Banking Network and Financial Literacy

Convenor informed the house that, as per Jan Darshak app and FI Plan portal, there are 14 unbanked villages without any Branch, BC, or IPPB within a radius of 5 KM. SLBC requested member banks to open banking outlet and update the same in JDD portal. Out of 14 villages, 9 villages already having IPPB centres. Due to technical error they are unable to update in JDD portal and they have taken up with DFS, GoI. Out of remaining 5 villages, State Bank of India and KVGB are yet to appoint 4 BCs and 1 BC respectively.

Chief Secretary instructed SBI to appoint 4 BC at mentioned location and update the same in JDD portal immediately.

(Action: IPPB, SBI and KVGB)

AGENDA ITEM NO. - 10

Financial Inclusion Initiatives:

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

Convenor informed that, there were 10889 inactive BCs as on 30.06.2023 and of which 90% of inactive BCs were from YES Bank. Convenor requested respective Banks to activate all inactive BCs and RBI GM also advised YES Bank to modify the BC guidelines (Inactiveness) to diminish inactive BCs. Chief Secretary informed that some portion of BCs may be earmarked for IIBF certified BC sakhis.

The Additional Chief Secretary FD advised SLBC to analyze the comparative study on availability of total BC services to population of southern states and submit the data for average BC / population.

Action: SLBC analyzed data and submitted to respective department.

(Action: All member Banks)

Agenda 10.2: Financial literacy initiatives by banks.

As at 30.06.2023 there were 29 non-functional FLCs. Convenor requested SBI, UBI, BOB, Canara Bank & BOI Banks to appoint FL counsellors (19,7,1,1 & 1 FL Counsellors respectively) immediately and make these FLCs functional. SLBC requested all the sponsor Banks to oversee the functioning of FLCs and to also arrange for prompt and accurate reporting.

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

AGENDA ITEM NO. - 11

RBI AGENDA

I. Financial Inclusion & Financial Literacy



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a. Appointment of Financial Literacy Centers (FLCs)

There are total 177 Financial Literacy Centers (FLCs), out of this 148 FLCs were active as on June 30, 2023 leading to vacancies of 29 FLCs. It is observed that, number of vacancies have increased for all banks except BoI. Controlling offices of the concerned banks were advised to submit the plan of action with timeline to fill up vacant FLC positions and take steps to curtail attrition among FLCs. SBI was advised to modify its FLC recruitment policy to ensure FLCs with requisite health/fitness only were issued appointment letters.

(Action: SBI, UBI, BoI, BOB and Canara Bank)

b. Special Camps and Target-Specific camps

During June 2023 quarter, there were a shortfall of 23 special FL camps by 10 active FLCs under 4 banks. In terms of target specific camps, there were shortfall of 44 camps by 10 active FLCs under 4 banks.

The banks were advised to

(a) Ensure that FLCs that are failing to hold requisite camps for consecutive quarters are to be monitored more closely.

(b) Monitor FI activities of rural branches to ensure conduct of requisite number of camps every month by the branches.

(Action: All Member Banks)

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

As on June 2023, 10390 BCs (14.02%) were inactive out of total 74090 BCs. The banks were advised to operationalize inactive BC locations immediately and not later than August 31, 2023.

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

RBI expressed its displeasure about YES Bank achieving only marginal reduction in number of inactive BCs over previous quarter though it was agreed post 161st SLBC meeting that all inactive BCs would be activated. Banks were advised to make suitable changes in their policy to reduce timelines for classifying and terminating the inactive BC.

(Action: SBI, Yes bank, IDFC First Bank, BOB, UCO Bank, HDFC Bank and PNB)

d. Based on Financial Inclusion Index (FI-Index)

Three districts (Ballari – usage criteria, Udupi and Uttara Kannada – Quality criteria) in Karnataka had been identified by FIDD CO in the bottom 10 percentile of the FI-index.

In this regard, SLBC informed that the same was already informed to the LDMS of these 3 districts to provide an update on forming sub-committee for FI index.



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

II. Lead Bank Scheme

a. DCC/ DLRC meetings:

- (i) It was observed that both District Consultative Committee (DCC) and District Level Review Committee (DLRC) meetings of Chamarajanagr and Kodagu districts were not conducted for March quarter.

(Action: SBI and UBI)

- (ii) Further it was also observed that both DCC and DLRC meetings in Bagalkot, Bengaluru Urban, Chikkamagaluru, Gadag, Hassan, Haveri, Raichur, Shivamogga, Tumakuru, Udupi, Uttara Kannada and Kolar were held beyond the prescribed timeline of 90 days from end of concerned quarter. State Government is also requested to issue necessary instructions to the concerned.

(Action: Respective Lead Banks and State Government)

b. Meetings of SLBC Sub-Committees

- (i) It was observed that State Bank of India has not conducted SLBC Sub-Committee meeting on Recovery and rehabilitation and Govt. Sponsored Scheme and Currency – State Level Security committee (newly formed).

(Action: SBI)

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

SLBC revamp portal data was not submitted by 10 banks within timeline

(Action: IndusInd Bank, Bank of Maharashtra, DCB Bank, DBS Bank (e-LVB), Axis Bank, Indian Bank, CSB bank, Fin care SFB, Apex bank and Bank of India).

SLBC was advised to explore feasibility of extracting requisite data directly from member banks' CBS to eliminate interim data upload processes by banks. Further, SLBC was also advised to form a committee to streamline this data collection process

(Action: As per RBI master circular on Lead Bank Scheme SLBC is adhering the guidelines -The relevant data must also be directly downloadable from the CBS and/ or MIS of the banks with a view to keeping manual intervention to a minimal level in the process)

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

The following deficiencies were identified in the SLBC, Karnataka website:

- i) Calendar of meetings – For FY 2023-24, the dates of the quarters needs to be updated.

Action: SLBC already updated the same.



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ii) Financial Inclusion - Data available till December 31, 2022, needs to be updated. With reference to para 2.3.5 of RBI Master Circular on Lead Bank Scheme dated April 03, 2023 on "SLBC Website – Standardisation of information", SLBC was advised to put in place the prescribed minimum information on the websites of SLBCs of their bank and keep it updated regularly, at least on quarterly basis.

(Action: SLBC)

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

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. 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.

(Action: SLBC, SBI and KVGB)

Post receipt of requisite permission, Regional Office of Karnataka Gramin Bank, Raichur vide email dated July 19, 2023 has confirmed that the premises have been identified. 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.

(Action: SLBC and KGB)

IV Expanding and Deepening of Digital Payment Ecosystem

Haveri and Yadgir districts achieved 100% digital coverage. Three new districts viz. Bengaluru Urban, Chikmagaluru and Dharwad were identified for Expanding and Deepening of Digital Payment Ecosystem (EDDPE). All banks are advised to achieve 100% digitization 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.

(Action: SBI, LDM Bengaluru Urban, Chikmagaluru and Dharwad)

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.

(Action: SLBC & All Banks)

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

NABARD was 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,



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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.

(Action: NABARD)

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 Banks 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.

(LDMs Uttara Kannada and Udupi)

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. 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.

(Action: All Banks)

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. All banks were advised to attain the targets within given timeline.

(Action: All Banks)

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.



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- 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 were requested to take appropriate initiative.

(Action: SLBC and all banks)

X. Micro, Small and Medium Enterprises

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

- (i) Till date, GoK had confirmed that only 7 state entities had registered under Trade Receivables Discounting System (TReDS) and 6 were not dealing with MSMEs. The status of remaining 85 Government Undertakings and Boards/Corporations was awaited despite many emails/letters sent from February 2022 onwards.
(Action: State Government)
- (ii) As ROC, Bengaluru telephonically informed that they were not maintaining data on registration of eligible companies on TReDS platforms, the banks were advised to provide the status. Till date, 10 banks had furnished the data to RBI. Member banks that were yet to share the data were advised to submit the same.
(Action: All Member Banks)
- (iii) Controlling offices of banks were advised to instruct LDMs to create awareness about TReDS and discuss the progress of on boarding eligible entities on TReDS in BLBC/DCC meetings.
(Action: SBI, UBI, BOB and Canara Bank)

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 may be established. Adoption of Lead Institution Scheme was suggested by RBI in this regard and shared with state government for consideration on Nov 24, 2022. GoK secretary, Finance Department had forwarded the scheme to Agriculture Department on December 08, 2022. The Agriculture department was requested to update the forum.
(Action: State Government)
- (ii) **RBI top management has instructed to bring population outside the ambit of the informal financial system into formal fold. In order to provide bouquet of financial**



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services such as insurance, pension, etc., to this excluded segment of the society, it was suggested that measures should be taken for formalization of rural finance. SLBC had taken up the matter with GoK and as GoK has stated that it does not have data on unbanked population, SLBC was advised to instruct Lead districts banks to conduct one survey each in one taluk to identify such population, utilising services of FLCs and CFLs.

(Action: SLBC, Canara Bank, SBI, UBI and BoB)

(iii) 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.

(Action: NABARD and State Government)

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

As per RBI directions SLBC conducted meeting with bankers on August 01, 2023 and the proceedings forwarded by SLBC vide their e-mail dated August 05, 2023 to RBI.



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In the meantime, the copies of the above representations were forwarded to RBI Central Office which has since informed that the Reserve Bank's Prudential Framework for Resolution of Stressed Assets dated June 07, 2019 is a steady state, principle based framework which enables lending institutions to restructure loan accounts, based on their assessment of commercial viability and other aspects. The framework provides sufficient flexibility to lenders to design and implement a resolution plan, tailor made to resolve the stress of a specific borrower. This will enable lenders to assess the impact of the highlighted issues for each of the borrower and design and implement a plan, which would alleviate stress in such borrower accounts. As enabling prudential regulations are already in place, our Central Office has opined that no further action may be warranted.

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. 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.

(Action: State Government)

XIV. Banking related Issues

1. Delay in reimbursement of Pension claims

The four banks authorized to disburse pension in Karnataka, namely SBI, Canara bank, Bank of Baroda and Union Bank of India have informed that aggregate pension claims of Rs.746.37 crore relating to DA arrears, gratuity, commutation, pension arrears etc., are pending for reimbursement 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.

RBI requested the Office of the Commissioner of Treasuries to undertake remedial measures for reconciliation of the transactions to facilitate immediate reimbursement

(Action: State Government)

2. Claim for refund of K2 challans credited twice

SBI had uploaded Khajane II E-payment challans for the transaction dated January 12, 2023 twice in E Kuber - on January 13, 2023 and again on January 16, 2023. This has 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.



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RBI requested State Government to refund excess paid.

(Action: State Government)

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.

(Action: State Government)

XV. Market Intelligence Issues

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

Modus Operandi

It was observed that the above 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 loan amount 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 bank 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 and return would be payable at the end of the loan tenure (3-5 years).

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

(Action: All member banks)

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



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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 were advised to review the accounts of Geeklurn and the above NBFCs and any of the students who enrolled for the above course and scheme.

(Action: All Banks)

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.

The banks were advised to be careful about this new type of scam and apprise their customers to be beware of the same.

(Action: All banks)

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 were advised to report bank accounts where similar modus operandi are observed.

(Action: All Banks)

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.



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

(Action: All Banks)

AGENDA ITEM NO. - 12

NABARD AGENDA:

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

NABARD CGM informed the house that 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.

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.

NABARD CGCM informed that KCC data of AH and Fisheries in respect of RRBs and other private sector commercial banks is being included under the cooperative banks and this is leading to high pendency under the DCCBs. As this is being reviewed at the highest level by DFS, GOI, NABARD requested to instruct LDMs not to report data pertaining to other banks under DCCBs. Also, district level meetings to review pendency in KCC/status of KCC implementation may be conducted regularly. SLBC informed that it had already taken up the matter with DFS and the portal is to be modified by DFS.

(Actions: All Banks)

Agenda 12.4: 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. For 43896 projects Rs.19013.05 crore loan has been sanctioned and Rs. 15080.45 crore disbursed.

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

NABARD CGM informed that 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 split for partial transfer or



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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.

(Action: All Banks)

Agenda 12.7: JLGs formation under SYSY:

NABARD CGM informed that 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.

(Action: SBI)

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



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Institutions by 15 August 2023 in all States/UTs and declare all the PRIs as BHIM-UPI compliant

AGENDA ITEM NO. - 13

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

The progress of Key Product Indicators (KPI) by Banks at aspirational districts, reported by NITI Aayog as on 30.06.2023 was reviewed by the house. In respect of casa accounts both the districts have achieved 91%, in respect of PMJJBY Raichur district achieved target and Yadgir achieved 99.73 % and in terms of PMSBY Raichur and Yadgir districts achieved 74 and 66 % respectively.

(Action: All banks in Raichur and LDM of Raichur district)

AGENDA ITEM NO. - 14

Pradhan Mantri Fasal Bima Yojana (PMFBY):

Agenda 14.1 Bank wise pending insurance claims status under PMFBY: -

Agriculture Department, GoK informed that 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. Out of total pending amount, 2.33 Cr (48%) is pending due to Blank Aadhar and non updation of Aadhar in NPCI portal from ICICI Bank.

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

SLBC requests Department of Agriculture, GoK to advise Insurance Companies settle the pending claims at the earliest.

(Actions: ICICI bank & All Member Banks)

Agenda 14.2 PMKISAN Recovery from Ineligible farmers:

Agriculture Commissioner informed that ₹46.35 crores of amount is yet to be recovered from all ineligible farmers like taxpayers, deceased farmers etc.

Agriculture Commissioner requested to 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.

(Action: All Banks)

AGENDA ITEM NO. - 15

Agenda 15.1 KCC Loans – Disbursements & Outstanding:

SLBC-Convenor informed the house that the achievement in the total KCC outstanding as on June 2023 is Rs. 59746.12 crores. Convenor-SLBC requested all the member Banks to



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sanction KCC loans to all the eligible farmers for agriculture and allied activities and to move in the direction to achieve the set targets for the FY 2023-24.

(Actions: All Member Banks)

Agenda15.2 KCC-Dairy and other animal husbandry activities:

Convenor SLBC informed the house that, in order to ensure maximum coverage of farmers engaged in Animal Husbandry and Fisheries under KCC, DFS, GOI had launched a special saturation drive in the form of weekly "District Camps"

SLBC Convener informed the house that banks have sanctioned 171327 KCC AH loans amounting to Rs.708.56 Cr

Issuance of KCC-Fisheries:

SLBC Convener informed the house that banks have sanctioned 14953 KCC fishery loans amounting to Rs.24412 Cr

Chief Secretary requested all State Controlling Heads of banks for expeditious sanctions of KCC AH & fishery loans as per the extant guidelines and make the Karnataka state number 1 in both the scheme.

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

Agenda15.3. Pledge financing for Agriculture Commodities through electronic-Negotiable Warehouse Receipt (e-NWR):-

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

Agenda15.4. Animal Husbandry Infrastructure Development Fund and FPOs:

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

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

(Actions: NABARD, all Member Banks)

Agenda15.5Agriculture Infrastructure Fund (AIF)

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

Further Convenor informed that Karnataka state ranks 4th in terms of disbursement and 6th in terms of Sanctioning of loan under this scheme.



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AGENDA ITEM NO. - 16

Banking statistics as on 30th June 2023

Convenor presented the Banking Statistics on Deposits, Advances, CD Ratio, total PSA, Advances to MSE/ Agriculture/ Weaker Section in the State of Karnataka as on June 2023

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

The level of PSA in the State has increased from Rs. **358605** crores as of June 2022 to Rs. **397092.2** crores as of June 2023 showing an absolute growth of Rs. **38487.2** crores and percentage growth of **10.73** % on Y-O-Y basis.

Agricultural advances have increased from Rs. **173489** crores as of June 2022 to Rs. **195179.7** Crores as of June 23, showing an increase of Rs. **21690.73** crores (**12.50%**) on Y-O-Y basis.

The outstanding level under MSME has increased from Rs. **132096** Crores as on June 2022 to Rs. **146636.1** Crores as June 2023 an absolute growth of Rs **14540.14** crores i.e, growth of 11.01 % on Y-o-Y basis.

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

(Action: All banks, all LDMs)

Agenda16.2: Branch Network:

Convenor informed the house that, the number of bank branches has increased from 12001 as on 31.03.2023 to 12003 as on 30.06.2023 thus showing an increase of 2 branches on Q-o-Q basis.

Agenda16.3 Status of Rural Bank Branch closure/merger/relocation:

The house discussed the issues regarding bank branch closer/ merger/reallocation with stake holders and the same has permitted for following bank branches.

District name	Bank name	Merging Branch /Relocation	Acquiring Branch	Distance between branches	Remarks
Kolar	Kotak Mahindra Bank	Byrakuru Branch	-	250 m	Closer of Branch
Kolar	South Indian Bank	Shifting of Alambadi branch	to Malur	200 m	Shifting of Branch
Hassan	Karnataka Bank	Bikkodu	Bikkodu	300m	Shifting of branch



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Hassan	Union Bank of India	Doddamandi ganahalli	Hassan	1.3kms	Shifting of branch
Hassan	State Bank of India	Kirisave	Hirisave	2 kms	Shifting of branch
Hassan	Canara Bank	Ibbeedu	Ibbeedu	200 mtr	Shifting of branch
Hassan	Canara Bank	Yalahanka	Yalahanka	200 mtr	Shifting of branch
Hassan	Canara Bank	Gonisomanahalli	Gonisomanahalli	500 mtr	Shifting of branch
Hassan	Canara Bank	Ambuga	Ambuga	300 mtr	Shifting of branch
Hassan	Canara Bank	Sathenahalli	Sathenahalli	400 mtr	Shifting of branch
Hassan	Canara Bank	Anathi	Anathi	250 mtr	Shifting of branch
Hassan	Canara Bank	Settihalli	Settihalli	250 mtr	Shifting of branch
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.
Bagalkote	Karnataka 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 life threat for both staff and customers. There are no new constructions happening presently in Bidari village

SLBC House not permitted for shifting of SBI Ponnachi branch in Chamarajanagar district

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

Agenda16.4: ATM Network:

Convenor informed the house that total number of ATMs as on 31.03.2023 is 16978 against 17500 as at 30.06.2023, thus showing an increase of 522 ATMs.



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

Convenor informed that percentage of Aadhaar seeding was 89.10 as on 30.06.2023 . Further Convenor requested all member banks & LDMs to sensitize the branches and also arrange for further improving Aadhaar seeding to facilitate more and more Aadhaar based online DBT credits and popularize digital banking.

(Action: All Member Banks & LDMs)

AGENDA ITEM NO. - 17

Government sponsored schemes

Agenda 17.1. Performance under Govt. Sponsored Schemes for the FY 2023-24:

Chief Secretary informed the house that all state government has to submit the data of Government sponsored schemes for fruitful discussions in SLBC meetings, as some of the departments are providing data for the review purpose.

(Action: State Government)

Agenda 17.2: PMEGP:

Convenor requested member banks to clear the pending applications which helps in generating more job opportunities.

(Action: Member banks)

Agenda 17.3 CREDIT FLOW TO MINORITY COMMUNITIES:

Agenda 17.3.1: Progress under finance to Minority Communities in the state:

Convenor informed the house that outstanding loans to minority communities was Rs. 41599.05 Crores as on 30.06.2023.

SLBC requested all Banks to achieve mandatory requirements under PSA lending to weaker sections in their ACP targets during FY 2023-24 by sanctioning maximum loans to minority community in Karnataka state.

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

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

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

Convenor informed the house that the flow of credit to minority communities in all the three minority community concentrated districts were Rs. 0.78 cr in Bidar District, Rs. 945.94 cr in Kalburgi District, and Rs. 7974.48 cr in Dakshina Kannada District.

SLBC requested Lead District Manager of Bidar (SBI) and Kalburgi (SBI) districts and Dakshina Kannada District (Canara Bank) to advise branches for more Credit flow to Minority Communities for the FY 2023-24.

Convenor requested LDM Bidar to verify the data of Minority community once again.



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

Agenda 17.4: Grant of Education Loans:

Convenor informed the house that during the review period (01.04.2023 to 30.06.2023) of the FY 2023-24, 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.

(Action: All Member Banks)

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

Agenda 17.5.1.: SELF HELP GROUPS:

Convenor informed the house that, Credit Linkage to SHGs FY 2023-24 is Rs. **2227.60** crores. The house requested to member banks for credit linkage of all eligible SHG accounts.

(Action: All Member Banks)

Agenda 17.5.2: JOINT LIABILITY GROUPS:

Convenor informed the house that, total outstanding under JLGs as on 30.06.2023 was Rs. **13116.81** crores and also requested member banks to focus on SHG/JLGs and achieve allocated targets.

(Action: LDM & All Member Banks)

Agenda 17.6: Progress in Stand Up India (SUI) scheme as on 30.06.2023

Convenor brought to the notice of the house that, as on June 2023 banks have sanctioned an amount of Rs.27.03 crore under SUI. Convenor requested all the member Banks to implement the scheme in a big way in the State by taking advantage of the publicity and marketing done during credit outreach programme in the state.

(Action: All Member Banks & LDMs)

Agenda 17.6.7: Progress in Sanctions under MUDRA scheme:

Convenor informed the house that member banks have sanctioned 908950 MUDRA loan accounts amounting to Rs. 8994.58 Cr from 01.04.2023 to 30.06.2023

Convenor informed that Karnataka state has secured **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.

(Action: All member Banks)

Agenda 17.8 Progress under PMFME scheme:

Convenor informed the house that Karnataka state has secured **1st Place** in PAN India and banks have sanctioned 1257 number of applications as on 30.06.2023 in respect of target of 6850 for FY 2023-24



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

AGENDA ITEM NO. - 18

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

Agenda 18.1: Non-Performing assets position as 30.06.2023:

Convenor has informed the house that total non-Performing assets position as on 30.06.2023 was 52250.47 crore.

(Action: Member Banks)

Agenda 18.2: Recovery of bank dues under PMEGP:

Convenor informed the house that under PMEGP share of NPA was 16.82% and requested the concerned depts. to extend necessary support to banks for recovery.

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

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

Agenda 18.3: Recovery of bank dues under KPMR & KACOMP Accounts:

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

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

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

Convenor informed the house that, from 01.04.2023 to 30.06.2023, **212859** Notices were sent for the amount involving Rs. **28160067** lakhs and recovered **235252** lakhs.

(Action: ALL Member Banks & GoK)

AGENDA ITEM NO. - 19

REVIEW of Restructuring of loans in Natural calamity affected districts in the state. If any

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

(Action: ALL Member Banks & GoK)



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AGENDA ITEM NO. - 20

Promotion of Organic Farming :-

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

Convenor requested Agricultural Department to provide action plan/road map for implementation at banks level.

(Action: All Member banks & Agriculture Department GoK)

AGENDA ITEM NO. - 21

Issues remaining unresolved at DCC/DLRC meeting

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

(Action: LDMs & LDM State controlling office of Banks)

AGENDA ITEM NO. - 22

Sub Committee meetings held during the review period:

Convenor informed the house sub-committees on **Retail loans** for September and December and March were not conducted. Subcommittee on **Review of functioning of RSETI & RUDSETI and Recovery & Rehabilitation and Govt. Sponsored Schemes** is yet to conduct for March 2023.

Convenor requested the member convenor bank to conduct above meetings immediately and share the minutes.

(Action: BOB, SBI and State Director for RESETIs)

AGENDA ITEM NO. - 23

State Level Security Sub Committee (SLSC): -

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

Convenor requested to SBI that to conduct above meeting immediately and share the minutes.



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AGENDA ITEM NO. - 24

Other issues

Agenda 24.1. Implementation of Kannada language by Banks.

Convenor requested to all member banks and LDMs to ensure:

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

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

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

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

(Action: All Member Banks, LDMs)

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

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

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

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

(Action: All Member Banks & LDMs)

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

Convenor informed the house that, Karnataka has achieved 11% of APY target set by PFRDA during FY 2023-24 up to 31.06.2023 and performance of the banks are not up to the mark.

(Action: All Member Banks and LDMs)



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Agenda 24.4: Progress under Aadhar seeding in PMJDY a/cs:

Convenor informed the house that 78.63% of accounts are Aadhar seeded as on 30.06.2023.

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

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

Convenor informed the house that, UIDAI, Bangalore has informed that as on 30.06.2023, 716 kits were 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 30.06.2023.

Convenor informed that, all Banks should improve the enrolments and carryout maximum enrolments/updates.

(Action: ALL member Banks)

Agenda 24.6: Expanding and Deepening of the Digital Payments Ecosystem:

Convenor informed the house that 3 new digital districts have been identified namely Bengaluru Urban (Canara Bank), Chikkmagalur (Union Bank of India) and Dharwad (Bank of Baroda).

SLBC request all LDMs to submit basic data as on 31.03.2023 to RBI and advised Member Banks to submit the Base data to all the district coordinators and to nodal officers of the bank.

(Action: SBI, Bengaluru Urban, Chikkmagalur and Dharwad LDMs)

AGENDA ITEM NO. - 25

Skill development:

Agenda 25.1: RUDSETI / RSETIs

Convenor informed that there are 7 RUDSETIs and 24 RSETIS are functioning in Karnataka state as on 30.06.2023.

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

Convenor informed the house that total number of training programmes conducted 288 against the target of 855 as on 30.06.2023

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

Convenor informed to house that number of trained persons were 6158 and number credit linked out of said training were 217 during financial year 2023-24 as on June 2023



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

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

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

Convenor informed the house that there were 2 lands allotted to our RSETI prior April 2022 but both are under litigation at High Court Benches Kalburgi 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.

(Action: Skill Development Department GoK)

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

The total no. of calls received at the Helpdesk from April 2023 to June 2023 are 4528

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

(Action: All Member Banks and LDMs)

Agenda 25.6 Swami Vivekananda Youth JLG (SVY JLG)

Convenor requested to member bank to convert the pending SHG account opened under this scheme into JLG accounts and sanction/ disburse loans as per norms.

(Action: All Banks and LDMs)

AGENDA ITEM NO. - 26

Other agenda received from stake holders for discussion

Agenda 26.1 SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) Scheme

Convenor informed the house that SLBC has received communication from IBA regarding reluctance in providing loans against property cards issued under the subject scheme.

Convenor requested state Government to guide member banks on following issues

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)



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Further Convenor informed that concerned state government departments to issue necessary legislative changes stipulating property cards issued under SVAMITVA Scheme.

(Action: State GoK and All Banks)

Agenda 26.2 Classification of Bank Loans to MFIs for on lending:

Convenor informed the house 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).

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

(Action: All Bank)

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

Convenor informed the house that 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.

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

(Action: All Bank)

Agenda 26.4 Digital Payment Campaign during G20 Presidency monthly reporting data

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

(Action: All Bank)

Agenda 26.5 Implementation of NHFDC Scheme:

Convenor informed the house that SLBC received communication from office of the state Commissioner for the Rights of person with Disabilities Act- Karnataka and requested member banks for implementing 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.

(Action: All Bank)



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**SLBC – KARNATAKA
LIST OF PARTICIPANTS
162st SLBC Meeting held on 11.08.2023**

Sl. No.	Name Shriyuths -	Designation	Organization
1	Mrs. Vandita Sharma	Chief Secretary	Govt of Karnataka
2	Sri. Ramana Reddy E V	Additional Chief Secretary & Development commissioner	Govt of Karnataka
3	Mr. L K Atheeq	Additional Chief Commissioner	Finance Department GoK
4	Sri. Y S Patil	Commissioner	Agriculture Department GoK
5	Sri. P N Raghunath	O-I-C, & Chief General Manager	RBI, Bengaluru
5	MS Sunanda Batra	General Manager	Reserve Bank of India
6	Sri. Hardeep Singh Ahluwalia	Executive Director	Canara Bank
7	Sri. T Ramesh	Chief General Manager	NABARD
8	Sri M Bhaskar Chakravarthy	Convenor-SLBC Karnataka	Canara Bank
9	Smt. Brindha	General Manager	NABARD
10	Sri B Parshwanath	DGM SLBC	Canara Bank
11	Sri M S Raghavendra	AGM	NABARD
CONVENOR – Canara BANK			
11	Preveen M P	Assistant General Manager	Canara Bank
12	Pradeep Kumar H	Divisional Manager	Canara Bank
13	Amol R Akolkar	Manager - SLBC	Canara Bank
14	Chethan K S	Manager – SLBC	Canara Bank
15	Vidya M	Manager- SLBC	Canara Bank
16	Kavitha T K	Manager - SLBC	Canara Bank
17	Rathnakar	Officer –LB & FI	Canara Bank
MEMBER BANKS AND STATE GOVT DEPARTMENTS			
19	Mohanthy P K	Deputy General Manager	Canara Bank
20	Shahshikumar	Senior Manager	Canara Bank
21	V N Sarma	General Manager	State Bank of India
22	M Rajshekhar R	Deputy General Manager	State Bank of India
23	M S Bhat	Assistant General Manager	State Bank of India
24	T V Ravindrakumar	Assistant General Manager	State Bank of India
25	M R Mishra	Deputy General Manager	Bank of Baroda
26	Venkatesh H T	Senior Manager	Bank of Baroda
27	Ratish Kumar singh	Circle Head	Punjab National Bank
28	Venkat Anil	Vice President	HDFC Bank
29	Manku Bhattacharya	State controller	ICICI Bank
30	Kundan Singh	Assistant General Manager	Bank of Maharashtra
31	Sunil Kurthkoti	Advisor	GoK FD-FR
32	S K Sharma	Assistant General Manager	Punjab National Bank
33	Vasant Kumar	Deputy General Manager	Karnataka Bank



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34	Varadraju J	C R D M	Axis Bank
35	Pankaj Kapsina	Deputy General Manager	Union Bank of India
36	S Prashanth	Chief Manager	Union Bank of India
37	All member banks , all state Govt departments & LDMS		Through VC



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