

Proceedings of
4th Meeting of
SLBC OF TELANGANA

Held on
17.12.2014 - Wednesday - at 4.00 pm
Conference Hall, "C" Block, IV floor
Telangana Secretariat

State Level Bankers' Committee of Telangana
Convener



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Proceedings of 4th SLBC Meeting

Sri J Sitapati Sarma, General Manager State Bank of Hyderabad and the Convenor of SLBC, Telangana welcomed the members to the SLBC meeting. He apologised for the delay in conducting the review meeting of June quarter performance (which is now being done with September quarter) and solicited co-operation from all quarters for timely conduct of the meetings. He extended a warm welcome to Shri.Rajeev Sharma, Chief Secretary, Government of Telangana, Smt. Poonam Malakondaiah, Principal Secretary Agriculture, Govt of Telangana, Shri. Kishan Singh, General Manager, NABARD, dignitaries from Reserve Bank of India, Government departments, fellow-bankers, other invitees to the meeting, on behalf of SLBC of Telangana and also on behalf of State Bank of Hyderabad. He then requested Sri Santanu Mukherjee, Managing Director of State Bank of Hyderabad and President of SLBC Telangana to initiate the proceedings.

Presidential Address:

Sri Santanu Mukherjee in his presidential address lauded various important decisions taken by the State of Telangana under the leadership of Shri. K. Chandra Sekhara Rao garu for the development of State, like Water Grid to provide drinking water to each and every household in the State, Kakatiya Mission (redigging of tanks etc) *to preserve rain water, crop loan debt waiver scheme*, allocation of 3 acres of land to Schedule Caste and Schedule Tribe landless poor. He also said that the Government of Telangana's New Information Technology (IT)Policy and new Industrial Policy, green/poly house farming will propel the overall economic development of the State. He informed that performance of the banks in the State and the industry in the state are inter dependent.

President SLBC had summarised the performance of the state for the half year April-Sept 2014 as under:

- (1) Total Bank branches in the state are 4682 as at the end of September 2014 with an addition of 156 branches during the first half of the financial year, mostly in rural and semi-urban areas
- (2) Total deposits grew by Rs. 10,531 crores during April - Sept half year;
- (3) Total advances grew by Rs. 9993 crores during April-September half year
- (4) CD ratio in the State continues to be one among the highest in the country at 113%
- (5) As against total annual credit plan target of Rs.63047 crores, the actual achievement as on 30th September 2014 was Rs. 63453 crores. Thus the 12 months target was surpassed within the first six months.
- (6) Priority sector advances of the State stood at a level of Rs.1,04,410 crores as on 30.09.2014. However, as a percentage, priority sector advances are 31.16% of total advances as against 40% as per RBI norms and banks have to improve lending under priority sector segments **(Action: All Banks)**
- (7) Agriculture advances of the State stood at Rs.49,514 crores as on 30.09.2014 and constitute 14.78% of total advances. Agricultural advances recorded a -ve growth of Rs.50 crores mainly due to credit of first installment of crop loan waiver amount received from Government of Telangana. There has been good growth in agricultural advances with crop loans renewals gaining momentum after 30th Sept 2014. While congratulating the banks for the good renewal percentage of above 70%, he wished that all banks to work hard to achieve 100 per cent renewals by month end. **(Action: All Banks)**
- (8) He had informed that MSME clients are really needy borrowers and banks have to encourage them by lending adequately and in time. He said that State Bank of Hyderabad has voluntarily increased the collateral free loan limits from Rs. 10.00 lacs to Rs.50.00 lacs and advised that other banks may examine the same depending on their own internal guidelines. Further President SLBC advised that banks generally concentrate more on rehabilitation of big units but he felt that banks to equally concentrate on MSME units and should come up with rehabilitation of small units also. **(Action: All Banks)**
- (9) President SLBC intervened and stated that the growth in the farm sector will not be complete by mere providing of crop loans to farmers. For sustenance of the growth in agriculture segment, Agriculture Term Loans for developmental activities are to be necessarily provided simultaneously with crop loans. He informed that in the recent Potential Linked Plans for Districts of Telangana released by NABARD, special focus has been given on improvement of investment credit in agriculture. He also informed that despite some issues in ATLS like difficulty in recovery of installments, focus should be on improving term loans to farmers to improve the overall health of the agriculture in the state. **(Action: All Banks)**

- (10) Sri. Santanu Mukherjee informed the forum that Government of India has notified renaming of Deccan Grameena Bank as Telangana Grameena Bank and extension of its operational area to all 10 districts of Telangana. New logo of Telangana Grameena Bank was launched by Hon'ble Finance Minister on 12.12.2014.

Convener had then requested Sri Rajeev Sharma, the Chief Secretary to deliver his address to the forum.

Address by Shri. Rajiv Sharma, IAS, Chief Secretary, Govt of Telangana

Chief Secretary stated that SLBC is playing a key role as an intermediary/facilitator between the State Government and the banking institutions functioning in the State. It is the right forum which provides a stage for addressing concerns of Government departments/financial institutions. He congratulated all the bankers for the good work in handling the crop loan waiver scheme and requested all the banks to complete the role over of all the crop loan accounts on priority basis. He advised that all the issues shall be discussed in a real spirit in the meeting. He has requested all the banks to put up special efforts for implementation of credit plan of NABARD for over all growth of the State of Telangana. He has also requested the banks to provide necessary loans to MSME Sector which is playing a vital role in the economic development of the State of Telangana. He appraised that the State of Telangana has come up with a new Industrial Policy wherein hasslefree single window clearance is introduced to provide licenses to the Industrialists for establishing industries within a stipulated period that if the licenses are not given within that period, it is deemed that license is given. He expressed confidence that with all the efforts and decisions taken by the State Government of Telangana, the dream of making Telangana State as Bangaru Telangana will certainly become true.

Sri Etala Rajender, Finance Minister has joined the meeting and convener requested the Hon'ble Minister to address the forum.

Address by Hon'ble Minister for Finance, Shri. Etala Rajender

In his address to the forum, Hon'ble Minister informed that the priority of the State Government is the Welfare activities. He requested the banks to complete grounding of SC/ST/BC/Minority Corporation loans pertaining to 2013-14 and 2014-15 immediately. He advised that the selection and grounding of the schemes should be based on scientific analogy and public should not take the loans under the schemes merely keeping in view the availability of subsidy amount given by the Governments. He felt that due to many factors, in many places, the real needy persons are not coming forward for taking loans under the schemes. He has informed that Government is contemplating to re-design certain schemes and increase the subsidy amount. He said that Government is looking forward for the suggestions of the banks and concerned agencies for improving the grounding of Government sponsored schemes qualitatively. The Finance Minister also felt that the staff strength in the rural branches has to improve as rural borrowers are not as financially literate as the urban lot and staff to spare more time and as number of accounts and operations in the accounts of the rural branches is more when compared to urban areas, though the profitability is low in rural areas. He expressed that he noticed the staff in the rural areas working beyond 8 pm in the night to complete the work and requested the banks to see that the staff strength is improved in the rural branches.

Hon'ble Finance Minister Sri Etala Rajender, at the request of Sri. Santanu Mukherjee, President SLBC inaugurated website of SLBC Telangana www.telanganaslbc.com. Convener informed the forum that henceforth an option to upload the SLBC returns will be made available in the website.

Agenda Items

The Convener has taken up the Agenda for discussion one by one. All the Agenda items were discussed item wise in the meeting.

- (1) The minutes of 2nd SLBC meeting conducted on 08.08.2014 has been approved by the body.
- (2) During the discussions, Sri Dora Swamy, General Manager, Andhra Bank informed that renewal of crop loans in some village in the Districts of Warangal and Khammam is not picking up where the lands of tribals are cultivated by non tribals since as per 1 of 70 Act the lands of tribals cannot be alienate unless Government comes up with issuing of loan eligibility Certificates to the cultivators, banks are not in a position to renew the accounts. Smt. Poonam Mala Kondaiah has informed that the issue has the attention of Government of Telangana and Government will come out with a solution in due course of time. **(Action: Department of Agr, GoT)**

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- (3) The Director, MEPMA, has informed that about 4000 applications are pending with the banks for grounding under NULM Scheme and requested the banks to ground the same at the earliest. **(Action: All Banks)**
- (4) Convenor appraised that the list of candidates selected by the task force committee under PMEGP Scheme is yet to be received. The State Director, KVIC informed that the selection process is over and the lists will be cleared shortly by the District Industrial Centres. **(Action: KVIC)**
- (5) Implementation of Government sponsored schemes 2014-15 - District wise targets for the following have been advised to the respective LDMs who in turn have been advised to allocate bank wise targets in the district and advise the SLBC.
- | | |
|---|---|
| (a) SC Corporation | (b) Rajiv Yuva Shakti Scheme |
| (c) Telangana Washermen Society | (d) S Kummari / Shalivahana Co op Society |
| (e) Krishna Balija / Poosla Co-op Society | (f) Sagara (Uppara) Co op Society |
| (g) Viswabrahmin Co-op Society | (h) Waddera Co-op Society |
| (i) TS Valmiki / Boya Co-op Society | (j) Medara Co-op Society |
| (k) Bhattraja Co-op society | (l) Nayee Brahmin Co-op Society |
- (Action: LDMs, All Banks)**
- (6) JLG target at 10 units per rural bank branch has been done as advised by NABARD and SLBC has circulated District wise Bank-wise targets to all LDMs and Banks. All Banks to finance units under "Bhoomi Heen Kisan" scheme introduced by the Government of India as targets under the JLG. **(Action: All Banks/LDMs)**
- (7) As per the instructions of DFS, Ministry of Finance, Government of India, the forum has approved inclusion of the following as member of SLBC.
- | |
|---|
| (a) Additional Provident Commissioner / Regional Provident Fund Commissioner |
| (b) Life Insurance Corporation of India and Public Sector General Insurance companies i.e United Insurance Company Ltd, New India Assurance Company Ltd, Oriental Insurance Company Ltd and National Insurance Company Ltd. |
- (8) Then the SLBC forum collectively felt that the increasing trend in NPAs is a concern for all the Banks and requested the Government to improve the mechanism to help the banks in recovering its NPAs. President, SLBC intervened and requested the Finance Minister to instruct the concerned to restore posting of Deputy Tahsildar (Recovery) in Rangareddy District on priority. The Finance Minister assured that the Government is ready to provide necessary help to the banks in recovery of NPAs. **(Action: Revenue Department, GoT)**
- (9) Rajiv Swagruha Loans:
The Convener has requested to Government to reimburse the Government share of EMIs in respect of Rajeev Swagruha and VAMBAY loans and requested for the intervention of the Government in this matter. The forum has also requested the Government to allot the houses of the allotted those who are not paying the dues to others, so that the recovery of NPAs will improve. Hon'ble Finance Minister informed that there are certain issues with staffing in State Housing Board and the issues raised will be addressed shortly. **(Action: A P State Housing Corporation)**
- (10) RSETIs
Congener has informed the forum that 9 RSETIs are running in Telangana. He said that State Bank of Hyderabad has recently inaugurated a new building for RSETI at Nalgonda Further the House considered the proposal for opening of RSETI at Siddipet by Andhra Bank and gave its approval. Convenor has informed that the expenses by RSETI are to be reimbursed by SERP though the amount has been passed on by Ministry of Rural Development to SERP and as on date Rs.5.08 crores (SBH) is pending for a long time. He requested the Government to advise SERP to release the funds as banks are already out of funds. **(Action: SERP)**
- (11) Requests for allotment of land for RSETIs at the following places is pending.
- | | | |
|-------------|----------------|------------------|
| (a) Khammam | (b) Karimnagar | (c) Mahabubnagar |
|-------------|----------------|------------------|
- The forum has requested the Revenue department to expedite allotment of land to RSETIs. **(Action: Revenue Department, GoT)**

- (12) Farm Mechanisation:
Smt. Poonam Malakondaiah, Principal Secretary, Agriculture, has informed the forum that the Government is very keen on farm mechanisation and Government is contemplating establishing of poly/gree houses in a big way in and around 100 Kms of Hyderabad in neighboring districts of Ranga Reddy, Mahaboobnagar and Nalgonda under the programme "MANA OORU - MANAKOORAGAYALU" which aims at cultivation of vegetables and marketing of the same. She informed that detailed guidelines will be sent to all the banks and requested the banks to provide loans for farm mechanization and green house farming. **(Action: Agr Dept, GoT, All Banks)**
- (13) Principal Secretary Agriculture has requested the banks to see that 100% renewal of crop loans is completed before 31.12.2014 so that the farmers will get benefit of interest subvention and next installment of waiver amount which is going to be released by the Government during next year. She has requested the banks to analyze the reasons for low renewal position and come out with measures for completion of 100% renewal of the crop loans. President, SLBC, suggested that banks do internal exercise to identify the problems, find out the solutions to overcome the same by 23.12.2014, which will be shared/discussed in a steering committee/Inter Departmental Committee meeting to be conducted next week. **(Action: All Banks)**
- (14) Convener informed the Hon'ble Minister that Prime Minister's Jan Dhan Yojana is under active implementation in the State of Telangana and the State is near to saturation. He informed that survey has been completed and requested the Hon'ble Finance Minister to arrange for suitable directions to the local functionaries like MDOs, Sarpanch of village, Municipal authorities etc to help the banks in opening of accounts for uncovered house holds, if any, and issue Certificate of Saturation to enable the State of Telangana to be declared as saturated. He informed that if the State can be declared as saturated by 25th December 2014, it will be one among the first few, though some of the small States have already been declared of saturation. LDMs should ensure saturation at the district levels and seek District Collector's intervention as Mission Director wherever warranted.
Sri. Ramakrishna Rao. K. Special Secretary (IF) and State Mission Director requested the banks to achieve PMJDY saturation before target time and informed that necessary instructions were already given to the Collectors, the District Mission Directors to extend every co-operation in this regard.
(Action: Revenue Dept, GoT, LDMs, All Banks)
- (15) The Convener has requested all the members of SLBC of Telangana and LDMs to submit the data within the time and avoid continuous follow-up by SLBC which helps SLBC to submit data to RBI/Government of India accurately and in time.
(Action: All Banks)

The meeting concluded with the vote of thanks by Sri. U.A. Krishnamurthy, DGM SLBC.

(J Sitapati Sarma)

General Manager & Convener, SLBC

SUMMARY OF ACTION POINTS

I) All the Banks to

- 1) Improve lending priority sector segment as the State's priority sector lending at 31.16% of total advances is below the RBI norm of 40%.
- 2) Achieve 100% crop loans renewals position by 31st December 2014.
- 3) Concentrate on rehabilitation of MSME and small units
- 4) Increase term loan/investment credit to farmers to improve the overall health of the agriculture in the State.
- 5) Ground units under NULM at the earliest
- 6) Achieve targets set under Government sponsored schemes.
- 7) Finance units under "Bhoomi Heen Kisan" scheme introduced by Government of India (as per targets already advised to banks under JLG)
- 8) Provide loans to farmers under the new schemes of farm mechanisation and green house farming.
- 9) Review internally to identify the problems in respect of pending crop loan renewals, and find out solutions to overcome the same, which will be discussed in a steering committee / inter departmental committee meeting to be conducted shortly.
- 10) Ensure that survey of all households/wards is complete and to open savings bank accounts for all uncovered households by 25th December 2014 under PMJDY.
- 11) Submit data required by SLBC within the time frames to enable SLBC submit to RBI/Government of India accurately and in time.

II) Lead District Managers are requested to

- 1) Ensure distribution of targets under Government sponsored schemes 2014-15 (including PMEGP) to all the banks in the district and advise SLBC.
- 2) Submit periodical progress reports on government sponsored schemes to SLBC.
- 3) To seek District Collector's intervention as Mission Directors wherever warranted and ensure saturation in respect of PMJDY at district level by 25th December 2014

III) KVIC is requested to

- 1) Advise bank wise-district wise targets under PMEGP to SLBC / LDMS / Banks

IV) Department of Revenue, Government of Telangana is requested to

- 1) Restore posting of Dy. Tahsildar (Recovery) in Rangareddy District
- 2) Expedite allotment of land for RSET is at Khammam, Karimnagar and Mahabubnagar
- 3) Issue suitable directions to local functionaries like District Collectors, MDOs, Sapanch of villages, municipal authorities etc to issue certificate of saturation under PMJDY to banks/LDMS to enable the State of Telangana to be declared as saturated.

V) Department of Agriculture, Government of Telangana is requested to

- 1) Resolve issue of loan eligibility certificates for lands falling in 1 of 70 Act in Warangal and Khammam districts.

VI) A.P. State Housing Corporation, Government of Telangana is requested to

- 1) Resolve the issue of reimbursing Government's share of EMIs in respect of RYS and VAMBAY loans to the Banks.

VII) SERP, Government of Telangana is requested to

- 1) Release the funds in respect of expenses by RSETIs, to the respective Banks as Banks are already out of funds.

List of Participants

Sl. No.	Name Shri/Smt	Designation	Organization
1	Etela Rajendar	Hon'ble Minister for Finance	Govt. of Telangana
2	Rajiv Sarma, I.A.S	Chief Secretary	Govt. of Telangana
3	Santanu Mukherjee	President, SLBC Telangana & Managing Director	State Bank of Hyderabad
4	J Sitapathi Sarma	Convenor, SLBC Telangana & General Manager	State Bank of Hyderabad
5	Poonam Mala Kondaiah, I.A.S	Principal Secretary, Agriculture Dept	Govt. of Telangana
6	K.Ramakrishna Rao, I.A.S	Spl.Secretary IF & Mission Director PMJDY	Govt. of Telangana
7	Anita Ramachandran, I.A.S	Mission Director, MEPMA	Govt. of Telangana
8	Ch.V.Sai Prasad	Joint Secretary, Finance Dept	Govt. of Telangana
9	Kishan Singh	General Manager	NABARD
10	C Doraswamy	General Manager	Andhra Bank
11	G J Raju	Deputy Genral Manager	RBI
12	V Sambandan	Deputy General Manager	State Bank of India
13	U.A.Krishna Murty	Deputy General Manager	State Bank of Hyderabad
14	G Subrmanian Iyer	General Manager	Canara Bank
15	V Giridhar	Managing Director	APCOB
16	B Jaya Raj	Managing Director	S C Corporation
17	E N Nicolas	Managing Director	TS Christian Minority Finance Corporation
18	S A Shukoor	VC & MD APSMFC	Govt. of Telangana
19	K MalliKarjun	M.D, B C Federation	Govt. of Telangana
20	Dr Khudduz	State Director, KVIC	Govt. of Telangana
21	B R G Upadhyay	Chairman	Telangana Grameena Bank
22	Raj Kumar	Deputy General Manager	NABARD
23	G V Ramanadham	Deputy General Manager	Uco Bank
24	S V Rajendra Prasad	Deputy General Manager	Bank of India
25	Vijay Murar	Deputy General Manager	Central Bank of India
26	V Narsi Reddy	Chairman	APGVB
27	Dr.Ch.Padmavathi	Dy.Director, Horticulture Dept	Govt. of Telangana
28	K Vidyadhar	Addl. Mission Director, MEPMA	Govt. of Telangana
29	Arvind Kambar	Zonal Manager	Dena Bank
30	S P Chugh	Deputy General Manager	Oriental Bank of Commerce
31	Sreedhar Dharmapuri	Deputy General Manager	ICICI Bank
32	J.B.Subrahmanyam	Asst.General Manager, SLBC, Telangana	State Bank of Hyderabad
33	P Sambaiah	Asst.General Manager	State Bank of India
34	B Sudhakar	Asst.General Manager	State Bank of India
35	D S Sharma	Asst.General Manager	Punjab National Bank
36	Ajai Agarwal	Asst.General Manager	Central Bank of India
37	K Satyanarayana	Regional Manager	Oriental Insurance
38	T.Yesupadam	Telangana Grameena Bank	General Manager
39	P.Adinarayana Reddy	Asst.General Manager	Syndicate Bank
40	P Muralidhar	Asst.General Manager	IDBI
41	Ch Srinivas	Senior Regional Manager	HPCL
42	U K Navani	Regional Manager	LIC of India
43	Dr.M.Shankar	Regional Manager	The New India Assurance
44	Pulla Reddy	Manager	RBI

List of Participants

Sl. No.	Name Shri/Smt	Designation	Organization
45	Nazimuddin	Representative, Agriculture Dept	Govt. of Telangana
46	A Mukundan	Vice president	HDFC Bank
47	Ch N Murty Babu	Chief Manager Financial Inclusion	State Bank of Hyderabad
48	S.Viayalakshmi	Chief Manager	Indian Overseas Bank
49	Mathew K V	Chief Manager	ICICI Bank
50	Srinivas Gollapalli	Chief Manager	ICICI Bank
51	M Krishna Kumar	Chief Manager	State Bank of Mysore
52	Ganesh Ingua	Chief Operating officer	KBS Bank
53	K Narasimhaiah	Chief Manager	APGVB
54	M B Ingole	Chief Regional Manager	HPCL
55	D A Choudhary	LDM, Karimnagar	State Bank of Hyderabad
56	P Sreeniv	LDM, Mahabubnagar	State Bank of India
57	G Udaya Ranjan Sharma	LDM, Adilabad	State Bank of Hyderabad
58	A Sai Prasad	LDM, Warangal	State Bank of India
59	M Srinivas	LDM, Khammam	State Bank of Hyderabad
60	N C Sridhar	LDM, Nalgonda	State Bank of Hyderabad
61	K Radha Krishna	Chief Manager	Indian Bank
62	D Muthukumar	Senior Manager	Punjab National Bank
63	VG V Prasad	SM (IT)	United Bank of India
64	L Rajkiran	Senior Manager	Bank of Maharashtra
65	Murali Krishna Chatu	Senior Manager	Kotak Mahindra
66	K.K.Viswanadham	Manager, SLBC,Telangana	State Bank of Hyderabad
67	K H K Balaji	Manager, SLBC,Telangana	State Bank of Hyderabad
68	M Ravi Kumar	Manager, SLBC,Telangana	State Bank of Hyderabad
69	D L Gopi	Manager	Allahabad Bank
70	Rajshekar M G	Manager	Karur Vysya Bank
71	Sushma Raj	Manager	Central Bank of India
72	Sandhya G R	Manager	South Indian Bank
73	P Sreeja	Manager	National Housing Bank
74	Ch Nageswari	Manager	Bank of India
75	G B Narasimha Charyulu	Manager	Catholic Syrian bank
76	M Raghuram	ALDM, Medak	State Bank of India
77	J Venkateswar Rao	Dy.Manager, SLBC,Telangana	State Bank of Hyderabad
78	A Viswanath	RH	Indusindbank
79	M Raghu Vinay	Senior Manager	Dhanalaxmi Bank
80	N Amarnath Reddy	Senior Manager	Union Bank of India
81	V Satyanarayana	A.S	LIC of India
82	K Ashok Kumar	Manager, LBO, Hyd	State Bank of Hyderabad
83	Pradeep Singh	LBO, Hyd	State Bank of Hyderabad
84	V Sudhakar Rao	Asst. Manager	Axis Bank
85	M Vijay Kumar	Asst. Manager	Agri Insurance Company
86	Gururaj Ainapuri	Asst. Manager	Karnataka Bank Ltd
87	Ravindra R P Nag	Asst. Manager	State Bank of Patiala
88	DSC Prasad	Jt Manager	Bank of Baroda