**MINUTES OF THE 2ND MEETING OF**

**STATE LEVEL BANKERS COMMITTEE OF TELANGANA : DT: 08.08.2014**

The 2nd meeting of SLBC of Telangana state has been conducted on the 8th August 2014 in the conference hall of Hotel Marriott, Hyderabad.

The participants are:

* Sri Rajeev Sarma, I.A.S. -Chief Secretary
* Sri V. Nagi Reddy, I.A.S. - Principal Secretary (Finance)
* Smt. Poonam Malakondaiah, I.A.S. – Principal Secretary (Agriculture)
* Sri B. Janardhan Reddy, I.A.S. - Commissioner (Agriculture)
* other Secretaries / Commissioners / heads and other executives of various departments
* Sri Santanu Mukherjee-President SLBC of Telangana and Managing Director of SBH
* Sri K.R. Das-Regional Director (RBI)
* Sri Jiji Mammen-Chief General Manager (NABARD)
* Sri V. Viswanathan, Chief General Manager (SBH)
* Sri J. Sitapathi Sarma, Convener, SLBC of Telangana / General Manager (SBH)
* Lead Bank Managers and other officials from all Banks / Reserve Bank of India / NABARD etc. (List of participants is enclosed)

The proceedings are as under:

* **Sri Santanu Mukherjee - President SLBC of Telangana and Managing Director of State Bank of Hyderabad** has welcomed all the participants and presented bouquets to the dignitaries on the dais.
* **Sri J. Sitapathi Sarma, Convener of SLBC-Telangana & General Manager of SBH** has briefed the Agenda to be taken up and requested the Chief Secretary Dr. Rajeev Sarma to launch the Annual Credit Plan for the FY 2014-15. The launching of Credit Plan received thunderous applause from the assembled guests.
* **Sri Santanu Mukherjee,** in his welcome address said that launching of credit plan was a big occasion and was happy to be a part of the launch. He complemented all the persons connected with the launch of the Annual Credit Plan. He further said that for successful implementation of credit plan, there is a need to work hand in hand by all the stake holders. While listing out the targets set for various priority sectors in the Credit Plan for FY 2014-15, he complemented the bankers for exceeding the target in many areas in the year 2013-14 and requested bankers to continue the efforts and well exceed the targets in 2014-15 also. He informed the bankers that priority sector advances are lower at 31.58% of Net Bank Credit against 40% target and asked the bankers to achieve desired growth by providing adequate funding. He asked all the banks to conduct branch-wise camps to create awareness on financial literacy, account opening and Aadhaar seeding.
* **Sri Rajeev Sarma, Chief Secretary** congratulated the bankers for their active role in Telangana state. Launching the credit plan at the second SLBC meeting here, he appealed to the bankers to extend the necessary financial assistance in different priority sectors and play a key role in the development of Telangana, the newly born State. He expressed satisfaction that the total disbursements in priority sector last year (2013-14) was Rs. 36419 cr against a target of Rs. 32938 cr, and expected a repeat performance. He suggested to bankers to conduct financial literacy camps for stake holders in priority sector for better utilization of Government funds marked for priority sector. He also appealed to bankers to extend loans for investment credit viz., farm mechanization, introduction of modern technologies and horti-culture. He also asked the bankers to be imaginative and constructive while sanctioning agricultural term loans. He also said that the government is planning to consolidate agriculture holdings in the new state as the current small holdings were posing problems to progressive farming. He further said that Telangana state has water stress compared to other states; more so in the current year as rain god eluded Telangana so far. Stating that a real single window approval system is going to be in place in Telangana and a new industrial policy would be unveiled soon, he asked the bankers to provide support for growth of the industrial sector (large as well MSME) in the new state. Government would like to promote training to lower / middle / weaker sections to enable them to acquire skills for taking up profitable activities. He expressed confidence that with corruption free new direction oriented approach of the Government, the state will reach new heights with bankers’ co-operation.
* **Sri V. Nagi Reddy, Principal Secretary-Finance**, observed that the size of the credit plan is almost as big as state budget and expressed happiness at the allocation of Rs.40546 cr towards Priority Sector Advances with a major share of Rs.27233 cr to agriculture and allied activities. He also said that it is very important that bankers and government departments to work hand in hand for successful achievement of the Annual credit Plan for FY 2014-15. Speaking on ‘Sampoorna Vitheeya Samaseshan’ (SVS) (Comprehensive Financial Inclusion now know as Pradhan Mantri’s Jan Dhan Yojana) , he advocated for co-orindated working for the programme which is massive in size. He complemented the banks for their ACP 2013-14 achievements and emphasized that a lot of administrative efforts are required for the success of the annual credit plan. Addressing the bankers, he also mentioned importance of the Banking community for the alround progress of Telangana State and wished that efforts of the bankers will change the living standard of the people and resultant economic development of the state.
* **Sri K.R. Das, Regional Director, RBI** had a word of praise for bankers in implementing and exceeding the action plan for the FY 2013-14. He advised the bankers to submit the lead bank returns in time and the figures should be reported correctly, as many decisions are data dependent. Speaking on SVS, the Regional Director said that financial inclusion actually started in 2006 with opening of accounts for every household and requested banks to implement SVS in true spirit and ensure that every household has Basic Savings Bank Deposit Account. He also said that Prime minister desires to have meaningful progress in the next one year.
* **Sri Jiji Mammen, Chief General Manager-NABARD** – said that the Annual Credit Plan for the State is good with impetus on agriculture. (Increase in targets at 30.31%). He advised the banks to have special emphasis on small, marginal and tenant farmers who require focused attention. A booklet on new unit costs for industries and agriculture compiled by NABARD was released by the Chief Secretary. He also said that the NABARD is reworking on improvement in scale of finance for various crops.

Sri J. Sithapathi Sarma, Convener of SLBC, Telangana has taken up the Agenda items for discussion. He said that Annual Credit Plan implementation should be taken up in the right spirit for successful implementation. He also stressed the need for active participations by bankers in JMLBC meetings conducted by the LDMs in the districts. This, he said, is an important tool in resolving many issues which can lead to better and faster achievements of the credit plan.

Commenting on the discussions on crop loans, Sri Dora Swamy, General Manager, Andhra Bank said that Government of Telangana though announced that its cabinet had cleared the crop loan waiver scheme, no GO was issued till date. As a result, the recovery of the agriculture loans has been badly hit. He said that the government better notify the eligibility criteria for debt waiver and clarify that accounts closed after the cut-off dates are also eligible under the loan waiver scheme so that farmers start repayment of crop loans.

APGVB Chairman – Sri Vinod Reddy said the debt waiver announcement has adversely affected the crop loan renewals as also recoveries in SHG loans etc. as there was no government notification on what kind of loans are to be waived off. Since there is no clarity on it, people stopped repaying and there is no recovery even in term loans.

Some other banks have expressed that the announcement of loan waiver has totally affected the repayment of agriculture leading to increase in NPAs in banks.

Intervening in the discussion, the Chief Secretary –Sri Rajeev Sarma said the crop loan waiver scheme was under consideration and the government was working on modalities of waiver / rescheduling crop loans. He further stated that last year, farmers were hit by several natural calamities including cyclone and hailstorm and the government could not complete the proper procedures to approach RBI in time due to the political uncertainty over bifurcation followed by the transition adjustments after announcement of the division. Now the government is working on loan reschedulement.

Intervening in the discussion, Sri Nagi Reddy said that the government was committed to waive crop loans only and other loans were never under consideration. Therefore, the question of lack of clarity does not arise, he added.

Discussions also took place on computerization of land records (Bhoomi Project) and the need to eliminate fake pattadar passbooks and improvement in promoting horticulture, allied activities and weather based crop insurance, etrc.

Smt. Poonam Malakondaiah said that government is taking up extension of due date in respect of weather based crop insurance of NCIP.

The SLBC Convener has requested the Government to allocate lands for establishment of RSETIs by SBH at Karimnagar and Khammam in Telangana State including – one at Siddipeta being set up by Andhra Bank.

Sri Jiji Mammen, CGM, NABARD has said that the Government of India has dropped a scheme i.e., ISAM (Integrated Scheme for Agricultural Marketing” and there will not be any subsidy for new projects and advised banks not to sanction subsidiy linked loans under this scheme till further announcement.

Smt. Poonam Malakondaiah, Principal Secretary-Agriculture has advised to constitute a sub-committee to discuss issues like change in cropping pattern in view of delayed monsoons and deficit rainfall due to which crops like paddy may be affected

Sri Janardhan Reddy has said the bankers have to look into sanction of educational loans as the achievement was only Rs.285 cr against a target of Rs.600 cr. However, Sri Dora Swamy clarified that due to State Government’s reimbursement of fee, many of the students are availing fee concessions, due to which the availment of educational loans is very low. He said, however, based on the new guidelines, the loan disbursements under this category will be improved.

Sri Balakrishna, UIDAI, New Delhi has requested the banks to encourage opening of accounts through e-KYC without insisting for physical proofs..

At the end, Sri J. Sitapathi Sarma, Convener of SLBC of Telangana and General Manager of SBH summed up the proceedings and thanked the participants for making the meeting successful.

SLBC of Telangana

C/o SBH, H.O.

Dt: 08/08/2014