

Minutes of the 23rd SLBC Quarterly Meeting

Launching of ACP 2019-20 & Review the Performance of Banks

held on the 30th May, 2019

@ 03.00PM, at “Kohinoor” Hall, Hotel Taj Deccan, Banjara Hills, Hyderabad

The 23rd Quarterly meeting of State Level Bankers' Committee, Telangana to launch ACP 2019-20 and to review the performance of banks for the quarter ended March, 2019 was held on 30th May, 2019 at “Kohinoor” Hall, Hotel Taj Deccan, Banjara Hills, Hyderabad.

Sri J Swaminathan, Dy. Managing Director, SBI & President, SLBC extended a warm welcome to Sri K. Ramakrishna Rao, IAS, Principal Finance Secretary, Government of Telangana, Sri C. Parthasarathi, IAS, Principal Secretary (Agriculture), Govt of Telangana, Rahul Bojja, IAS, Commissioner (Agriculture), Government of Telangana, Sri Subrata Das, Regional Director, Reserve Bank of India, Hyderabad, Sri Vijaya Kumar, Chief General Manager NABARD, Sri Sundaram Shankar, General Manager, Reserve Bank of India, Senior Officials of Public and Private Sector Banks/FIs, Senior Officials from Government of Telangana.

Detailed list of participants is annexed.

Sri Swaminathan. J, Dy. Managing Director, SBI & President, SLBC in his opening address said that:

- Total Deposits of the banks grew by Rs.41,326 crores and advances grew by Rs.53,341 crores during the FY 2018-19
- CD ratio has improved by 115 bps - from 116.37% to 117.52% during the FY ended March 2019. The higher growth in loans portfolio vis-a-vis deposits is the main reason for the increase in CD ratio.
- During the FY 2018-19, Banks have lent Rs.19,671 crores under Kharif (77.15% of the targets) and Rs.14,080 crores under Rabi (82.83% of the targets) thus achieving 79.43% of 'Short term production loans' target.
- Banks have lent Rs.17,600 crores as term loans to agriculture and allied activities during the financial year 2018-19, achieving 113.04% of annual targets.
- Banks together have disbursed Rs.95,736 crores to borrowers under Priority Sector, recording an achievement of 103.22 % of annual targets.
- Banks have disbursed Rs.36,639 crores to Micro, Small & Medium enterprises (MSME) segment during the financial year achieving 171% of the targets.
- On the financial inclusion front, Banks have done well meeting the targets set by the Central Government and ambitions of the State Government. PMSBY and PMJJBY have seen record level of registrations during the Financial Year 2019-20.

- Reimbursement of claims of RSETIs pending for a long time is to be received from Govt. of India/Govt. of Telangana. Government of India has released Rs.1.35 crores towards reimbursement of RSETI claims in the month of March 2019 but funds were not reimbursed to respective Banks and SERP has ordered for DRDA audit. SERP is requested to immediately reimburse the pending claims and to simplify the process of reimbursement of expenses to avoid delay.

Ms.Pausami Basu IAS, CEO of SERP clarified that they have issued budget authorizations to districts releasing an amount of Rs.1.59 crores on 24th May for payment to RSETIs. Districts can draw the money at district level for making proportionate payment to RSETIs for the financial year 2018-19.

Sri UNN Maiya said that actual dues are around Rs.11.5 Crores and requested to take up the issue with concerned authorities for release of remaining overdue amount of Rs.10 Crores at the earliest.

- Shri Swaminathan requested Principal Secretary (Agriculture) to help in providing access of Dharani portal to banks for loan charge creation.
- He requested Principal Secretary (Agriculture) to have a co-ordination meeting / work shop on PMFBY involving stake holders in the month of June 2019 on PMFBY Scheme for better resolution of issues.
- Govt. of Telangana to reimburse VLR/ PV claims of Banks amounting about Rs.804 Crores to reduce stress on Banks' profitability as RBI advised Banks to make provisions on the receivables overdue.
- He said that ACP 2019-20 is prepared with a practical approach based on the Potential estimates of NABARD and directions of RBI on priority sector lending. He complimented the efforts of LDMs and other officials, contribution from NABARD and RBI in unveiling the ACP 2019-20 in time.

Later, the Annual Credit Plan 2019-20 was unveiled by the dignitaries.

AGM-SLBC presented some of the highlights of ACP 2019-20 as under:

- Current financial year's Annual Credit Plan outlay is Rs.1,46,238 crores against on out of Rs.1,36,733 crores for Financial Year 2018-19, of which Priority Sector share is Rs.1,01,353 crores (69%), against priority sector target of Rs.92,747 crores for FY 2018-19.
- Agriculture segment has a major share of 68% of Priority Sector at Rs. 68,596 crores against a target of Rs.58,063crores for FY 2018-19.
- MSME segment has a share of 21% i.e Rs. 21,420 crores for the FY 2019-20.
- Agriculture Investment credit of Rs.19,856 crores has been targetted to create sustainable income for the farmers.

A detailed presentation on performance of Banks during the quarter as well as for the Financial Year 2019-20 was made by AGM-SLBC.

Shri Vijaya Kumar, CGM of NABARD said that:

- ACP 2019-20 targets are in line with the PLP projections.
- Congratulated the Controllers of Banks, agencies involved and the line departments of the State Government for their efforts in achieving the targets of ACP 2018-19.
- Research institutions such as NIRD, ICAR etc., may be invited to SLBC meetings to have their suggestions for financing the innovative models of farming being developed by them.
- NABARD is making convergence efforts with SERP in development of SHG Bank Linkage programme.
- SHGs are being extended loans beyond Rs.5 lacs and there is a need to ensure that the groups undertake economic activity.
- NABARD formed 370 FPOs, out of which 333 FPOs are registered. NABARD is making efforts to convert these FPOs as sustainable business entities to help the farmers at villages.
- Shri Vijaya Kumar said that the lending under ATL by private sector banks especially HDFC, ICICI Bank are higher when compared to other banks.

Representative of ICICI Bank as well as HDFC Bank said that higher achievement is mainly contributed by high value proposals related to Farm mechanization, Poultry, Dairy

- Shri Vijaya Kumar said that Scales of finance Animal Husbandry and Fisheries are to be fixed at the earliest as they are now being covered under KCC Scheme.

Dr. N. Muralidhar, MD, TSCAB responded indicating that they are in touch with the concerned departments/DLTCs and Scales of finance will be finalized shortly.

Sri Subrata Das, Regional Director, RBI said that:

- Though the overall achievement of ACP 2018-19 target is commendable, banks have not achieved Priority sector lending as per RBI norms for the year 2018-19, as well as for the previous two years.
- He advised Controllers of Banks to make sincere efforts this year to achieve the target fixed for priority sector lending as a whole (₹1,01,353.21 Crores), as well as sector/sub-sector wise and ensure that the desired objective of priority sector lending is fulfilled.
- ACP for the year 2019-20 has been prepared taking into account the suggestions given by RBI for equitable allocation of the targets among banks.
- He thanked Sri K Rama Krishna Rao, Principal Finance Secretary, Govt. of Telangana for his assurance to make all efforts to settle as early as possible the claims of banks towards VLR/PV dues which are more than 2 years old and causing concern for banks, as overdue receivables are to be provided for in terms of the prudential norms of RBI.
- Referring to the connectivity issues reportedly being faced by rural branches/BCs, he suggested banks to explore alternatives like solar activated V-Sats.

Shri Parthasarathi IAS, Principal Secretary (Agriculture) congratulated SLBC launching of the ACP for 2019-20 and said that:

- 49% of priority sector targets are allocated to Agriculture
- 70% of total Annual Credit Plan was allocated to priority sector
- Agriculture crop loans got 15% higher allocation than FY 2018-19
- Allocation for Farm mechanization has been projected at Rs.2,000 Crores and for Horticulture at Rs.1,100 Crores
- Agl. Infrastructure was allocated Rs.2,000Croresi.e., 58% higher over FY 2018-19
- Food processing and other ancillary activities have got allocation of Rs.6000 Crores.

He further said that:

- During Kharif 2018 Short term production loans did not pickup to the expected level due changes in land records. In Rabi 2018-19, in addition to land record problem, borrowers have not come forward for renewal probably expecting the debt waiver.
- The performance of RRBs in Short term production loans for Rabi 2018-19 is at 50.94%, which needs improvement.
- In sub-committee meeting on Agriculture, review is to be done for analyzing the reasons for the low penetration in Term Lending of Public Sector Banks
- Director CCLA provided a demo to bankers for access to Dharani Portal with OTP based mechanism and a final test to be done by bankers.
- SLBC to take initiative for final testing of the charge creation module by a small group of banks in coordination with CCLA.
- About 188 branches were opened last year in the State and more Banking outlets are to be opened taking the banking services to door steps of the rural public.
- On development of irrigation facilities front, the State Government implemented two major projects i.e.,
 - i) Under minor irrigation programme, 1.39 lac acres are targeted to be covered under micro irrigation with an outlay of Rs.1,000 Crores
 - ii) Under Warehouse Infrastructure Fund (WIF), about 364 godowns with an investment out of Rs. 973 Crores are planned covering majority of mandals of the State to provide 18.23 lakh metric tons of storage space
- State Government has conducted series of programmes in association with NABARD for sensitization of FPOs and is planning to formulate a policy for giving licenses to FPOs for distribution of seeds, fertilizers, pesticides etc., and also to play a role in MSP operations
- Under Mission for Integrated Development of Horticulture (MIDH), Govt. of India is providing subsidy to the extent of 35% for Horticulture projects, which is emerging as profitable sector, with adoption of advanced technology methods such intensive type of orchard management, drip irrigation, automation of farming etc., and requested Banks to focus more on lending of this type of Horticulture projects
- Post harvest management includes cold storage, ripening chambers, solar driers, turmeric boilers, reefer containers etc., have lot of scope for financing by banks.
- Sericulture is picking up in the State and it is also one of the prospective allied activities, banks can focus on extending loans to provide infrastructure facilities and also to meet working capital requirements
- By and large, this year there will be normal monsoon and we will have a better Rabi.

- From June month onwards, the Principal Audit General desires to have performance audit on Rythu Bhandu Kharif 2018 and their team will be visiting branches of all 8 banks involved in Rythu Bandhu Kharif 2018.
- Under Rythu Bhima, in some branches pass books are hand written, which is creating problems in settlement of claims as the LIC - the nodal agency is returning the claims in case of any correction in the pass book.
- Identification of LDMs for newly formed 2 districts of Narayanpet and Mulugu and conduct of DCC/DLRC meetings are to be ensured.

Shri K Rama Krishna Rao, Principal Finance Secretary said that:

- State economy registered a growth rate of 15% of GSDP at current prices. Services Sector recorded highest growth and growth in Agriculture sector needs to be focused for improvement
- As per the available data, for the year of 2012-13 the average farm Income per family per month was at Rs 6426/- at all India level, which needs more focus.
- Central and State Governments are trying to create infrastructure for irrigation, post harvest management etc., to facilitate improvement in farmers' income
- This year, benefits of Kaleswaram Irrigation project will be felt and is expected to transform Telangana into an agriculturally prospering State
- For improvement of Farmers' income, Banks need to focus on providing Term loans for infrastructure, ancillary activities etc.,
- CD ratio is good at State level and needs to be improved in Districts wherever it is not up to the mark.
- Audit Team of AG Office will be visiting banks and their branches for verification of payments made under Rythu Bandhu Scheme. He requested banks to provide necessary information to the audit team.
- State Government will release investment credit support under Rythu Bandhu Scheme for Kharif 2019 shortly
- State Government is working out the detailed modalities on Debt waiver and the waiver will be done in tranches.
- Central Government reviews the progress under various Social security schemes regularly. He said that there is lot of scope for further mobilization under these Schemes in the State.
- National Commission on SCs reviewed Banks' priority sector lending, lending to weaker sections, lending to SC/STs, Women under Stand up India Scheme and advised Controllers of Banks to ensure the targets under various schemes are met.
- VLR/PV issue dues will be reimbursed shortly.

Dr. Muralidhar, MD of TSCAB said that DCCBs validated 52000 records received under PM Kisan Nidhi but the amount is not credited to farmers' accounts and the matter was taken up with NPCI.

Shri Rahul Bojja IAS, Commissioner (Agriculture) clarified that there are some issues with PM kisan portal viz., IFSC code and assured that the issue will be sorted out to ensure farmers get their money.

Dr Sunil Kumar, Director, National commission for Scheduled Castes advised banks to extend financial assistance to SC/STs and Weaker Sections as a part of social justice and to achieve targets under these segments. He suggested SLBC to provide beneficiary wise data on credit flow in crop loans, Education Loans and MSME Loans.

Shri UNN Maiya, General Manager & Convener SLBC proposed vote of thanks.

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**General Manager & Convenor
Of SLBC**

23rd Quarterly Review Meeting for the quarter ended 31.03.2019
Action Points emerged in SLBC Meeting

Action Point No.1

Under Financial Inclusion Plan, the 11 identified unbanked villages with population above 5000, to be covered with “**Banking Outlets**” by banks latest by 30th June 2019.

(Action: Andhra Bank, HDFC Bank, APGVB, Karur Vysya Bank, SBI)

Action Point No.2

All 68 inactive BCs to be activated/ or replaced with new BCs, wherever required, on top priority. Banks to arrange for submission of the list of inactive BCs, which are inactive for more than 30 days, with reasons and the expected date of activation to SLBC every month by 5th of succeeding month.

(Action: All Banks)

Action Point No.3

Connectivity issues of branches /BCs as advised by Banks/SLBC to be resolved at the earliest.

Andhra Bank reported connectivity issues in 27 locations and the list was forwarded to Term cell on 01.06.2019 for resolution.

(Action : Term Cell, Dept. Of Telecom)

Action point No.4

VLR/PV claims of Banks amounting to approx. Rs.804 crores to be immediately reimbursed to the Banks.

(Action: Agri. Department, GOT)

Action point No.5

Pending reimbursement of claims of RSETIs amounting to Rs10 crores in respect of SBI and Andhra Bank to be released immediately.

(Action: State Director, RSETIs/SERP, GoT)

Action point No.6

Bank's business targets to be aligned with the Annual Credit Plan targets of FY 2019-20 at all levels viz. State, district, block and branch levels as per Lead Bank Scheme guidelines.

(Action: All Banks/LDMs)

Action point No.7

Access for Loan charge creation Module of Dharani Portal to be provided to Banks at the earliest.

(Action: CCLA Dept., GoT)

Action point No.8

Scales of Finance for Animal Husbandry and Fisheries activities for extending working capital loans by Banks to be finalised at the earliest

(Action:TSCAB)

23rd SLBC Quarterly review meeting - List of Participants			
No.	Name (Sri/Smt/Ms)	Designation	Organisation
SLBC Telangana			
1	Swaminathan J	President SLBC & DMD	State Bank of India
2	UN Narayana Maiya	Convenor SLBC & GM	State Bank of India
Officials - Government of Telangana			
3	K Ramakrishna Rao, IAS	Principal Finance Secretary	Govt. of Telangana
4	C Parthasarathi, IAS	Principal Secretary (Agriculture)	Govt. of Telangana
5	Rahul Bojja, IAS	Commissioner of Agriculture	Govt. of Telangana
6	Pausami Basu, IAS	CEO, SERP	Govt. of Telangana
7	R Ravi	Joint. Secretary (Finance)	Govt. of Telangana
8	Mohd Iqbal Hussain	Asst Secretary (Finance)	Govt. of Telangana
9	G Nareemani	Addl. Director(Agriculture)	Govt. of Telangana
10	G Anitha	Asst Director(Agriculture)	Govt. of Telangana
11	M Sree Lakshmi	Jt. Director, Industries Dept	Govt. of Telangana
12	M Najammuddin	Consultant, Agri. Dept.,	Govt. of Telangana
13	Y N Reddy	Director SERP	Govt. of Telangana
14	V Jayanthi	Project Manager, SERP	Govt. of Telangana
15	J Ramchander	PE, SERP	Govt. of Telangana
16	G Padma	State Mission Co-ordinator, MEPMA	Govt. of Telangana
17	K Shankar Rao	Dy General Manager, TRICOR	Govt. of Telangana
18	B Sindhuja	Project Engineer,O/o CCLA	Govt. of Telangana
19	K Persis	Regional Manager ,TSMFC	Govt. of Telangana
Officials - Government of India			
20	Dr G Sunil Kumar Babu	Director	NCSC
21	V Chandulal	State director	KVIC
22	N S Deepu	Asst Director General	UIDAI
23	Venkatesh Tota	Regional Resident Representative	National Housing Bank
24	B Ajay Kumar	Research Officer	NCSC
25	A Subrahmanyam	Chief Post Master	Dept of Posts
26	N V Kishore Kumar	Director	Dept of Telcom
Reserve Bank of India			
27	Subrata Das	Regional Director	Reserve Bank of India
28	Sundaram Shankar	General Manager	Reserve Bank of India
29	M Usha	Dy. General manager	Reserve Bank of India
30	B Ravi Shanker	Manager	Reserve Bank of India
NABARD			
31	Vijaya Kumar	Chief General Manager	NABARD
32	G Santhanam	Deputy General Manager	NABARD
SIDBI			
33	Sanjay Jain	General Manager	SIDBI
Public Sector Banks			
34	V Venkateswar Rao	Circle General Manager	Andhra Bank

35	G Rajender Reddy	General Manager	Canara Bank
36	G Satyanarayana	Dy Zonal Head	Bank of Baroda
37	K M K Brahmanandam	Dy. General Manager	Allahabad Bank
38	A Senthil Kumar	Dy General Manager	Indian Overseas Bank
39	S Rajaguru	Dy. General Manager	United Bank of India
40	M S Arora	Dy General Manager	Syndicate Bank
41	S Lakshmi Narayana	Asst General Manager	Andhra Bank
42	C Sankara Rao	Asst General Manager	Allahabad Bank
43	N Rao Krishna	Asst General Manager	Bank of India
44	Rajiv Kumar Agrawal	Asst General Manager	Oriental Bank of Commerce
45	Mohd. Maqsood	Asst General Manager	Punjab National Bank
46	I Subba Rao	Asst General Manager	State Bank of India
47	M Srinivas	Asst General Manager	State Bank of India
48	Vijaya Kumar	Asst General Manager	Union Bank of India
49	V Surender Babu	Chief Manager	Bank of Maharashtra
50	B Subrahmanyam	Chief Manager	Indian Bank
51	G Sridevi	Chief Manager	UCO Bank
52	Ch Krishna Rao	Senior Manager	Bank of India
53	K Rajyalakshmi	Senior Manager	Canara Bank
54	A Muralidhar Rao	Senior Manager	Corporation Bank
55	Sarfaraz A	Manager	Dena Bank
56	A K Sahoo	Manager	Indian Overseas Bank
57	Ramesh Yadav	Asst Manager	Bank of Baroda
58	Ramyasri Y	Asst Manager	Vijaya Bank
59	Mohammad Shareef	Asst Manager	Punjab & Sind Bank
Private Sector Banks			
60	K V Madhusudan Rao	Circle Head	Axis Bank
61	K Vanamali	Vice President	Kotak Mahindra Bank
62	Pavankumar Ch	Vice President	HDFC
63	A Mukundan	Vice President	HDFC
64	Udaya Shankar	Vice President	RBL Bank
65	N Harish Babu	Asst General Manager	ICICI Bank
66	Rajesh P	Asst General Manager	Dhanalaxmi Bank
67	B Madhuri	Dy Vice President	Indus Ind bank
68	K V Mathew	Chief manager	ICICI Bank
69	N Rama Krishna	Chief Manager	ICICI Bank
70	KVS Prasad	Chief Manager	Karur Vysya bank
71	Y Veera Prasad	Asst Vice President	Axis Bank
72	K Ganesh Babu	Asst Vice President	Axis Bank
73	K Raghvendra	Asst Vice President	Equitas Bank
74	Gopi Krishna Gupta	Senior Manager	Bandhan Bank
75	Aji Checlu	Senior Manager	Federal bank
76	Arvind Sohani	Senior Manager	DCB bank

77	Irappa Jakati	Manager	Karnataka bank
78	K Rama Swamy	Dy. Manager	Yes Bank
79	R Pradeep Kumar	CO	Tamilnadu Mercantile Bank
80	E Jayaram Reddy	DOM	Fincave Small Finance Bank
Regional Rural Banks			
81	T V Krishna Reddy	General Manager	AP Grameena Vikas Bank
82	Y Ravi Chandraiah	General Manager	Telangana Grameena Bank
Cooperative Banks			
83	Dr N Muralidhar	Managing Director	TS Cooperative Apex Bank
84	Manzoor Ghousia	General Manager	TS Cooperative Apex Bank
Lead District Managers			
85	J V S R K Prasad	LDM Adilabad	State Bank of India
86	N Pulla Rao	LDM Bhadradi	State Bank of India
87	P Sreenivas	LDM Hyderabad	State Bank of India
88	N Srinivasa Rao	LDM J S bhupalpally	State Bank of India
89	T V Srinivasa Rao	LDM Jangaon	State Bank of India
90	C Ramesh Kumar	LDM Karimnagar	State Bank of India
91	Ch Chandrasekhar Rao	LDM Khammam	State Bank of India
92	S V Raghavendra Rao	LDM Mahabubabad	State Bank of India
93	K Srinivas	LDM Suryapet	State Bank of India
94	D Suryam	LDM Nalgonda	State Bank of India
95	N Hari Krishna	LDM Nirmal	State Bank of India
96	K Suresh Reddy	LDM Nizamabad	State Bank of India
97	Mohammed Rizwan	LDM Ranga Reddy	State Bank of India
98	P Sumalatha	LDM Vikarabad	State Bank of India
99	TVS Narayana Rao	LDM Warangal (U)	State Bank of India
100	R Nagaraju	LDM Medak	State Bank of India
101	M Ravindra Kumar	LDM Gadwal	Andhra Bank
102	GVBD Hari Prasad	LDM Warangal Rural	Andhra Bank
103	G Ranga Reddy	LDM Rajanna Sircilla	Andhra Bank
104	D Prem Kumar	LDM Peddapalli	Andhra Bank
105	G Laxminarayana	LDM Jagtial	Andhra Bank
106	H Raju	LDM Mancherial	Andhra Bank
107	K R K Reddy	LDM Nagarkurnool	Andhra Bank
108	S Lakshmi Prasad	LDM Siddipet	Andhra Bank
109	Y Suresh Kumar	LDM Wanaparthy	Andhra Bank
110	M Bhujanga Rao	LDM Medchal	Canara Bank
111	K Nagarjuna Babu	LDM Yadadri	Canara Bank
112	D Mohan Reddy	LDM Sangareddy	Syndicate Bank
113	G Prabhakar	LDM Mahabubnagar	State Bank of India
114	K Rajendar Reddy	LDM Kamareddy	Syndicate Bank
SLBC Department			
115	JB Subrahmanyam	Asst General Manager	State Bank of India

116	P Obul Reddy	Asst General Manager	State Bank of India
117	AVDV Prasad	Chief Manager	State Bank of India
118	J Venkateswara Rao	Manager	State Bank of India
119	M Narsimham	Dy. Manager	State Bank of India