

రాష్ట్రస్థాయి బ్యాంకర్ల సమితి, ఆంధ్రప్రదేశ్
राज्य स्तरीय बैंकर समिति, आन्ध्र प्रदेश
STATE LEVEL BANKER'S COMMITTEE, ANDHRA PRADESH

यूनियन बैंक ऑफ इंडिया Union Bank of India

కన్వెనర్ : యూనియన్ బ్యాంక్ ఆఫ్ ఇండియా, 2వ అంతస్తు, ఆంధ్రా బ్యాంక్ బిల్డింగ్, ఆర్.ఆర్.అప్పారావు వీధి, విజయవాడ-520 001
संयोजक : यूनियन बैंक ऑफ इंडिया, 2 मंजिल, आन्ध्रा बैंक बिल्डिंग, आर.आर.अप्पा राव सड़क, विजयवाड़ा - 520 001
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Lr. No: SLBC /210/311

Date: 23.02.2024

To,

The Controlling Authorities of all Banks in AP

Dear Sir,

Reg: Minutes of sub-committee meeting conducted on 21.02.2024

We enclose herewith the minutes of the Sub-Committee Meeting held on 21-02-2024.

We request the members to initiate necessary action on the points emerged in the meeting.

Yours faithfully,



(M. Ravindra Babu)

General Manager and Convenor, SLBC Andhra Pradesh



Encl: as above

CC: The Special Chief Secretary, Finance Dept, Govt. of AP, AP Secretariat.
The Principal Secretary (Handloom & Textiles), Govt. Of AP
The Commissioner and Inspector General of Registration and Stamps, GoAP
The Regional Director, FIDD, Regional Office, Reserve Bank of India, Hyderabad
The Chief General Manager, NABARD
The State Director, KVIC
The CEO, AP KVIB
The Company Secretary, SWIFT India

Minutes of the Sub-Committee Meeting

Date	21.02.2024
Time	12.00 PM
Venue	SLBC Conference Hall, Vijayawada

STATE LEVEL BANKERS' COMMITTEE
ANDHRA PRADESH

Convener:

यूनियन बैंक ऑफ इंडिया  Union Bank
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Proceedings of Sub-Committee Meeting

A meeting of SLBC Sub-committee on Khadi, Textile industry issues and Digital E-Stamping was held through hybrid mode i.e physical presence and VC on 21.02.2024 at 12.00PM in SLBC conference hall, Zonal office, Union Bank of India, Vijayawada. The meeting was chaired by **Shri. M. Ravindra Babu**, General Manager & Convener, SLBC AP and attended by **Smt. K. Sunitha**, Prl. Secretary, (Handlooms & Textiles), Govt. of AP, **Shri. M M Nayak**, Commissioner, Handlooms & Textiles, Govt. of AP, **Shri. Dr. S. Greep**, State Director, KVIC, **Shri V R V R Nayak**, CEO, APKVIB, **Shri MVS N Murthy**, CIO (IF, SLBC), Finance Department, Govt. of AP(VC), **Shri R K Mahana**, Officer In-charge, AP RO, RBI (VC), **Shri M R Gopal**, Chief General Manager, NABARD (VC), Officials from Handlooms & Textiles department, representatives from the Handlooms & Textiles Industry, Officials from SWIFT India, Executives and Senior officials from major Banks.

Shri M. Ravindra Babu, General Manager & Convener, SLBC AP has extended a warm welcome to Smt. K. Sunitha, Prl. Secretary, (Handlooms & Textiles), Govt. of AP and all the participants and explained the importance of agenda items in brief to the forum and appealed to concerned members to give top priority to the action points of the meeting for implementation in letter and spirit to reach the expectations of the Government.

Shri Raju Babu, Asst General Manager, Co-ordinator, SLBC of AP has presented the Agenda to the forum for discussion.

Agenda 1: Khadi and Textile industry issues related to Banks

AGM SLBC informed that during 225th SLBC meeting, few Banks viz. Indian Bank and Union Bank of India have expressed that accounts related to Textile industry are facing problems in repayment of loans. They have informed that, during the interaction of Bank officials with borrowers, Borrowers have expressed that they are yet to receive power subsidy from Government of Andhra Pradesh and the claim proposals are still pending with the Government. In response, Prl. Secretary (Handlooms & Textiles), Govt. of AP advised SLBC to conduct a sub-committee meeting to discuss the issues related to Khadi and Textile industry.

AGM SLBC requested Prl. Secretary (Handlooms & Textiles), Govt. of AP to present the issues faced by the Khadi and Textile industry.

Smt. K. Sunitha, Prl. Secretary, (Handlooms & Textiles), Govt. of AP, in her opening remarks emphasized the importance of Khadi and the priority given by the Government to improve production and market for Khadi. She explained that Ponduru Cotton is hand spun and hand woven by our weavers. This is one of the only places where the single spindle charkha is still used for spinning. She informed the following concerns to the forum



- Khadi industry is not getting proper credit support from Banks
- Banks are insisting for 4 times turnover per one crore loan, which is not possible in case of Khadi industry.
- SBI and IOB Branches have rejected one crore loan amount to the Khadi unit at Ponduru

Shri. Dr. S. Greep, State Director, KVIC explained how KVIC handholding Khadi manufacture and trading units and he requested Banks to reduce the turnover norm of 1:4 to 1:1.5 or 2. He informed that, lending to these societies will help in regenerating the traditional art and the lending banks will be given first charge on the Assets financed by them. He also informed that geotagging facility is available for Ponduru khadi and NPA is zero percent. He requested the Bankers to extend credit liberally to khadi manufacturers and Traders.

Shri. M M Nayak, Commissioner, Handlooms & Textiles, Govt. of AP, in his remarks he requested Banks to consider wage hike for labour, increase in dyeing charges and raw material cost while calculating turnover of the unit along with cash flows. He also suggested product specific schemes should be formulated by the Banks in this sector.

In response Bankers informed that Area Specific schemes are more suitable to finance in this sector. GM & Convener SLBC informed that Area Specific Schemes should be approved by respective Bank board. Individual Bank has to ensure the same.

After thorough deliberations, SLBC forum resolved that:

For Khadi it is branch Specific i.e. Ponduru SBI branch. Hence, SBI has to take up and issue specific instructions to the branch for early sanction of loan. **(Action: SBI)**

For Dharmavaram silk, is concerned i.e. KADAPA, ANANTHAPURAMU and SATHYA SAI districts, Sector specific scheme proposal has to be drafted by KVIC and placed in SLBC for discussion and onward submission to RBI. **(Action: KVIC)**

Smt. K. Sunitha, Prl. Secretary, (Handlooms & Textiles), Govt. of AP, informed the problems faced by the textile industry along with Textile industry association representatives. The following issues were brought to the forum:

- Repayment period shall be extended for loans availed under Emergency Credit Line Guarantee Scheme (ECLGS)
- Banks have to help the Textile industry before the accounts turn in to NPA and extension of one-year Moratorium is required by the industry.
- EBLR rate of interest to be charged for textile industry loans and credit rating should not be taken into consideration for fixing ROI.
- CC limits should be enhanced for those accounts which are not NPA



- For loans sanctioned under ECLGS, Rate of interest to be charged as per the Govt. of India guidelines. It was observed some Banks are charging higher ROI.
- In Debt free term loans, existing security can be considered as collateral for further lending and do not insist for additional collateral security.

After thorough deliberations on the topic, the SLBC forum resolved that:

Extension of repayment period is not possible in loans sanctioned under ECLGS and it is a policy matter and State specific issue. Hence, department has to take up with RBI and GOI.

(Action: Textile Department)

Extending one year Moratorium period for textile loans is individual banks discretion and Banks may take a call

(Action: All Banks)

In reduction of ROI to textile industry, individual Banks have the flexibility, Banks have to act on that.

(Action: All Banks)

ECLGS loans rate of Interest, all Banks have to follow the GOI guidelines in case of loans sanctioned under ECLG scheme. Any Bank charged higher than the prescribed, it should be rectified by the Banks immediately.

(Action: All Banks)

Agenda 2: Implementation of Digital E – Stamping facility on Bank Guarantees in Andhra Pradesh State- SWIFT India.

AGM SLBC informed that, in view of the Digitisation of Trade Processes, IBA had constituted a working group with few select member Banks, FEDAI, SWIFT and Stock Holding Corporation. Subgroup on E-Stamping and E-Bank Guarantee had come out with the implementation of "Automated E-Stamping (AES)" after constant endeavours.

SLBC has received communication from SWIFT India that, they are closely working with the Banking industry to digitize the paper-heavy trade finance processes. SWIFT India, along with Stockholding has developed Automated e-Stamping (AeS) as a secured digital e-Stamping solution. The solution has the backing of Indian Banks' Association (IBA) and is also endorsed by the Ministry of Finance (MoF).

AGM, SLBC invites the SWIFT India officials to present about the Digital E- Stamping facility on BGs to the forum.

Shri Mohan Tanksale, Advisor, SWIFT India explained about the SWIFT India, Background, Automated e- Stamping Solution (AeS) and way forward to the forum and he requested SLBC to send a formal recommendation letter to the IG Registrations & Stamping, with a copy to the Chief Secretary, Government of Andhra Pradesh, seeking action for adoption of SWIFT India Automated e-Stamping solution in the State of Andhra Pradesh to enable paperless e-Bank Guarantees. **(Action: SLBC)**

The meeting was concluded with vote of thanks to the Chair and other dignitaries.



List of Participants

S.No	Name (Shri/Smt)	Designation	Organisation
1	K Sunitha, IAS	Principal Secretary (Handloom & Textiles)	Govt of AP
2	M M Nayak	Commissioner (Handloom & Textiles)	Govt of AP
3	Rajesh K Mahana	Officer In charge (APRO)	RBI (VC)
4	M R Gopal	Chief General Manager	NABARD (VC)
5	M Ravindra Babu	General Manager (Convener SLBC)	Union Bank of India
6	E Raju Babu	Asst. General Manager (SLBC)	Union Bank of India
7	Dr. S. Greep	State Director (KVIC)	Govt of AP
8	V R V R Naik	CEO (APKVIB)	Govt of AP
9	K Kanna Babu	Joint Director (Handloom& Textiles)	Govt of AP
10	MVSN Murthy	CIO (IF, SLBC) Finance Department	Govt of AP (VC)
11	T V S Prasad Rao	Dy. Director (Commission of industries)	Govt of AP
12	V Koti Reddy	Asst. Director (KVIC)	Govt of AP
13	A. Lakshmanarao	Asst. Director (KVIC)	Govt of AP
14	M Saibabu	Asst. Director (Handloom &Textiles)	Govt of AP
15	A Sharada Murthy	DZM	Union Bank of India
16	D.S. Murthy	DGM	Indian Bank
17	Abjit Sinha	DGM	PNB
18	DBN Krishna	AGM	State Bank of India
19	GVV Prasad	AGM	Canara Bank
20	A V Bhaskaran	Dy. Regional Manager	Bank of Baroda
21	Mohan Tankasale	Adviser	SWIFT India
22	Swathi Naik	Secretary	SWIFT India
23	M Venkateswara Rao	Chief Manager	Bank of India
24	Goutham Laxminarayana	Chief Manager (SLBC)	UBI
25	V Varun	AGM	APCOB
26	N Brahmaiah	AGM	SGB
27	K Rajesh	Sr. Manager (SLBC)	Union Bank of India
28	P Krupaji	Sr. Manager	AXIS Bank
29	Raja Pradeep G	Manager	BOB
30	A Kalyani	Manager	Union Bank of India
31	T Gopinath	Manager	BOI
32	V Veerabhadra Rao	Manager	IOB
33	G Vamsikrishna	Manager	ICICI
34	S Uday Kumar Reddy	Manager	APCOB
35	M V Satish	Manager	CGGB
36	G S Sowmya	Asst.Manager(SLBC)	Union Bank of India
37	K Ramana Naik	Asst.Manager(SLBC)	Union Bank of India
38	S.Koteswara Rao	Vices Chairman of AP Textile Mills	Association
39	D. Venkata Ramana	Secretary (AFUU Sangam)	Association
40	Hari Prasad	Chairman (AP Federation)	Association
41	P Satyanarayana	Secretary (Khadi Weavers)	Association
42	G Devendra	Personal secretary (Handloom& Textiles)	Association
43	U M Kumar	Secretary (AP Textiles mills association)	Association
44	K Ramaiah	President (Society)	Association
45	G K Prasad	President (AFUU Sangam KVIC)	Association
46	K Kameswara Rao	President (Sangamitra Khadi & Silk)	Association

