

MEETING WITH SHRI JEEVANDAS NARAYAN, CHIEF GENERAL MANAGER, STATE BANK OF INDIA, PATNA WITH THE MEMBERS OF BIHAR CHAMBER OF COMMERCE & INDUSTRIES HELD ON 20.3.2013

At the outset, I extend my heartiest welcome to Shri Jeevandas Narayan, Chief General Manager, State Bank of India, General Manager, SBI and other Senior Officers of the SBI present here. It is very kind on the part of CGM, SBI who has kindly provided opportunity to our members for interaction on the banking matters. We hope this interactive meet will help in solving issues of members relating to Bank and will be beneficial for both.

In this meeting we wish to bring following few points which are generally felt in day to day functioning of the Bank, so that the members may be enlightened on these issue :-

1. The charges for processing fee for term loan and working capital loan is very high. The processing fee for term loan is being charged @ 1 percent and working capital @ 0.3 percent annually which is very high in comparison to other Banks.

This higher processing fee discourages the borrowers i.e. entrepreneurs from taking loan facility from Bank, which ultimately affects the industrialization of the State.

Further, other charges such as commission on Bank Guarantee, Purchase of Demand Draft, Bill Discounting charge, Inspection fee and other service charges are higher than the other Banks which require rationalization.

2. Different charges for RTGS has been fixed according to the time of settlement at the RBI. The slab of charges with time of settlement at RBI is given below :-

Time of settlement at the RBI		Transaction Slab	Charges
From	To		
09.00 Hours	12.00 Hours	Rs.2.00 lacs to Rs.5.00 lacs	Rs.25
		Above Rs.5.00 lacs	Rs.51
After 12.00 Hours	15.30 Hours	Rs.2.00 lacs to Rs.5.00 lacs	Rs.26
		Above Rs.5.00 lacs	Rs.52
After 15.30 Hours	16.30 Hours (on week days)	Rs.2.00 lacs to Rs.5.00 lacs	Rs.31
		Above Rs.5.00 lacs	Rs.56

So, we have no hesitation in saying that RTGS facility at the operational level is not so smooth and it usually happens that by a fraction of an hour if time of settlement at the RBI level changes the charges fixed for a transaction slab is changed. The change in time of settlement at RBI hampers the transfer of funds for a petty amount of charge, causing ejection of RTGS application of the customers.

3. It would be proper to come to light that presently 4 to 5 days are taken for clearing of cheques by the Bank. The present procedure of clearing of cheque through CCPC (Clearing Centralised Process Centre) is time consuming, so proper attention may kindly be given to reduce the time taken in clearing of cheques.

Further, cheques even of high value of reputed clients are being returned by CCPC on frivolous ground. We suggest that before returning of the cheques as far as possible customers should be contacted to save their prestige.

Cheques issued for statutory payments such as for electric bills to BSEB and for Telephone bill to BSNL, if cheques are being returned on some flimsy ground, it affects the reputation of the esteemed customer and also he has to bear delay payment charges for no fault.

4. Since State Bank of India is having larger share in banking business of the State, maximum number of borrowers like to deal with SBI. It is, therefore, submitted that emphasis should be given for expeditious disposal of the loan applications so that CD ratio of the State could be enhanced up to a satisfactory level.
5. Besides agriculture, industrial and priority sector, ample scope also exists to finance small establishments such as IT based service providing centers, tiny industries besides trade establishments, agro based industries, food processing industries and cold storages. Many Solar Power Generating Units are also coming in the State because it has been kept in thrust area of Industrial Policy of the Government. For adequate enhancement in CD Ratio it is suggested that a proper survey should be made also by the Bank for meeting the financial requirements of different sectors.
6. Branches in semi-urban areas where the CD Ratio is low should be identified for intensive lending under SSI and priority Sector. Due publicity should be given for special nature of services rendered by the branches.
7. Industrial Units particularly in SSI sector experience difficulty in running due to lack of credit facility from bank/financial institutions. Term lending institutions of the State are not in good health. The State Bank of India should provide both term loan and working capital limit and claim re-finance on term loan from SIDBI, IDBI.
8. It is requested that more branches should be designated for depositing Government payments like VAT (Sales-Tax), ESI, Provident Fund, Service-Tax etc. particularly in main business centers in Bihar that is Patna, Muzaffarpur, Bhagalpur, Gaya, Motihari, Bettiah, Katihar, Purnea etc.
9. Moreover, instruments are not accepted at the counter of your branches and the customers are made to drop the instruments in the drop box which is handled very improperly. At times it is not opened same day which results inordinate delay in clearing of the instruments. This aspect is very crucial in the present day banking scenario which we feel should be taken care promptly.

10. Norms of credit rating should be advised to the borrowers. It should be derived after discussion with the borrower.
11. Special attention by SBI is required for Senior Citizens, Retired Employees & Ladies in the branches located at residential colonies such a Patliputra Colony, S. K. Puri, S. K. Nagar, Rajendra Nagar, Kankarbagh etc. and services by the SBI in such branches needs to be enhanced.
12. There is one/two branch in Patna which deals with international banking which results in undue hardship to customers. For foreign LC and other international transactions they have to run from pillar to post. It is requested that at least two more branches like SME Branch at Dakbunglow and Patliputra Colony should be equipped to deal with international banking transactions.
13. The problem of Link failure has become very frequent in Bank branches. There is a need to adopt up-to-date technology to avoid the frequent occurrence of this problem.
14. We have been given to understand by our constituent that even after payment of full and final amount in compliance of the compromise reached between SBI & the Customer, the documents relating to assets submitted as securities are not returned to the customer even after expiry of many months.
15. We would also like to bring to your kind notice that in cash credit limit of even less than one crore besides prime securities, other securities such as immovable property, pledge of fixed deposit and third party guarantor are being insisted by the Bank.
16. We wish to thank State Bank of India, Local Head Office, Bihar for fulfilling the long standing demand of setting up a LCPC (Liabilities Central Processing Centre) at Patna, previously it was working from Kolkata. Presently CTS Cheques are being issued to all accounts holder so work load in LCPC, Patna has increased but accounts holders are not getting cheques on time.
17. We have received a few representations from our constituents. We would submit or forward these representations to you separately for your kind perusal.
18. We would also like to draw your kind attention that in past, at the time of need of social responsibility and natural calamities, the Bihar Chamber of Commerce & Industries and the State Bank of India have always extended their generous support to the needy jointly. We wish to state that in past several EDP Programme have been organized by BCCI jointly with SBI. We intend to organize EDP Programme in future also jointly with the support of SBI.

We are overwhelmed to find you among ourselves and once again welcome you with your team and hope that the sentiments of the members will be taken into consideration.

Thanking all of you present here.

P. K. AGRAWAL
President