

177th Meeting of STATE LEVEL BANKERS` COMMITTEE OF ANDHRA PRADESH

Agenda & Background Notes

**Date: 24.03.2012 - Time: 11.30 AM
Venue: Jubilee Hall, Public Gardens, Hyderabad**

**STATE LEVEL BANKERS` COMMITTEE OF A.P
CONVENOR  ANDHRA BANK**

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177th SLBC Meeting Agenda – Index

01. Adoption of Minutes

S.No	Particulars	Page No.
	Adoption of Minutes of 176 th SLBC Meeting held on 12.12.2011 & Adoption of Minutes of the Steering Committee and other meetings of the SLBC held after 12.12.2011	7

02. Banking Statistics

S.No	Particulars	Page No.
	Banking Key Indicators	9

03. Achievement of Annual Credit Plan 2011 – 12

S.No	Particulars	Page No.
A	Achievement as on 31.12.2011	12
B	Annual Credit Plan progress – Last three years	13

04. Major Action Points of earlier SLBC / Steering Committee Meetings pending for Implementation

S.No	Particulars	Page No.
A	Small, Micro Enterprises – Implementation of K.C. Chakravarthy Committee Recommendations-Preparation of Model project Reports in each district.	14
B	Central Registry by GoAP	14
C	Pattadar Pass Books	14
D	Opening of FLCCs	14
E	Opening of bank branches shifted due to security reasons	14

05. Agriculture – Credit flow to agriculture

S.No.	Particulars	Page No.
A	Progress In lending- Crop Loans & Agriculture Term Loans including Allied Activities	15
B	Progress in lending to Tenant Farmers	15
C	GOI Action Plan for improving Agricultural Credit: 1) Progress in implementation 2) Conference of the Chief Secretaries held on 3 rd & 4 th February, 2012 at New Delhi – Action Points	18 25
D	Financing Uncovered Farmers	26
E	Online of Land Records by the Revenue officials to facilitate verification by the bankers	27
F	Financing under Farm Mechanisation Schemes-Proposal of GoAP to provide 50% subsidy.	27

G	Pavala Vaddi Scheme for crop Loans disbursed during 2011-12- New total Interest Subsidy scheme announced by Government of Andhra Pradesh on Crop loans from RABI, 2011.	29
H	Deposit of Title deeds for creation of Equitable Mortgage	30
I	Agriculture Debt waiver and Debt Relief Scheme, 2008	30

06. Financial Inclusion

S.No	Particulars	Page No.
A	Strategy and Guidelines on Financial Inclusion - Setting up of Ultra Small Branches	31
B	Providing Banking Services in all Villages with Above 2000 - Population by March, 2012 – Progress as on 31.12.2011	32
C	Implementation status of FIPs in the villages with population below 2000	32
D	Widening the coverage of banking services – Opening of SB accounts- Publicity campaign under FIP.	33
E	Financial Inclusion and Payment System and guidelines thereof- Regarding	34
F	Green Initiative – e-payment under Government sponsored schemes – Directions of GoI	35
G	Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) and its convergence with Financial Inclusion Plan (FIP)	36
H	Automation of State Government Treasuries and Automated interface with State Governments	37
I	Financial Literacy and Credit Counseling Centers (FLCCCs)- Position in A.P.	38
J	Rural Self Employment Training Institutes / Rural Development & Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development	38
K	Swavalamban Scheme -The Co-contributory Pension Scheme	39
L	Action Plan for Financial Inclusion in LWE affected States viz., Andhra Pradesh, Chhattisgarh, Bihar, Jarkhand and Odissa	39
M	Opening of Bank branches of Nationalised Bank at Mandal Head Quarters and Central villages.	40

07. Housing Loans

S.No	Particulars	Page No.
A	Position of Housing Loans – December, 2011	41

08. Educational Loans

S.No	Particulars	Page No.
A	Position of Educational Loans- December ,2011	41

9. Micro, Small & Medium Enterprises (MSME) Sector

S.No.	Particulars	Page No.
A	Position of Lending under MSME sector	41
B	Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme- Progress made by banks for the last four years under - CGTMSE	41
C	Prime Minister's Employment Generation Programme (PMEGP)	42
D	MSME Clusters	43
E	Pending Projects for regulatory clearance of State Government of Andhra Pradesh	43

10. Handloom Weavers

S.No	Particulars	Page No.
A	Revival, Reform and Restructuring Package for Handloom Sector- Implementation of Handloom package announced by the Hon`ble Finance Minister in the Union Budget 2011-12	44
B	Weavers Credit Card and Financial Package- Conduct of Awareness camps	44
C	Institutional Credit- under Integrated Handlooms Development Scheme	45

11. Social Welfare Schemes

S.No	Particulars	Page No.
A	Lending to Minority Communities under Priority Sector Lending	45
B	Credit Flow to Weaker Section	46
C	Credit Flow to Women	46
D	Credit Flow to Scheduled Castes / Scheduled Tribes	46
E	Credit Flow under DRI	46

12. Self Help Groups

S.No	Particulars	Page No.
A	Position of SHG-Bank Linkage Programme- December, 2011	47
B	Scheme for financing of Women Self Help groups with the support of Anchor NGOs as SHPI	47
C	SHG – Bank Linkage – Cash Credit facility	49

13. Lead Bank Scheme

S.No	Particulars	Page No.
A	Implementation of High level Committee Recommendations- progress Report December, 2011	51

14. Government Sponsored Schemes

S.No	Particulars	Page No.
A	Central Government	
1	Prime Ministers' Employment Generation Programme (PMEGP)	55
2	Interest Subsidy on Housing for Urban Poor (ISHUP)	56
3	Swarnajayanthi Gram Swarozgar Yojana (SGSY)	58
4	Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)	58
B	Government of Andhra Pradesh	
5	APMIP	59
6	Animal Husbandry	59
7	Fisheries	60
8	Sericulture	60
9	Handlooms & Textiles	61
10	A.P. Backward Classes Co-op. Finance Corporation	61
11	A.P. Scheduled Castes Co-op. Finance Corporation	65
12	A.P. State Christian Finance Corporation	66
13	A.P. Scheduled Tribes Co-op. Finance Corporation	66
14	A.P. State Minorities Finance Corporation	67
15	A.P. S.T.E.P	67
16	S.E.R.P	67
17	Mission for Elimination of Poverty in Municipal Areas (MEPMA)	67

15. Overdue/NPA position

S.No	Particulars	Page No.
	Overdue/NPA position as on 31.12.2011 under various sectors	68

16. Regional Rural Banks - Review

S.No	Particulars	Page No.
	Performance of Regional Rural Banks on Important Parameters and HR Policy in RRBs	71
S.No	Particulars	Page No.
17	Flow of Information	74

18. Important communications received

S.No	Particulars	Page No.
A	Reserve Bank of India	74
B	NABARD	76

19. Annexures

S.No	Particulars	Page No.
1	Bankwise Number of Branches as on 31.12.2011	79
2	Bankwise Deposits and Advances & CD Ratio as on 31.12.2011	81
3	Bankwise Priority Sector Advances as on 31.12.2011	83
4	District wise Key Indicators as on 31.12.2011	85
5	Bankwise Agriculture Advances (Direct & Indirect) as on 31.12.2011	86
6	Bankwise Achievement of Annual Credit Plan 2011-12 as on 31.12.11	88
7	District wise Achievement of Annual Credit Plan 2011-12 as on 31.12.11	92
8	Loans to LEC holders as on 18.02.2012	94
9	Credit disbursements to Non loanee farmers as on 16.02.2012	95
10	FIP progress report as on 29.02.2012	96
11	Financial Literacy and Credit Counselling Centres (FLCCs) as on 29.02.2011	97
12	Data on RSETIs as on 31.12.2011	99
13	Bankwise CGTMSE approvals from 01.04.2011 to 10.03.2012	102
14	Bankwise MSME Advances as on 31.12.2011	105
15	Bankwise Housing Loans as on 31.12.2011	107
16	Bankwise Education Loans as on 31.12.2011	109
17	Bankwise Advances to Minority Communities as on 31.12.2011	111
18	Bankwise Advances to Weaker Sections as on 31.12.2011	113
19	Bankwise Advances to SC /ST as on 31.12.2011	115
20	Bankwise Advances to Women as on 31.12.2011	117
21	Bankwise Advances under DRI as on 31.12.2011	119
22	Bankwise Outstanding SHG Advances as on 31.12.2011	121
23	Bank wise position on Overdues/NPAs (sector wise)	123
24	Detailed data relating to Government sponsored programmes	124

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01. Adoption of the Minutes of 176th SLBC Meeting held on 12.12.2011 & Adoption of Minutes of Steering Committee and other meetings of the SLBC held after 12.12.2011.

The Minutes of 176th SLBC Meeting held on December 12, 2011 were circulated to the members of SLBC, LDMs and Government Departments concerned.

The Minutes of Steering Committee and sub-committee meetings held after 12.12.2011 were circulated to the members of SLBC, LDMs and Government Departments concerned.

Date of Meeting	Purpose of Meeting	
12.01..2012	5 th Steering Committee of SLBC of AP	
	No	Agenda items
	1	Agriculture: 1. GOI Action Plan for improving Agricultural Credit 2. RABI , 2011-12 Lending – Progress 3. Loans to Loan Eligibility Card (LEC) Holders 4. NABARD – Warehousing Scheme, 2011-12 – Provision of Refinance
	2	Self Help Groups – Cash Credit Limit to SHGs
	3	Hand loom Weavers – Revival, Reform and Restructuring Package for Handloom sector.
	4	Financial Inclusion Plan Implementation a) FIP above 2000 population - Progress report for December, 2011. b) FIP below 2000 population allocation- Reconciliation - Action plan for implementation
	5	Construction of RSETI building at Kadapa by Syndicate Bank-Request for waiver of Municipal charges
	6	Housing loans – 1% Interest Subvention Scheme (ISS)
	7	Reserve Bank Of India - Circulars 1. RBI CIR /2011-12/306, RPCD.CO.Plan.BC.43/04.09.01/2011-12, dated 19, December, 2011: Reg: Credit under dairy segment of Agriculture and Allied Activities-Treatment under Indirect Finance to Agriculture. 2. RBI/2011-12/304, A.P. (DIR Series) Circular No.59 , Dated December 19 , 2011: Reg: External Commercial Borrowings (ECB) for Micro Finance Institutions (MFIs) and Non-Government Organisations (NGOs) - engaged in micro finance activities under automatic Route. 3. RBI/2011-12/337, RPCD.MSME & NFS. BC. No.53 /06.02.31/2011-12, dated January 4, 2012. Reg: Issue of Acknowledgement of Loan Applications to MSME borrowers. 4. RBI/2011-12/344, RPCD.No.PLFS.BC.54/05.04.02/2011-12, dated January 9, 2012. Reg: Union Budget-2011-12 – Interest Subvention Scheme-2 percent interest

		subvention and 3 per cent additional subvention for short-term crop loans in 2011-12.														
	8	<div>NABARD - Circulars</div> <div>01. NABARD No. NB.FID/FI-01/2011-12, dated 11 August, 2011 Circular No.151/FID – 11/2011: Reg: Support to Commercial Banks under Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF).</div> <div>02.NABARD Ref:NB.DCRR.No.1026 to 1050/D-1/2011-12dated 16 September, 2011 Cir.No.182/DCRR-06/2011; Reg: Declaration of Dividend by Primary Agricultural Credit Societies (PACS).</div> <div>03. NABARD Ref.No.NB. FID/1154/FI-01/2011-12, Cir No.155/FID-12/2011, dated 18 August, 2011. Reg: Financial Inclusion by RRBs through BC Model using card based ICT Solution-ASP Model for Financial Inclusion (ICT) – Support from FITF.</div> <div>04. NABARD Ref. No. RD/643/WH3/Refinance/2011-12, Circular No.266/RD-8/2011, dated 23 December, 2011. Reg: NABARD (Warehousing) Scheme, 2011-12- Provision of Refinance.</div>														
27.01.2012	Sub-committee Meeting of SLBC for Financial Services Plan To work out the modalities for preparation of District Financial Services Plan and State Financial Services Plan.															
08.02.2012	6th Steering Committee Meeting of SLBC of AP <table><tr><th>Sl. No.</th><th>Agenda Item</th></tr><tr><td>01</td><td>Convergence of EBT and FIP – Discussion on alternatives suggested by GoAP.</td></tr><tr><td>02</td><td>Implementation of Cash Credit System to SHGs – Progress.</td></tr><tr><td>03</td><td>Implementation of GOI Action Plan for covering all the Non-loanee Farmers and Non-farmer Households.</td></tr><tr><td>04</td><td>Widening the coverage of banking services – Opening of SB accounts- Publicity campaign under FIP.</td></tr><tr><td>05</td><td>Constitution of Independent DRAT at Hyderabad for the State of Andhra Pradesh and another three DRTs either at Hyderabad or respectively at Hyderabad, Nizamabad and Tirupathi – Representation received.</td></tr><tr><td>06</td><td>Institutional Credit – under Integrated Handlooms Development Scheme</td></tr></table>		Sl. No.	Agenda Item	01	Convergence of EBT and FIP – Discussion on alternatives suggested by GoAP.	02	Implementation of Cash Credit System to SHGs – Progress.	03	Implementation of GOI Action Plan for covering all the Non-loanee Farmers and Non-farmer Households.	04	Widening the coverage of banking services – Opening of SB accounts- Publicity campaign under FIP.	05	Constitution of Independent DRAT at Hyderabad for the State of Andhra Pradesh and another three DRTs either at Hyderabad or respectively at Hyderabad, Nizamabad and Tirupathi – Representation received.	06	Institutional Credit – under Integrated Handlooms Development Scheme
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06	Institutional Credit – under Integrated Handlooms Development Scheme															
16.02.2012	Small Group Meeting of SLBC on Publicity Campaign To discuss the issue of printing the Common Publicity Material with regard to widening the coverage of banking services-opening of SB accounts as advised by IBA.															
08.03.2012	Sub-Committee Meeting of SLBC on Financing to LEC Holders															

These Minutes may be approved by the House as no amendments/changes were received by SLBC of Andhra Pradesh.

02. Banking Statistics

BANKING AT A GLANCE IN ANDHRA PRADESH - AS ON 31.12.2011

Total Number of bank branches (Nos)	8,623
Rural - 3130 Semi Urban - 2247	
Urban -2079 Metro - 1167	

(Rs. In crores)

Total Deposits in the State	3,18,702
Total Advances in the State	3,69,048
Credit Deposit Ratio (RBI norm -60%)	115.80%
Incremental CD Ratio	119.00%

Total Priority Sector Advances	1,68,220
% of Priority Sector Advances to ANBC (RBI Norm 40%)	51.40%

Priority Sector Advances	(Rs. In Crores)
Agricultural Advances	93,284
% of Agrl. Adv. to ANBC (RBI norm - 18%)	(28.50%)
Non Farm Sector	29,413
(% to Net Bank Credit)	(7.97%)
Other Priority Sector Advances	45,523
(% to Net Bank Credit)	(12.34%)
Total Priority Sector Advances	1,68,220
Educational Loans	5,503
Housing Loans	27,010
SHGs	13,280

BANKING KEY INDICATORS OF ANDHRA PRADESH

S.No	PARTICULARS	As on 31.03.2009	As on 31.03.2010	As on 31.12.2010	As on 31.03.2011	As on 31.12.2011
1.	Number of Branches:					
	Rural	2733	2857	2931	2997	3130
	Semi Urban	1754	1941	1978	2107	2247
	Urban	1601	1922	1979	2030	2079
	Metro	911	956	1031	1077	1167
	Total	6999	7676	7919	8211	8623
2.	Deposits (Rs.Crores)	2,05,899	2,45,686	2,63,011	2,83,600	3,18,702
3.	Incremental Deposits (% of increase)	44,909 (27.90%)	39,787 (19.32%)	32,366 (14.03%)	37,914 (15.43%)	35,102 (12.38%)
4.	Advances (Rs.Crores)	2,10,294	2,69,760	3,07,103	3,27,275	3,69,048
5.	Incremental advances (% of increase)	62,279 (42.08%)	59,466 (28.28%)	56,095 (22.35%)	57,515 (21.32%)	41,773 (12.76%)
6.	C.D.Ratio (RBI norm - 60%)	102.13%	109.80%	116.76%	115.40%	115.80%
7.	Incremental CD Ratio	138.68%	149.49%	215.54%	151.70%	119.00%

- Number of bank branches in the State as on 31.12.2011 is **8623**. During the year under reference **412** branches were opened (Rural-133, Semi urban-140, Urban-49 and Metro-90).
- The Credit Deposit Ratio of banking sector in Andhra Pradesh as on 31.12.2011 is **115.80%** as against the stipulated ratio of 60%.
- Deposits of banking sector in A.P. are **Rs.3, 18,702 crores** as at the end of December, 2011 with a growth rate of **12.38 %** from March, 2011 and **21.17%** from December, 2010 (i.e., year to year growth).
- Aggregate advances of banking sector in A.P. as at the end of December, 2011 are **Rs.3,69,048 crores** registering a growth rate of **12.76%** over March, 2011 and **20.17%** over December, 2010 (i.e., year to year growth).

STATEMENT OF PRIORITY SECTOR ADVANCES (Outstanding)

(Amount in Rs. Crores)

S.No.	Particulars	As on 31.03.09	As on 31.03.10	As on 31.12.2010	As on 31.03.11	As on 31.12.11
1	Crop Production	28,665	33,986	38,706	41,752	48,277
2	Agrl.Term Loans including allied activities	22,822	34,672	41,546	41,346	45,007
3.	Total Agrl.Advances	51,487	68,658	80,252	83,098	93,284
	% of Agrl.advances to ANBC (RBI norm- 18%)	34.78%	32.65%	26.13%	30.80%	28.50%
4.	Non Farm Sector (% to Net Bank Credit)	21,128 (10.05%)	22,868 (8.48%)	24,921 (8.11%)	27,033 (8.26%)	29,413 (7.97%)
5.	Other Priority Sector Advances (% to Net Bank Credit)	27,710 (13.18%)	34,989 (12.97%)	40,855 (13.30%)	44,096 (13.47%)	45,523 (12.34%)
Total Priority Sector Advances		1,00,325	1,26,515	1,46,028	1,54,227	1,68,220
% of Priority Sector Advances to ANBC (RBI norm -40%)		67.78%	60.16%	46.95%	57.17%	51.40%

- Total Agricultural advances as at the end of December, 2011 are **Rs.93, 284 crores** constituting **28.50%** of previous year's Net bank credit as against the RBI norm of 18%.
- Total Agricultural advances registered a growth of **12.26%** over March, 2011 and **16.24%** over December, 2010 (i.e., year to year growth).
- Total Priority sector advances are **Rs.1, 68,220 crores** as on 31.12.2011 constituting **51.40%** of previous year's Net bank credit as against the prescribed RBI norm of 40%.
- Priority sector advances registered a growth rate of **9.07%** over March, 2011 and **15.20%** over December, 2010 (i.e., year to year growth).

03. Achievement of Annual Credit Plan 2011-12 (Disbursements)

ANNUAL CREDIT PLAN 2011-12 -Achievement as on 31.12.2011

(Rs. crores)

Sl.No	Item	Target 2011-12	Achievement (Disbursements during 01.04.11 to 31.12.2011)	% of Achmt
1.	Short Term Crop Production Loans			
	Kharriff	20,285	21,601	106.49
	Rabi	10,700	8,289	77.47
	Total	30,985	29,890	96.47
2.	Agri.Term Loans			
	Kharriff	4,040	5,909	146.26
	Rabi	3,360	2,125	63.24
	Total	7,400	8,034	108.57
3.	Allied to Agriculture			
	Kharriff	5,131	5,039	98.21
	Rabi	4,484	2,475	55.20
	Total	9,615	7,514	78.15
	Kharriff	29,456	32,549	110.50
	Rabi	18,544	12,889	69.50
	Total Agriculture	48,000	45,438	94.66
4.	Non-Farm Sector	8,198	5,836	71.19
5.	Other Priority Sector	17,118	8,702	50.84
	Total Priority Sector	73,316	59,976	81.80

Annual Credit Plan Achievements (Disbursements)

- Last three years

(Amount in Rs. Crores)

Sl.No.	Item	2009-10		2010-11		2011-12 As on Dec, 2011	
		Target	Achvmt	Target	Achvmt	Target 2011-12	Achvmt Dec., 2011
1	Crop Production Loans	23500	24845	26261	30229	30985	29890
2	Agrl.Term Loans including allied activities	9000	12728	11574	17701	17015	15548
3.	Total Agriculture	32500	37573	37835	47930	48000	45438
4.	Non Farm Sector	8000	7399	8150	11051	8198	5836
5.	Other Priority Sector	15000	12200	15700	13897	17118	8702
	Total Priority Sector	55500	57172	61685	72878	73316	59976

- **Short Term Crop Production Loans:** Total Achievement is **Rs.29, 890 crores** against the target of Rs.30, 985 crores for the year, which is **96.47%**. Under khariff, 2011 the achievement is Rs.21, 601 crores as against the target of **Rs.20, 285 crores** which is **106.49%** and under Rabi the achievement is **Rs.8, 289 crores** as against the target of **Rs.10, 700 crores** which is **77.47%**.
- **Agrl Term Loans including allied activities:** Total Achievement is **Rs.15, 548 crores** against the target of **Rs.17, 015 crores** for the year, which is **91.38 %**. Under Khariff, 2011 the achievement is **Rs.10, 948 crores** as against the target of **Rs.9, 171 crores** which is **119.37%**. Under Rabi the achievement is **Rs.4, 600 crores** as against the target of **Rs.7, 844 crores** which is **58.64%**.
- **Non Farm Sector:** Achievement is **Rs 5, 836 crores** against the target of **Rs.8, 198 crores** for the year, which is **71.19%**.
- **Other Priority Sector Advances:** Achievement is **Rs.8, 702 crores** against the target of **Rs.17, 118 crores** for the year, which is **50.84%**.
- **Total Priority Sector Advances:** Achievement is **Rs.59, 976 crores** against the target of **Rs.73, 316 crores** for the year, which is **81.80 %**.

04. Major Action points of earlier SLBC/Steering Committee Meetings pending for Implementation

Action Points Suggested for implementation	Action Points Pending in respect of Banks/ Government
<u>Small and Micro Enterprises</u> Preparation of Model Project at District Level as per K. C. Chakrabarthy Committee recommendations.	The process is yet to commence and all the LDMs and DICs to take immediate steps on the matter involving KVIC/KVIB.
<u>Central Registry by GoAP:</u> Establishment of Central registry by GoAP as per the recommendations of K.C. Chakrabarthy Committee.	Government of Andhra Pradesh to expedite formation of Central Registry.
<u>Pattadar Pass Books:</u> Requested to issue fool proof Pattadar Pass Books in all districts.	GoAP started issuing Security featured Pattadar Pass Books on pilot project in three districts (Anantapur, Prakasam and Warangal). GoAP is requested to implement the same in all districts.
<u>Opening of FLCCs:</u> FLCCs are to be opened in all districts in Andhra Pradesh State by the concerned lead banks	Lead Banks are requested to take initiative and complete the task at the earliest in all their lead districts. So far 13 FLCCs were opened. FLCCs to be formed & function as per the guidelines issued by RBI.
<u>Opening of bank branches shifted due to security reasons:</u> Bank branches shifted to other places due to security reasons should be shifted back as per GOI guidelines by the end of January, 2012.	All Banks are advised to re-open their bank branches shifted to other places due to security reasons as per GOI guidelines by the end of March, 2012.

5. Agriculture-credit flow to agriculture

A) Progress in lending – Crop loans & Agricultural Term loans including Allied activities

(Rs. crores)

Sl.No	Item	Target 2011-12	Achievement (Disbursements during 01.04.11 to 31.12.2011)	% of Achmt
1.	Short Term Crop Production Loans	20,285	21,601	106.49
	Khariff	10,700	8,289	77.47
	Rabi	30,985	29,890	96.47
	Total			
2.	Agri.Term Loans			
	Khariff	4,040	5,909	146.26
	Rabi	3,360	2,125	63.24
	Total	7,400	8,034	108.57
3.	Allied to Agriculture			
	Khariff	5,131	5,039	98.21
	Rabi	4,484	2,475	55.20
	Total	9,615	7,514	78.15
	Total Agriculture	29,456	32,549	110.50
		18,544	12,889	69.50
		48,000	45,438	94.66

B. Progress in lending to Tenant Farmers during the last Four years

Year	No. of Tenant farmers financed
2008-09	8,238
2009-10	1,26,511
2010-11	95,000
*2011-12 (12.02.2012)	1,93,266

(* LEC System was introduced in August, 2011. Prior to this period lending was made directly by Banks)

Particulars of Loan and other Eligibility Cards issued and Loans extended to Licensed Cultivators during 2011-12

(Rs. In crores)

S.No.	District	Total no. of LECs issued	No. of Licensed Cultivators sanctioned Crop Loans					
			Khariff		Rabi		Total	
			Number	Amount	Number	Amount	Number	Amount
1	Srikakulam	2392	102	0.20	1948	1.88	2050	2.08
2	Vizianagaram	23623	377	0.47	4135	4.31	4512	4.78
3	Visakhapatnam	15991	2412	3.65	2274	2.69	4666	6.34
4	East Godavari	66791	4874	12.05	15441	16.93	20315	28.98
5	West Godavari	85809	42034	100.02	0	0.00	42034	100.02
6	Krishna	55997	6992	17.03	21219	32.08	28211	49.11
7	Guntur	40470	22926	50.90	0	0.00	22926	50.90
8	Prakasam	14381	421	1.83	741	1.75	1162	3.58
9	Nellore	30300	2050	5.90	1198	8.03	3248	13.93
10	Chittoor	14400	6552	8.10	0	1.41	6552	9.51
11	Kadapa	9905	2671	4.44	294	0.50	2965	4.94
12	Anantapur	5037	518	1.52	0	0.00	523	1.52
13	Kurnool	48701	22325	34.99	0	1.07	22325	36.06
14	Mahaboobnagar	25097	912	1.95	4875	7.65	5787	9.60
15	Medak	6383	1185	2.74	0	0.00	1185	2.74
16	Nizamabad	8543	518	2.53	378	3.20	896	5.73
17	Adilabad	6029	241	0.31	394	0.45	635	0.76
18	Karimnagar	15857	2166	5.23	631	3.39	2797	8.62
19	Warangal	30801	336	0.61	2020	4.34	2356	4.95
20	Khammam	31974	8005	13.83	562	0.75	8567	14.58
21	Nalgonda	31385	1824	0.40	5767	19.36	7591	19.76

22	Ranga Reddy	6301	689	1.50	1254	1.98	1943	3.48
Total		162350	16876	29.10	15881	41.12	31767	70.22
GRAND TOTAL		576147	130130	270.20	63131	111.77	193266	381.97

The Chief Commissioner of Land Administration & Special Chief Secretary to Government of AP, Hyderabad, recently organised a **Work shop** on the implementation of Loan Eligibility Cards (LECs) on **22nd February, 2012** at National Institute of Rural Development, Rajendra Nagar, Hyderabad, where the Hon`ble Minister for Revenue & Rehabilitation, GoAP was present.

The workshop is organised to discuss and resolve issues concerning the Licensed Cultivators in the State for making institutional finances available to all the needed Licensed Cultivators by way of short term crop loans as per the provisions of the A.P. Licensed Cultivators Act, 2011. It was decided during the deliberations that a small group constituted by SLBC shall discuss and bring forth certain implementable suggestions for improved lending under LEC Cards. The following was the committee.

01. Representatives from all five Lead Banks-**ANDHRA BANK/INDIAN BANK/SBI/SBH/SYNDICATE BANK (Members)**
02. Representatives from **APGVB/DGB/APGB (Members)**
03. Reserve Bank of India (**Observer**)
04. NABARD (**Observer**)
05. Principal Secretary, Finance (IF), Government of AP (**Member**)

The Meeting of the sub-committee was held on **8th March, 2012** and discussed the problems in financing LEC holders.

In the meeting, the following important suggestions emanated:

1. The cards are to be timely issued well before the commencement of Season.
2. The Grama sabhas are to be conducted in an orderly manner by involving all the concerned agencies.
3. All Branch Managers to give lists of their loanee farmers (village-wise) to Agriculture Department.
4. Immediately on enrolling farmers who are eligible to get LECs at Grama Sabha, the list need to be sent to concerned Service area Bank branch for verification with regard to loans outstanding, owner farmer availed loans, etc. The Branch need to give feed back to Revenue Department in a day or two.
5. The LECs are to be issued for a fairly longer duration say, 3-5 years.
6. Agriculture Department needs to create machinery for coordinating with Banks for matters relating to recovery and identification of new farmers, etc.
7. Govt. of AP may consider creation of Risk Fund to help tenant farmers in case of natural calamities.

8. Govt. may undertake publicity with regard to the features of LECs and awareness need to be built up among farmers.
9. Banks to give clear instructions to all branches and ensure that all eligible LEC holders get Bank finance.

C) GOI Action Plan for improving Agricultural Credit

1) Progress in implementation

GOI advised to take up a special campaign from 1st December to 15th December, 2011 regarding coverage of all non-loanee farmers and non-farmer households. The campaign was extended upto 15th January, 2012.

The following check list for the activities to be done is also given by GOI.

Action Plan

Sl.No.	Issues	Action
1.	Finalisation of a common format for crop loan which will be applicable to all banks	By SLBC Convenor in consultation with all other banks and state Governments.
2.	Centralised Printing of the format	Department of Agriculture and the State Government and copies to be made available to each District Agricultural Officer
3.	Assignment of a group of villages to various field functionaries for collection of application form for crop loan (This could include functionaries of rural development department, panchayat department and sugarcane department, etc., to name a few.	Orders to be issued by State Governments and to be reviewed by DCC headed by the District Collector on a daily basis at least for two weeks.
4	Application to be submitted to each bank in whose `service area` the village falls	DCC/Banks
5	No bank to charge any fees for crop loan which include documentation fee, inspection, advocate, processing and renewal.	Banks to issue orders
6	Bank to sanction a permanent cash credit limit to be renewed each year on the verification of land holding. Since land records have been put online, this will be verified by the bank themselves.	Banks to issue orders
7	There will be no requirement of getting `no dues certificate` from other banks. It is the responsibility of other banks to inform the bank having the village in the service area to inform of any dues outstanding.	Banks to issue orders
8	Whether each non-default farmer living in the village falling in the service area of the branch has got a Kisan	Each ZO

	Credit Card.	
9	Whether each no-farmer family living in Rural area falling in the service area of the bank has got a Savings-cum-OD Account.	Each ZO
10	Whether extra manpower has been posted in rural and semi-urban branches to see that each village of 2000 more population is visited once a week on a fixed date, time and place and supports BCs for undertaking requests for account opening, loan and recovery.	HO/ZO
11	Whether Branch Manager himself visits one village in a week	ZO
12	Whether schedule for opening new branches as per the new Guidelines on Financial Inclusion has been prepared and being implemented.	ZO/HO
13	Whether accounts are being opened as per guidelines on KYC issued by DFS	HO/ZO

Ministry of Finance is continuously monitoring the progress on the specific points mentioned above. Sri.L.K. Meena, Director, Ministry of Finance has visited West Godavari District on the 18th March 2012 and reviewed the progress by visiting few Bank Branches/F.I. Villages. This is followed by one Vedio Conference with the Controlling authorities on 09-03-2012 & another visit to West Godavari District Bank branches again on 17th March 2012.

All Banks are advised to take note of the seriousness with which the Government is viewing the need to provide adequate finance to all needy farmers and work for the same.

SLBC has advised all banks and LDMs to pass on instructions to all bank branches with regard to the campaign as follows:

- i) Each branch will announce a particular day in advance in which officers of the branch will visit each village falling in their service area. On that day, applications for opening of accounts and KCC/GCC will be collected, checked and approved and next day the same would be made available in the village by one of the functionaries of the branch of the bank.
- ii) Similar exercise will be done for all the villages falling in the service area of the branch.
- iii) At the end of the campaign it will be certified by each branch that there is no farmer/non-farmer living in the village that could not be given KCC/GCC as the case may be.
- iv) Zonal office will certify that each village of 2000 or more population is being visited once a week on a fixed day, time and place.
- v) Regional Rural Banks are also advised to act accordingly.

SLBC has not received the progress reports from many LDMs and Banks and finding difficulty in submitting the progress in this regard to the MOF, GOI. The information with regard to coverage of non loanee farmers and non farmer households is to be sent as per the stipulated format immediately.

SLBC has received Annexure A (Service Area Plan) from all LDMs. Uploading of Service Area plans on the respective District website was also completed in 21 districts out of 22 districts (except Hyderabad). In respect of Prakasam district it is informed by the Lead District Manager that the construction of District web site is under process and note to upload the same once it is completed.

SLBC advised all LDMs to make modifications to the Service Area Plans as directed by MOF and upload the revised plans by **07.02.2012** on their respective web sites.

It is also emphasized in the meeting of SLBC Convenors held on 02.02.2012 by Secretary, DFS, and GOI that an Officer of Service area Bank branch has to visit the service area village of the Branch on a specified day of every week to collect loan applications. The Officer has to move in the village along with appointed BC so as to create a confidence in the minds of villagers. To have continuity the same Officer need to visit the village every week. The schedule of visits of Officers needs to be placed in a prominent place in the village including notice board of Gram Panchayat Office.

It is also informed by the Secretary in the meeting that Ministry of Finance Officials will be visiting some of the villages to assess the impact of the FIP and GOI Action Plan implemented for coverage of all non loanee farmers and non farmer households.

Visits by Officials of DFS, MOF, GOI:

As a part of monitoring the implementation of GOI Action Plan and Financial Inclusion Plan, on 18-02-2012 and 17.03.2012, Sri L.K. Meena, Director, Department of Financial Services, MOF, GOI has visited West Godavari District along with the Convenor, SLBC and had interaction with some bank branches and verified the progress of implementation of GOI Action Plan and FI Plan.

All Banks are advised that there may be visits by the officials of Department of Financial Services in future also to monitor the implementation of GOI Action plan and FI Plan.

Implementation of GOI Action Plan:

Discussions that took place in the video conference with Sri L.K. Meena, Director, Department of Financial Services, MOF, GOI on 09.03.2012

Action Point No.	Issue	Discussion that took place in the Meeting
01	Finalisation of a common format for crop loan which will be applicable to all banks	Convenor, informed that Common application has been designed in Local language in consultation with NABARD.
02	Centralised Printing of the format	Sufficient number of Common application forms are being printed centrally and supplied to all Agriculture Filed level functionaries and distributed



		to all mandals.
03	Assignment of a group of villages to various field functionaries for collection of application form for crop loan (This could include functionaries of rural development department, agriculture department, cooperative department, panchayat department and sugarcane department, etc., to name a few.	Agriculture Officers at Mandal level and other field level functionaries were instructed by the Department of Agriculture to collect the duly filled applications from the non loanee farmers and hand over to the respective service area bank branch.
04	Application to be submitted to each bank in whose 'service area' the village falls	Being submitted accordingly. So far 3, 15,000 New farmers and 1, 85,000 Tenant farmers have been covered. The progress is being monitored by the LDMs on fortnightly basis at the district level.
05	No bank to charge any fees for crop loan which include documentation fee, inspection, advocate, processing and renewal	Andhra bank: Upto One lakh No legal charges are being levied. No documentation charges are being levied. Only in case the loan amount exceeds Rs. One lakh legal charges will be attracted. Indian Bank: Up to Rs.3.00 lakhs No processing charges are being charged. And above Rs.3.00 lakhs they are collecting charges. SBI: Upto Rs.1.00 lakhs they are not collecting any charges and above Rs.1.00 lakhs they are charging. SBH: They are also not collecting any charges upto Rs.1.00 lakhs and above that they are collecting. Director felt that no uniform system is being followed by all banks.
06	Bank to sanction a permanent cash credit limit to be renewed each year on the verification of land holding. Since land records have been put online, this will be verified by the bank themselves. .	Banks are sanctioning Cash Credit limits for three years with yearly Review. Land records are not put on online so far by the GoAP. Convenor informed that SLBC is pursuing the matter with the State Government for making online the Revenue records. Director suggested convenor to follow up the matter with the Government of AP and place the matter before ensuing SLBC meeting.
07	There will be no requirement of getting ' no dues certificate ' from	Andhra bank issued guidelines not to insist no dues

	other banks. It is the responsibility of other banks to inform the bank having the village in the service area to inform of any dues outstanding	upto Rs.50000/-. All Banks are informed that they are exchanging the list of beneficiaries to facilitate comparison about the information for no dues certificate. In any case the farmer should not be asked to get the no dues certificate.																								
08	Whether each non-defaulter farmer living in the village falling in the service area of the branch has got a Kisan Credit Card	<p>As informed in point No.04. 3, 15,000 new farmers and 1, 93,000 tenant farmers are covered so far. Convenor informed that this is not yet fully implemented. The following figures were given by different banks with regard to New farmers and Tenant farmers:</p> <table border="1"> <thead> <tr> <th>Name of the Bank</th><th>New farmers covered</th><th>Tenant Farmers covered</th></tr> </thead> <tbody> <tr> <td>State bank of India</td><td>103770</td><td>14,690</td></tr> <tr> <td>State Bank of Hyderabad</td><td>129112</td><td>14000</td></tr> <tr> <td>Syndicate bank</td><td>56680</td><td>30002</td></tr> <tr> <td>Indian Bank</td><td>8309</td><td>5232</td></tr> <tr> <td>Andhra bank</td><td>56298</td><td>39603</td></tr> <tr> <td>Total</td><td>354169</td><td>103527</td></tr> <tr> <td></td><td></td><td></td></tr> </tbody> </table>	Name of the Bank	New farmers covered	Tenant Farmers covered	State bank of India	103770	14,690	State Bank of Hyderabad	129112	14000	Syndicate bank	56680	30002	Indian Bank	8309	5232	Andhra bank	56298	39603	Total	354169	103527			
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09	Whether each non-farmer family living in rural area falling in the service area of the bank has got a Savings-cum-OD Account	<p>All Banks have been issued guidelines with regard to Savings cum OD facility. SBI: informed that they have issued the circular. Indian Bank has issued the circular and 5586 OD accounts in SB are sanctioned and 1701 GCC are issued. SBH has issued the circular in this regard. And 524 GCC cards are issued. Syndicate Bank is having a facility up to Rs.16000/- which is very popular and issued around 6000 cards. SBI has sanctioned 2430 OD accounts. Andhra bank SBOD 24100 accounts sanctioned and 650 GCC are issued. Andhra bank also covered 283000 families under SHG route in this regard. Convenor informed that around 1, 20,00,000</p>																								



		<p>families are covered under SHG segment in the entire state. Convenor informed that lot of awareness was created among the public and 100% coverage will take place shortly.</p> <p>Director suggested that the matter may be placed in SLBC to speed up the process.</p>
10	<p>Whether extra manpower has been posted in rural and semi-urban branches to see that each village of 2000 more population is visited once a week on a fixed date, time and place and supports BCs for undertaking requests for account opening, loan and recovery.</p>	<p>Andhra bank: informed that they have recruited 1000 clerks and 530 Officers including 150 Rural Development Officers and posted them to Rural and Semi urban centres. During the season they are also deputing the officials from Head Office and Zonal Offices to support the branches. Also in the coming year more Rural Development officers/General Officers will be recruited to suit the needs.</p> <p>SBI: They have recruited around 560 Rural Marketing and Recovery Officers and are placed wherever necessary. The Officers are visiting every village one day in a week at fixed time and place.</p> <p>Syndicate Bank: They have recruited 200 field officers and also deputing officers from ZO/HO.</p> <p>Indian Bank: 100 Agricultural Officers are recruited and all are posted to Semi-urban and rural branches.</p> <p>SBH: 2000 Officers were recruited this year and out of which 1000 are posted in rural areas where they have opened new bank branches.</p>
11	<p>a) Whether Branch Manager himself visits one village in a week with laptop.</p>	<p>Andhra bank: Convenor informed that the Manager is visiting the villages but, no laptop is provided and the bank is planning to provide shortly.</p> <p>Indian Bank: They are also visiting the villages but no laptop is provided.</p> <p>All other banks have informed that the Managers are visiting the villages regularly but without laptop.</p> <p>Director advised all Banks to provide laptops with connectivity to all Managers.</p>
12	<p>Whether schedule for opening new branches as per the new Guidelines on Financial Inclusion has been prepared and being</p>	<p>Convenor, informed that as per Branch expansion plan 208 branches to be opened before September, 2012 and so far 67 branches were already opened and the rest will be opened as per</p>

	implemented.	time line before September, 2012.
13	(a) Whether accounts are being opened as per guidelines on KYC issued by DFS (b) No of houses without a/c within 500 M of semi-urban / urban / metro branch	Convenor informed that accounts are being opened as per guidelines and the process is going on. All banks are assured that they will open accounts for all. Convenor informed that they had a small group meeting with banks to finalise posters explaining to open the accounts and will be sent to all FI villages to place them at prominent places like, MDO offices, MRO offices, PHCs and Panchayat offices to bring more awareness among people about opening of SB accounts.
14	Preparation of District Service Plan and uploading of the same on district website.	Convenor informed that except in Prakasam district in all districts Service are Plans were uploaded in their respective web sites. Since the Prakasam district web site is under process, they could not upload the same. Director advised Syndicate bank to look into the issue and follow-up with NIC for completion.
15	E-payment and Electronic Benefit Transfers under 32 schemes	Convenor informed that the State Government is implemented in Three schemes i.e., 1) NREGS 2) Indira Jala Prabha and 3) Social Security Pensions Payments out of 32 schemes suggested by MOF. SLBC is pursuing with GoAP to implement the remaining also at the earliest. Director, suggested to take up the matter with the GoAP and also place the matter before ensuing SLBC.
16	Issuance of General Purpose Credit Cards (GCCs).	Convenor, informed that banks have issued 1, 34,283 GCCs so far and GCC for non-farmers most of them are covered under SHG route. Director advised all banks to cover all the people with GCCs.
17	List of villages having connectivity problem (block, name, census code of village – 2001 census)	Convenor informed that out of 6640 villages connectivity is available to 2472 and the remaining 4168 villages are not having connectivity. He informed that they can resolve the problem within one month by consulting the BSNL. Director advised to take up the matter with the BSNL and see that the problem is resolved.
18	LIC/non-life products	Convenor informed that SLBC conducted a sub-committee meeting with the Lead banks and Insurance companies both life and non-life and

		asked them to submit the district wise proposed plans. Convenor also informed that the Services plans are also to be integrated with the Credit plans of the districts for the first time. This will be finalised in the next meeting.
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A reference from LDM, Prakasam District: Extending Tobacco Loans by Canara Bank:

It is brought to the notice of SLBC by the LDM, Prakasam district that all Banks except Canara Bank and Union Bank of India have extended crop loans during the current year to tobacco growers in Prakasam district whose crop loans of 2010-11 were rephased on account of Laila cyclone without insisting for additional mortgage/security as per RBI guidelines.

The two banks were provided with all required information and the LDM, Prakasam district has been in constant touch and regular follow up with the two Banks in this regard. But, the two Banks have not come out with any scheme/policy to help the **CYCLONE HIT FARMERS**. As a result the farmers have to borrow from private money lenders at higher rate and were deprived of **VADDILENI RUNALU** scheme of Government of AP.

The issue was raised in the recently held DCC meeting wherein the Lead Bank i.e., Syndicate Bank has come forward to finance those farmers. However Canara Bank is not willing to issue **NO OBJECTION CERTIFICATE** and is insisting that entire liabilities have to be taken over at this last moment after a lapse of two months.

(Action: Canara bank)

Forum may discuss on this.

2) Conference of the Chief Secretaries held on 3rd & 4th February, 2012 at New Delhi – Action Points

The following action points have emerged in the recently held conference of the Chief Secretaries of the States at New Delhi on **3rd & 4th February, 2012**.

- Implementation of Kisan Credit Card Scheme:
The Credit Cards should not remain dormant and must be renewed in time. All farmers need to be covered under Kisan Credit Cards. Banks have been advised to issue Kisan Credit Cards to all eligible farmers. Banks may undertake this on a campaign mode.
- Opening of Bank Accounts of migrant labourers and other citizens in the under privileged classes.
- Issuance of General Purpose Credit Cards (GCCs) for the Artisans.
- Preparation of district service plan and uploading of the same on district website.
- Visit of an officer from the base branch to the Business Correspondents (BCs) in village at least once in a week.
- Progress in e_ payment and Electronic Benefit Transfers under 32 schemes identified by the Government of India.

(Action: All Banks, LDMs and GoAP)

D) Financing to Uncovered farmers / new non Loanee farmers

Year	Number	Credit extended (Rs. In Crores)
2006-07	421402	982.75
2007-08	454250	996.45
2008-09	169892	214.63
2009-10	755044	2416.22
2010-11	779273	1936.73
2011-12	393287	1034.63

District wise particulars of credit disbursement to New Non loanee farmers (General coverage) during 2011-12**(Rs.in crores)**

S.No.	DISTRICT	New Non Loanee Farmers		
		Annual Target(No) Including Tenant farmers	No.of New farmers covered(Owners of the land)	Credit Extended
1	Srikakulam	63690	Not available	Not available
2	Vizianagaram	60060	33598	44.62
3	Visakhapatnam	106590	17406	39.03
4	East Godavari	161370	2596	11.56
5	West Godavari	131010	116571	149.64
6	Krishna	178860	Not available	Not available
7	Guntur	154110	5240	14.50
8	Prakasam	104940	4085	35.46
9	Nellore	91410	5133	14.28
10	Kurnool	94380	17600	89.00
11	Anantapur	99990	23142	84.96
12	Kadapa	81180	33114	119.57
13	Chittoor	112860	48163	174.17
14	Nizamabad	75570	Not available	Not available
15	Medak	74580	Not available	Not available
16	Warangal	86790	6800	23.79
17	Karimnagar	92070	1615	4.20
18	Adilabad	65010	2331	4.43
19	Ranga Reddy	157410	7569	31.71
20	Mahaboobnagar	84810	Not available	Not available
21	Nalgonda	84840	17320	66.19
22	Khammam	81840	51004	127.52
	Total	2240370	393287	1034.63

E) Online of Land Records by the Revenue officials to facilitate verification by the bankers

GoAP is requested to complete the process of online of the land records in Andhra Pradesh to facilitate the bankers for verifying the land holdings of the farmers for easy and hassle free disbursement of loans.

The matter was discussed in the video conference of Sri **L.K. Meena, Director of DFS, MOF, GOI**, with the Convenor and Five Lead banks on **09.03.2012**, and advised SLBC to follow up the matter with the State Government for completing the process of online the Land records by the Revenue Department.

In this regard, SLBC invite the attention of Government of Andhra Pradesh, and inform that in Karnataka State under the Bhoomi Programme 200 lakhs land records of 67 lakhs farmers in 203 Taluks have been computerized. The manual records have been invalidated by law. In 82 Taluks the land records data base is fully compliant with IT Act 2000 through use of Public Key Infrastructure (PKI).

SLBC request the State Government of Andhra Pradesh also to initiate and take up the on lining of land records on similar lines which enable the banks as well as every farmer to have online land data at any time for verification.

Government of India has recently constituted a Committee to review the position of land records in various States and suggest measures for improving the same.

F) Financing under SMSRI, SSI and Farm Mechanization Schemes

GoAP announced Subsidy linked scheme for establishment of SRI Centers, SSI Centers and Farm Mechanization schemes. The Scheme details were circulated by SLBC from time to time and the same was discussed in Steering Committee/ SLBC meetings.

Slightly Modified Systematic Rice Intensification (SMSRI):

Department of Agriculture proposes to establish 110 custom hiring centers with high cost machinery with:

Project cost	Rs 75.34 Lakhs
50% Subsidy Component:	Rs 37.67 lakhs
50% Loan Component	: Rs 37.67 Lakhs

Under this scheme High cost machineries mentioned below shall be permitted.

Process of Implementation

- Commissioner and Director of Agriculture shall release Sanction Proceedings to the beneficiaries recommended by Technical Expert Committee.
- The Banker shall consider this beneficiary for sanctioning of loan.

- If the banker completes the documentation he shall attest the Application cum supply order addressed to the manufacturers duly selecting one of the options given by the Manufacturers towards supply of the machinery and also enclosing the sanction letter of the Branch.

Proposal for Mechanisation of Systematic Sugarcane Intensification (SSI)

Department of Agriculture proposes to establish 37 custom hiring centers

Project cost: Max : Rs 129.84 Lakhs
25%Subsidy Component: Rs 32.46 lakhs
75%Loan Component : Rs 97.38 Lakhs

Process of Implementation

- Commissioner and Director of Agriculture shall release Sanction Proceedings to the beneficiaries recommended by Technical Expert Committee.
- The Banker shall consider this beneficiary for sanctioning of loan.
- If the banker completes the documentation he shall attest the Application cum supply order addressed to the manufacturers duly selecting one of the options given by the Manufacturers towards supply of the machinery and also enclosing the sanction letter of the Branch.

Additional Farm mechanization project:

Additional Farm Mechanisation project to benefit farming community is introduced for an amount of Rs 25 Crores from this financial year under RKVY II scheme as per the guidelines in implementation of this project.

Process of Implementation:

- This project is a 100% Public sector Bank linked Project.
- Machinery shown below can be supplied to farmer groups / individuals on 50% subsidy basis to either Farmer RMGs or Common Interest Groups (CIGs) as per the norms of the RKVY.
- Suppliers list is provided
- The beneficiary group/ Individual farmer should own cultivable land in the mandal of application.
- The beneficiary may choose the required machinery and the supplier and shall approach the bank for the loan.
- The application cum purchase order in the specific format should be used to place the purchase order directly by the beneficiary to the manufacturer or supplier as in the suppliers enlisted, duly attested by the Bank Manager, along with confirmed sanction letter from the bank.

All the Banks are requested to popularize the Schemes since mechanization would lead to reduced cost of production.

G) Pavala Vaddi Scheme for crop Loans disbursed during 2011-12- New total Interest Subsidy scheme announced by Government of Andhra Pradesh on Crop loans from RABI, 2011

SLBC has circulated the copy of letter received from the Commissioner and Director of Agriculture, GoAP, furnishing the details of Rate of Interest to be charged to the farmers, GOI Interest subvention, Credit incentive for prompt repayment and interest amount to be claimed by the banks under Pavala Vaddi for information of all banks vide our Lr.No.666/SLBC/30/337/1093, Dt.24.01.2012.

The commissioner stated that some of the Bankers have claimed at 4% rate of interest instead of 3% under Pavala Vaddi on crop loans disbursed in 2009-10.

All banks are requested to claim the amounts under Pavala Vaddi as per the prevailing rate of interests on crop loans for prompt repayment (i.e., **@3% for 2009-10, @2% for 2010-11 and @1% for 2011-12**) and advise the branches to adjust the amounts to the accounts of eligible farmers scrupulously.

SLBC also communicated 2% interest subvention scheme of GOI announced in the union budget 2011-12 (guidelines issued by RBI Vide their Lr.No. RBI/2011-12/344,RPCD.No.PLFS.BC.54/05.04.02/2011-12, dated January 9, 2012) vide Lr.No.666/SLBC/30/2/1012, Dt.10.01.2012 to all banks.

Interest subsidy scheme on short term crop loans by Government of Andhra Pradesh - Clarification on the rate of interest / subsidy to be provided to the farmers.

The interest amount to be collected by banks from the farmers is as follows:

Year	Rate of Interest	GOI Subvention(to the Banks)	Credit incentive(to the farmers for prompt repayment)	Ultimate ROI to farmers who repay promptly	Interest amount to be claimed by the banks under Pavala Vaddi (from GoAP)	Interest amount to be collected by the banks from the farmers
2008-09	7%	2%	-	7%	4%	3%
2009-10	7%	2%	1%	6%	3%	3%
2010-11	7%	1.5%	2%	5%	2%	3%
2011-12	7%	1.5%	3%	4%	1%	3%

H) Deposit of Title deeds for Creation of Equitable Mortgage

SLBC has been receiving requests from bank branches to recommend for Government of Andhra Pradesh to notify the places where bank branches are functioning, for creation of Equitable Mortgage by Deposit of Title Deeds under Sec.58 (f) of Transfer of Property Act, as the branches in those areas are facing lot of inconvenience for creation of mortgage while financing loans to borrowers.

SLBC request the Secretary to Government of Andhra Pradesh, Law Department and the Secretary, Finance (Institutional Finance) Department, Government of Andhra Pradesh:

- To notify all the Centres, where bank branches are functioning as eligible for creation of equitable mortgage by deposit of title deeds.
- Send updated list of Centres, which are notified for creation of equitable mortgage for circulation among all banks.

(Action: Secretary, Law Department and Finance Department, GOAP)

I) Agriculture Debt waiver and Debt Relief Scheme, 2008

SLBC vide Lr.No.666/30/2/734, dated 08th November, 2011 advised all Banks to submit the latest statement of Agriculture Debt waiver and Debt Relief scheme, 2008 as of September, 2011, as the information is required by the Controller & Auditor General, for Audit purpose. SLBC has reminded all banks several times in this regard. The Officials of Controller & Auditor General's Office have visited the SLBC and expressed their serious concern for non submission of the data by some of the banks.

Inspite of several reminders, data is yet to be received from the following Banks:

01. Dena bank 02. UCO Bank and 03. Dhanalakshmi Bank

We advise the Controllers of the above three Banks to note the same and submit the information immediately.

06. Financial Inclusion

A. Strategy and Guidelines on Financial Inclusion

GOI circulated Strategy and guidelines on Financial Inclusion and were circulated by SLBC to all Banks on several Occasions and it was discussed in several meetings.

Setting up of Ultra Small Branches - Providing Lap tops with VPN connectivity to CBS – Ministry of Finance, Govt of India directions.

- 1) Ministry of Finance, Govt of India vide letter no. F. No. 21/13/2009-FI (Pt) dated 21.10.2011 communicated to all Banks the Strategy and Guidelines on Financial inclusion. In terms of the above guidelines, Banks have been directed to open brick and mortar branches in their service area villages having population above 5000 located in under banked districts and in habitations having population above 10000 in other districts by September, 2012. Para 5.3 of the above communication covers the guidelines on opening of branches in the villages.
- 2) In continuation to the above guidelines, the Ministry of Finance, Govt. of India vide letter no. F. No. 21/13/2009-FI (Pt) dated 28.12.2011 communicated to all Banks the following Action Plan after taking into consideration the issue of costs to banks in opening of rural branches:
 - a) At places where opening of a brick and mortar branch is considered viable, Banks to open the branches initially with two staff and it should be on total e-governance platform. Once the branch becomes profitable within a maximum period of two years, additional staff can be posted.
 - b) At places where opening of a brick and mortar branch is presently not viable, Banks may set up **Ultra Small branches** which have the following characteristics:
 - i. An area of 100-200 sq.ft should be available for the branch
 - ii. BC Agent should be appointed for that service area to operate from the branch for conducting all cash transactions and routine work.
 - iii. One Officer from the Bank should visit the branch on a specified day at least once in a week with a laptop having VPN connectivity to CBS. The Officer would not be dealing with cash transactions. He would clear applications for new a/c openings, loans, recovery follow-up and Business development.
 - iv. Once the ultra small branch reaches desired level of business, it can be upgraded into a regular bank branch.

Ministry of Finance, Govt of India vide letter no. F. No. 21/13/2009-FI (part) dated 09.02.2012 sent the following communication in continuation to the above guidelines on opening of ultra small branches:

Ultra Small Branch be set up in **all villages** covered under Financial inclusion considering the need of close supervision and mentoring by the respective bank branch and also to ensure that a range of banking services are available to the residents of villages. They would be set up as follows:

- a) Ultra small branch will be set up in all villages covered under FI or to be covered under FI in future (less than 2000 population)
- b) The bank branch has to designate a specific Officer to visit villages on pre-notified fixed day and time every week. In course of time the periodicity of visits to be enhanced.
- c) The visiting Official should carry a laptop having VPN connectivity to the CBS in order to render the designed services such as verification, field inspections etc.
- d) Bank to identify a place in the village for the ultra small branch duly requesting the local bodies to provide such place free of cost. The BCA shall also operate from such premises.
- e) Banks are reiterated to strengthen their rural branches so that adequate man power is available for the above aspects.
- f) The BC or its agent would be responsible for the cash transactions and the Bank Official will provide other services.
- g) Visits by the Bank Officials to be increased in duration and / or days, till such time setting up of a regular brick and mortar branch is found feasible.

MoF, Govt of India also informed that the guidelines as above would apply to the earlier instructions on branch openings in habitations in terms of para 5.3 of the strategy and guidelines on Financial inclusion. i.e. initially all these could be Ultra Small Branches only. The Ministry has advised Banks to set up the Ultra Small Branches **by 31.03.2012**.

B. Providing Banking Services in all Villages with above 2000 - Population by March, 2012 – Progress as on 29.02.2012

Banks have covered 6581 villages with above 2000 population as against the target of 6640 which is 99.11% achievement by the end of February, 2012. (Statement enclosed)

SLBC is monitoring the position and by the end of March, 2012, banking services will be provided in all 6640 villages with above 2000 population as per the set target.

C. Implementation status of FIPs in the villages with population below 2000

Service area approach would be adopted for the coverage of the entire country for financial inclusion. So far the SLBCs have allocated specific villages among the banks. As Gram Panchayats are at the centre of the various developmental and welfare schemes and would play an important role in the electronic benefit transfer, service area of the banks needs to be defined in terms of the Gram Panchayats.

SLBC has already completed the exercise of allocation of the villages with population of below 2000 i.e., <500 population, >500 to <1000 and >1000 to <2000 to all LDMs. LDMs have allocated the villages in their districts to various banks as per service area villages. SLBC has received few discrepancies from LDMs and reconciliation is about to complete. SLBC will give clear picture about the allocation of villages by LDMs very shortly.

D. Widening the coverage of banking services – Opening of SB accounts- Publicity campaign under FIP

Indian Banks' Association has given guidelines with regard to captioned campaign as follows:

It is informed by IBA that *“Ground level sensitization activities under the financial inclusion action plan 2010–12 which aims to take banking services to 73,000 un-banked villages by March 2012, is being co-ordinate by the District Level Consultative Committees. The Association had prepared the necessary publicity material and distributed through the State Level Bankers' Committee (SLBC) in respective States.*

It was felt that the publicity material prepared for 'Swabhimaan' campaign could be used for the campaign for opening of Savings Bank Accounts as well.

Accordingly, SLBC has sent the Publicity material in the form of DVD to all LDMs and advised to convert them into local language and supply to all branches in their respective district to popularise the campaign with regard to opening of more number of SB accounts.

Role of LDMs in the Campaign:

LDMs shall be responsible for the common publicity campaign on behalf of all banks operating in the district. All activities pertaining to the campaign shall be co-ordinate through the LDMs.

The LDMs shall be the nodal officer for the entire district and shall be responsible for handling complaints / grievances.

The Lead Bank should provide toll free telephone number for members of Public to contact LDM with their queries / complaints. The LDM will provide clarifications wherever required and refer the complaints / grievances to concerned bank branches for redressal.

To enable customers address their complaints / grievances the name of the LDMs with contact details shall be printed in all pamphlets / publicity material. There should be a toll free telephone at LDM office for customers to contact and this number should be given in all publicity materials.

The LDMs could talk to the local media periodically to popularize the product and project the benefits of the campaign.

Since KYC / AML procedures are very well established it is expected that Public Sector Banks would be following more or less identical processes, forms, procedures, etc. as far as opening of Savings Bank Accounts is concerned the LDMs may look into this aspect also so as to ensure that campaign messages are in line with bank level processes and procedures”.

All LDMs were requested to take up the campaign in a big way and inform the progress made to SLBC to enable SLBC to inform to IBA. The forum discussed on Publicity Campaign suggested by Indian Banks' Association to be undertaken by LDMs at district level. As advised by IBA, SLBC has sent DVD on publicity Material to all LDMs.

Many LDMs have expressed difficulty to undertake the campaign at district level.

Hence the matter was placed for discussion in the 6th Steering committee meeting of SLBC held on 27.01.2012 to work out the modalities and to plan the joint campaign at State level.

On discussion, the following Action Plan was approved:

- Common Publicity material will be planned as per IBA approved design at State level and the Posters /Publicity material will be printed at State level jointly by all Banks.
- Flexi sheets will also be designed.
- The expenditure for the same will be shared by all banks participating in FIP in proportion to the share of number of villages (> 2000 population and 1000-2000 villages)
- SLBC may take initiative and negotiate with Printers for printing and supplying to concerned banks.

Further there was a small group meeting conducted on **16.02.2012** and the following decisions were taken in the meeting:

- Publicity material is to be printed commonly by SLBC.
- Two different types of posters will be prepared.
- Each FI village with 1000 and above population will be provided with 10 posters (each type 5). Rural branch centres also will be included.
- Expenditure will be shared by all FI implementing banks proportionately as per mapping of FI villages and rural branches.
- NABARD may contribute 60% of the Publicity expenditure budget from their FI fund and specific request will be sent by SLBC immediately. Assistance from NABARD shall be sought for printing of Publicity Material.
- Wall posters on priority will be supplied to LDMs directly by the printer as per the number of villages and branches in the respective district.
- LDMs in turn make arrangements to supply to all branches according to the FI villages in their respective district.
- The posters need to be displayed at all rural branch centres and FI villages >1000 population at prominent place.

E. Financial Inclusion and Payment System and guidelines thereof- Regarding

Unique Identification Authority of India (UIDAI) vide their Lr.No. UIDAI /Hyd/FIP/ 1043-382 to 389, dated 9th March, 2012 informed SLBC the guidelines issued by the UIDAI and SLBC is placing the same for the benefit of the member Banks of SLBC.

Banks are aware that financial inclusion is leitmotif of UIDAI Mission. The Financial Inclusion and Payment Systems initiative of the UIDAI is primarily aimed at providing all the residents with bank account, bringing electronic banking facility to the doorsteps of the common man and facilitating electronic benefit transfers by the Government with full backup and visibility. Accordingly, an eco-system has been evolved and a proof of concept has been done in the State of Jharkhand in 2010 and more recently, a pilot project has been successfully initiated to make NREGA payments using Aadhaar Payment Bridge (APB) and Aadhaar Enabled Payment Systems (AEPS). Three banks namely BoI, UBI and ICICI have already been on-boarded and they are in different capability levels of production with BCs.

The overall scheme of Financial Inclusion with Aadhaar interface is as follows:

- Opening of new Aadhaar Enabled accounts based upon option exercised by residents at the time of enrolment following the protocols set out in the RFE and after obtaining approval of the respective SLBC.
- Linking of existing bank accounts of bank customers with Aadhaar.
- Signing Authentication Service (ASA) and Authentication User Agency (AUA) agreements with State Government Departments as a prelude to making Aadhaar Enabled Payments.
- On boarding banks headquartered in each region to work as Authentication User Agency (AUA).
- Anticipated applications and likely number of payments to be made using Aadhaar in the region during 2012-13.
- Anticipated number of Micro ATMs to be deployed at the rate of one Micro ATM for every 2000 Aadhaar Enabled accounts.
- Initiating one or two pilot projects with Banks/State Government before scaling up.

UIDAI informed that some preliminary discussions and exchange of notes have been done with the DGMs (FID) of AB and SBH and Chief Manager (FID) of UBI and Sr. Manager (FID) of Bank of India, Zonal Office, at Hyderabad.

UIDAI also informed that now they propose that suitable pilots in coordination with State Government Departments are done by each bank so that scaling up of production for AEPS becomes smoother in the State of Andhra Pradesh which has achieved maximum enrolments and Aadhaar so far and will be saturated in one year's time covering the entire population in the State. The Deputy Director General, UIDAI, has requested SLBC to extend necessary cooperation and coordination in this regard.

All banks are requested to take necessary initiative and support the payment system of UIDAI.

F. Green Initiative – e- payment under Government sponsored schemes – Directions of GoI

A communication was received from Union Ministry of Finance, Dept., of Financial Services, GOI, New Delhi stating that to enhance use of e-payments, it will be appropriate if all schemes of Govt. of India and the State Governments which are being administered by the State Governments are to be implemented by carrying out the following:

- (a) All payments to be made to beneficiaries are made by electronic fund transfer to the respective accounts of beneficiaries. The banks have been asked to open 'no frill' accounts.
- (b) The Lead Bank of the area has been advised to ensure that no beneficiary has any difficulty in opening a bank account.

It is also advised to ensure that with effect from 1st October, 2011 no payments are made or received through cheque except from such institutions which do not have Core Banking Solutions and not having access to ECS payment facility (this includes certain Urban Cooperative Banks, Local Area Banks and State Cooperative Banks).

The Secretary, Ministry of Finance, Dept., of Financial Services, GOI, New Delhi has enclosed a list of the schemes which are funded by the Government of India in which subsidies are to be given directly to the

farmers. All the schemes up to Sl. No. 32 are operational and schemes listed in Sl. No. 33 to 35 are yet to be made operational, with the following action plan:

- (a) SLBC convenor to work with the State Government to see that they issue appropriate instructions for making payments electronically to all beneficiaries.
- (b) Lead Banks may advise their LDMs to have a meeting with their District Administration and see that all grants/subsidies under these schemes are directly credited to the account of the beneficiary electronically.

SLBC has already circulated the GoI schemes to all Banks, LDMs. LDMs were advised to place the issue before DCCs. All Banks are advised to follow the guidelines and GoAP is requested to advise all Govt. departments to use e-payments only in respect of all Govt. schemes.

During the recent Video conference of **Sri L.K. Meena, Director, DFS, MOF, GOI, on 09.03.2012**, with the Convenor, SLBC and Five Lead Banks, he advised to speed up the matter and pursue with the State Government for implementation of e_ payments for all Government sponsored schemes at the earliest and also to place the matter in the ensuing SLBC.

Hence, the forum may discuss on the above.

G. Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) and its Convergence with Financial Inclusion Plan (FIP)

A meeting was convened by the Government of AP on 06.01.2012, with regard to convergence of EBT with FIP with all stake holders and they have arrived at 5 situations on which they sought bankers' opinion in each situation. The matter was also discussed at length in the 6th Steering committee of SLBC which was held on 27.01.2012.

Since no logical conclusion could be arrived in the meeting, convenor requested all banks to give in writing their specific views within a week time on all the five situations given by GoAP.

Convenor, SLBC further stated that as per RBI guidelines in each district one leader bank is to be selected for EBT payments. The leader bank will receive amount from Government and has to transfer the amount to the accounts of the beneficiaries maintained with FI implementing branches, if FI implementation is already in place. The commission received from Government may be shared between EBT leader bank and FI implementing bank.

Wherever FIP is not implemented, the EBT payments may be made as per existing arrangement of making payments through CSP of EBT bank till FIP is implemented.

He requested all Banks to offer their specific views on the options suggested by Government of AP and model suggested by RBI referred above to discuss in the next meeting. SLBC has received the letters of opinion from some of the Banks and yet to receive from many.

The house may deliberate the issue.

H) Automation of State Government Treasuries and Automated interface with State Governments

The Department of Financial Services, MOF, GOI vide Lr.No.7/1/2012-BO.II dated 5th March, 2012 advised that “ Public Sector Banks have been providing banking services to various State Governments, and have also been effecting payments on behalf of the State Government Treasuries. Traditionally, the treasuries have been sending bills / authorizations to the banks along with a list of beneficiaries, **in physical form**, for effecting credits in their accounts. The banks, in turn, manually affect the credits in the respective accounts and keep the hard copy of such bills / authorizations in their record. Some of the State Government Treasuries have adopted some technological solutions for electronically authorization to banks; the processes of the treasuries have not been fully automated to reap the benefits of technology by the State Governments. Though most of the State Governments have undertaken the exercise to fully automate their treasury operations including their interface with the banks, these are at various stages of implementation resulting in physical transmission of documents and instructions. Such procedures have inherent hazards of errors and omissions, and attendant risks both for the banks and the treasuries”

All Banks will agree that full automation of interface of State Government Treasuries with the banks has immense benefits for all the stakeholders including the concerned State Governments, the banks and the beneficiaries, such as, convenient and smooth processes, instant fund transfer and quick credits to all beneficiaries' accounts, elimination of risks associated with human interference, cost and time efficient transactions, quick settlement of claims, automatic instant reconciliation of transactions, substantially reduced paper work, efficient fund management, effective budgeting exercise, easy and perfect record keeping in Digital form, etc.

Therefore, all banks are requested to kindly take up the matter of automation of State Government Treasuries and automated interface with the concerned State Governments at appropriate higher levels, preferably at the Executive Director / General Manager Level of the bank who is **designated as the nodal officer for this purpose**, with the Principal Secretary (Finance) of the State Government. In the interim, the State Governments may be requested to avail the on-line banking facilities or similar packages offered by the bank so that such processes are automated at the earliest, and subsequently may be migrated to the integrated financial management system of the State Government, as and when the concerned State Governments are prepared with such systems. GOI also requested to discuss this issue in each forthcoming meetings of the **SLBC as a standing agenda**, where your bank is the convenor of the SLBC. The progress in this regard may please be **personally monitored by the Nodal officer on a weekly basis, and by you on a fortnightly basis**, in respect of each State, and reported to the Government. The name and contact details of the Nodal Officer appointed for this purpose may kindly be communicated to MOF, GOI, immediately.

Government of Andhra Pradesh is requested to inform the present state of mechanization of treasury operations and further steps being initiated in this regard.

I) Financial Literacy and Credit Counseling Centers (FLCCCs)- Position in A.P

Reserve Bank of India has formulated a Model scheme for opening Financial Literacy and Credit Counseling Centers by all Lead Banks in their Lead districts.

As per RBI Circular No. RPCD.CO.MFFI.BC.No. 86/12.01.181/ 2008-09 dated 04.02.2009 “FLCCCs may be set up at all levels in block level, district level, town level and city levels. SLBC may discuss and coordinate with Banks, both in public and private sectors, and arrive at a plan of setting up of FLCCCs at different levels in a phased manner. However, to begin with, Lead Banks may take the initiative of setting FLCCCs in their respective District Head Quarters.”

The matter was taken up by SLBC in the Steering Committee Meetings as well as SLBC Meetings and advised all the Lead Banks to establish the FLCCCs in all their Lead districts as per the Model Scheme of RBI.

At present thirteen FLCCCs are functioning in Andhra Pradesh and in nine districts, FLCCs are yet to be established.

State Bank of India & State Bank of Hyderabad are advised to take steps for establishing FLCCs in their remaining lead districts as per RBI guidelines immediately.

J) Rural Self Employment Training Institutes / Rural Development & Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development

In Andhra Pradesh 25 institutes are functioning with Orientation on Self Employment Training to Rural Unemployed Youth.

Performance of RSETIs during the year 2011-12:

During the year 237 programmes were conducted by the RSETIs and 6382 people were trained of which 2781 settlements were done. **(Statement is enclosed)**

Review of RSETIs being done by the GoAP, it was advised that-

- It may be ensured that all RSETIs are adequately staffed as advised by Ministry of Finance.
- Each Institute should ensure that a minimum of 2700 candidates are trained in one year with success rate of over 70%.
- Focus on training more required for self employment in the SC/ST, Minorities segments
- All RSETIs are requested to send their approved annual Training schedule to the Chief Project Coordinator, at Bangalore by 31-03-2012.

K) Swavalamban Scheme- The Co-contributory Pension Scheme

To encourage people from the unorganized sector to voluntarily save for their retirement and to lower the cost of operations of the New Pension System (NPS) for such subscribers, the Central Government has announced, in the Budget 2010-11, a new initiative called “Swavalamban” to be administered by the Interim Pension Fund Regulatory and Development Authority (PFRDA). The Central Government shall contribute Rs. 1000 per annum to such subscribers. This contribution by the Central Government shall be available for the current financial year and three years thereafter. As per the Government guidelines for Swavalamban any citizen who is not part of any statutory pension scheme of the Government and contributes between Rs. 1000 and Rs. 12000/- per annum, could join the Swavalamban Scheme. It is expected that the Scheme would benefit about 10 lakh NPS subscribers of the unorganized sector.

The contributions of the subscribers under Swavalamban would be collected by agencies, such as, Government agencies or NGOs, in flexible installments on monthly or quarterly basis. The contributions of subscribers would be invested in the financial instruments and the returns and the contributions would be used to build the pension corpus of the subscribers. The subscriber could be eligible to get pension from a life insurance company at age 60 by using 40% of the pension corpus. However, if the amount of pension corpus is not sufficient to get a minimum amount of pension of Rs. 1000 per month, then the percentage of pension corpus would be increased so that the pension amount becomes Rs. 1,000 per month, failing which the entire pension corpus would be used to get pension.

PFRDA has identified different beneficiary groups for targeted campaigns to facilitate maximum enrolment under Swavalamban Scheme. PFRDA has appointed many entities as Aggregators, such as, Government agencies, financial institutions and Civil Society Groups to strengthen the existing distribution network of NPS so as to maximize enrolment of subscribers under the Swavalamban Scheme.

The Government is committed to encourage the unorganized sector workers to join the Swavalamban Scheme so that they could lead a safe, secured and dignified life in their old age. The Finance Minister has formally launched the Swavalamban Scheme on **26.09.2010** at Jangipur (West Bengal).

In the recent review meeting held with Nodal Officers of Banks on 14-03-2012, the Joint Secretary (PSI) Ministry of Finance directed that all Banks should register themselves as aggregation with PFRDA immediately, complete I.T.customisation required, and take up enrollment under Swavalamban Scheme. All Regional Rural Banks are advised to become aggregation immediately. Sponsor Banks to take steps in this regard.

L) Action Plan for Financial Inclusion in LWE affected States viz., Andhra Pradesh, Chhattisgarh, Bihar, Jarkhand and Odissa

A meeting to work out an action plan for Financial Inclusion in Left Wing Extremism (LWE) districts of five states (Andhra Pradesh, Chhattisgarh, Bihar, Jarkhand and Odissa) was held at Department of Financial Services, Ministry of Finance under the Chairmanship of Secretary (FS) on 21.02.2012 with representatives from Ministry of Rural Development, NABARD and SLBC convenors of these five states.

In the meeting a draft action plan consisting of 19 points under the broad headings of Infrastructure, Credit availability, Advocacy and Livelihood Development was taken up for discussion.

Copy of the circulated action plan furnished below for ready reference of all banks.

Sl.No.	Subject	Date wise	Responsibility of Banks/NABARD
	<u>Infrastructure</u>		
1.	Service Area Plan		
2.	Branch Opening(Brick & Mortar)		
3.	Manpower in Rural Branch		
4.	Back up Power		
5.	USB-Mobile Van		
6.	BCA		
7.	Debit Card		
8.	ATM		
9.	POS		
10.	Currency Chest/Clearing House		
11.	Joint activities with LIC/ Non-life Insurance Co.		
12.	Visit to each 2000/1000 (tribal areas) villages at least once a week by one officer of the branch		
	<u>Credit Availability</u>		
1.	KCC		
2.	SHG-NGO selection		
3.	Promotion in each village		
4.	E-payment		
	<u>Advocacy</u>		
1.	FLCC/LDM		
2.	Ad Campaign in local Haats		
	<u>Livelihood Development</u>		
1.	Integration of schemes		

M. Opening of Bank branches of Nationalised Bank at Mandal Head Quarters and Central villages.

A reference has received from Reserve Bank of India Representation received from Shri Gopagani Shankara Rao, requesting to open Nationalised bank branches at Mandal Head quarters and Central Villages.

RBI advised SLBC to place the matter in the SLBC for exploring the possibility of opening of bank branch of a Nationalised bank at the captioned location. **Forum may discuss.**

7. Housing Loans

A. Position of Housing Loans – December, 2011

Outstanding amount as on 31.12.2011 is Rs.27, 010.15 crores (Bank wise statement is enclosed)

8. Educational Loans

A. Position of Educational loans - December, 2011

Outstanding amount as on 31.12.2011 is Rs.5, 503.27 crores (Bank wise statement is enclosed)

9. Micro, small & Medium Enterprises (MSME) Sector

A. Position of lending under SME /MSME sector

The total outstandings under SME sector as on 31.12.2011 is Rs.34, 855 crores and total MSME sector is Rs.47, 604 crores.

(Detailed statement is enclosed)

B. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme:

At the instance of Reserve Bank of India, SLBC of AP has allotted more than 15000 units to all the Banks in Andhra Pradesh with a request to re-allot the same to their branches for achieving the target for the year 2011–12. It was advised that the PMEGP loans may also be covered under CGTMSE scheme as per the eligibility.

Progress made by banks for the last four years under CGTMSE

S.No	At the end of the year	Proposals covered during the year	
		No.of A/cs.	Amount (in Crs.)
01	31.03.2008	1139	33.53
02	31.03.2009	1952	78.52
03	31.03.2010	3942	219.13
04	31.03.2011	7523	462.04
05	30.09.2011	3868	250.46
06	*As on 10.03.2012	7786	520.12

(*Target for the year – 15000 units minimum)

(Detailed data enclosed in Annexure-11)

C. Prime Minister`s Employment Generation Programme (PMEGP)

KVIC conducted a review meeting on implementation of PMEGP in Andhra Pradesh on 17.06.2011. The following issues pertaining to Banks have come up for discussion among other things.

From the progress over the last three years, it was observed in the meeting that:

- A) Banks are not encouraging covering of the loans under CGTMSE and this is causing undue hardship to the selected candidates.
- B) Further, it was also observed that despite surpassing the allocated target under the scheme, the Social targets (SC/ST/Minorities/Ex-Service men, etc.) are not being achieved.

To overcome the above deficiencies, the banks are advised to adopt the following strategy:

- At the time of selection of the candidates under PMEGP, preference may be given to RSETI trained candidates, if the candidates are eligible otherwise.
- Take the assistance of SC Corporation/ ST Corporation/ Sainik Welfare Board/ Minorities Corporation, etc. for selecting suitable candidates under the Scheme as these Corporations are regularly dealing with the potential beneficiaries.
- Banks need to educate the entrepreneurs and the PMEGP proposals should not be rejected with frivolous reasons.
- All the proposals belonging to SC / ST Entrepreneurs should not be rejected at branch level and should be referred to Controlling office.
- The rejected applications under PMEGP during 2010 – 11 may be analyzed at bank level to serve as guiding factor for the current year.

SC Corporation / ST Corporation / Sainik Welfare Board/ Minorities Corporation are requested to-

- Conduct awareness camps, to inculcate awareness among these target groups about the PMEGP schemes and guidelines.
- Ensure that the candidate applying under PMEGP are serious entrepreneurs seeking self employment.
- Explore the possibility of bearing the cost of the premium under the CGTMSE for the candidates who are covered under the scheme.

Pending applications PMEGP:

As per the information given by KVIC ON 17th August 2011, 3478 applications are pending with various bank branches and SLBC sent the list to all controlling authorities of Banks by e-mail for taking immediate steps to clear the pendency.

On several occasions, all the banks were advised to ensure that the applications received at the branches are to be scrutinized at the earliest and for any reason, the application is not considered for sanction, it has to be communicated to concerned agency (KVIC /KVIB / DIC).

All the LDMs are advised to review the position of implementation of PMEGP in all the DCC / DLRC / JMLBC meetings.

D. MSME –Clusters

SLBC has received a communication from the Development Commissioner, MSME, Government of India, with regard to coverage of 2,441 clusters in the country in the registered MSME sector as per Fourth All India Census of MSMEs (2006-2007) through specialised SME Bank Branches. SLBC has received a comprehensive list of 2441 clusters in the country of which 58 clusters in Andhra Pradesh, which were circulated to all Banks. These clusters are having concentration of 100 or more registered MSME units which are engaged in manufacturing the same product.

Development Commissioner, MSME, informed that as per the information on specialised SME branches made available by the Reserve Bank of India, there are 1220 such branches set up by Public Sector Banks as on 31st march, 2011. These branches located in various states/UTs could play an effective role in augmenting the flow of credit to the identified MSME clusters. It is therefore requested by the Development Commissioner that specialised SME branches of banks may give focussed attention for extensive coverage of 2441 clusters expeditiously and ensure that the credit needs of these clusters are adequately met. Banks could also consider opening more specialised SME branches for coverage of all the identified clusters. The Lead Banks in the districts where the MSME clusters are located may also focus on their credit requirements and enhance credit flow to MSMEs, particularly in the clusters where banking facilities are inadequate.

All banks are advised to follow the guidelines and extend the credit needs to the clusters which fall in the state of Andhra Pradesh.

E. Pending Projects for regulatory clearances of State Government of Andhra Pradesh

SLBC has received a copy of letter no. DO No.62/Secy.(DFS)/2011, dated 24th October 2011 from the Secretary, Department of Financial Services, Ministry of Finance, Government of India, addressed to the Chief Secretary, Government of Andhra Pradesh, regarding the list of pending projects at the State Government of Andhra Pradesh for want of regulatory clearances with an advice to convene a meeting with the concerned departments of Andhra Pradesh.

SLBC has already taken up the matter with the Principal Secretary, Finance (IF) Department, Government of AP with a request to convene a meeting with the departments concerned, to grant the clearances by the agencies of the state Government as the substantial amount of funding has been committed by banks but they are unable to disburse because of the clearances pending at the level of State Government.

State Government has informed that in respect of proposals listed by DFS, GOI, there was no pendency of the proposals at their end for want of clearances. SLBC has advised all the Banks to refer the proposals to SLBC wherever such instances are there for being taken up with GoAP.

10. Handloom Weavers

A. Revival, Reform and Restructuring Package for Handloom Sector-Implementation of Handloom package announced by the Hon`ble Finance Minister in the Union Budget 2011-12

The “Revival, Reform and Restructuring Package for Handloom Sector” will be implemented, starting with the current financial year, as a new Centrally Sponsored Plan Scheme with a total outlay of Rs.3884 crore. The required funds will be placed with NABARD as the implementing agency. This intervention is likely to benefit 15000 Cooperative Societies and 3 lakh Weavers across the country. Under the scheme, funds will be provided for repayment of 100% of principal and 25% interest as on date of loan becoming NPA which is overdue as on 31.3.2010 in respect of viable and potentially viable Primary Weavers Cooperative Societies and Apex Societies as well as in respect of individual handloom weavers, master weavers, Self Help Groups (SHGs) and Joint liability groups (JLGs) who have taken such loans for handloom weaving purposes, provided the banks agree for sanctioning fresh loans. There would be an overall ceiling of Rs.50, 000 per individual beneficiary as far as funding under this scheme is concerned in respect of waiver of overdues of individual handloom weavers.

The Government has further approved an interest subvention of 3% for 3 years to be extended from the date of disbursement of the fresh loan extended by banks to the eligible handloom cooperative societies and individual handloom weavers covered under the scheme. The interest subvention would not be available after the date on which a loan becomes non-performing asset. The Government will make necessary provision towards payment of Guarantee Fee @1 % and Annual Service [Fee@0.5%](#) , to be paid to CGTMSE, for credit guarantee for a period of three years for the fresh loans.

SLBC has already circulated the Guidelines to all Banks and advised them to circulate the guidelines to their branches for implementation of the scheme.

B. Weavers Credit Card and Financial Package- Conduct of Awareness camps

Weavers Credit Card scheme aims at providing adequate and timely assistance from the Banking institutions to the weavers to meet their credit requirements i.e., for investments needs as well as for working capital in a flexible and cost effective manner. The scheme would be implemented both in rural and urban areas.

SLBC has already circulated the scheme guidelines to all banks and Lead District managers with an advice to implement the scheme in a big way. In this regard awareness camps are being organised by the Weavers Service Centre, Ministry of Textiles, GOI at 10 clusters and Hand looms and Textiles Department, GoAP at 24 clusters in Andhra Pradesh.

All Lead District Managers were advised to co-ordinate the camps in all the clusters.

C. Institutional Credit- under Integrated Handlooms Development Scheme

SLBC has received communication from the Commissioner of Handlooms and Textiles, GoAP, along with a copy of Lr.No.9/1/2011-DCH/Cluster, dated 9th January, 2012, where in Guidelines for implementation of a new Component, "Institutional Credit" under integrated Handlooms Development Scheme, were given in detail.

A reference received from Andhra Pragathi Grameena Bank:

Handloom weavers – Implementation of Revival, Reform and Restructuring Package to Individual weavers – Permission to treat the NPAs & Potential NPAs as Standard Assets for March 2012.

In accordance with the financial package for revival of the Handloom Sector announced by Hon`ble Union Finance Minister in his budget speech 2011-12 and guidelines issued by Ministry of Textiles, Government of India and SLBC on the captioned subject, APGB informed that they have formulated a scheme covering loans made to individual weavers, Self Help Groups (SHGs), Joint Liability Groups (JLGs) for waiver, in tune with guidelines issued under the scheme and got approved by the Board of their Bank.

APGB also informed that they have implemented the OTS scheme of Govt. of AP for waiver of loans sanctioned to handloom weavers and claims have been submitted to the Government under the scheme by their branches in Kadapa, Kurnool, Nellore, Prakasam and Anantapur district are yet to be settled by the Government.

APGB is requesting SLBC for passing a resolution permitting the Banks to continue the accounts covered under the above schemes under the existing/present Status only.

11. Social Welfare Schemes

A. Lending to Minority Communities under Priority Sector Lending:

Ministry of Finance, Govt. of India vide Lr. No. F.No.15 (1), 2010-CP dated 9th April, 2010, advised to all Public Sector Banks to step up their Minority Community Lending (MCL) to 15% of their Priority Sector Lending (PSL) over three years.

As on **31.12.2011**, lending to Minority Communities under Priority Sector lending is at **Rs.11, 998.92 crores which constitute 7.13% of Priority sector advances. (Bank wise statement enclosed). The figures**

given are outstanding as on 31.12.2012 in respect of finance extended to Minority communities including Muslims, Christians, Sikhs, Zoroastrians, and Buddhists.

AP State Minorities Finance Corporation Ltd., requested SLBC to furnish the information beneficiary-wise, bank –wise, branch-wise and district wise details. As the required information is not readily available with SLBC, SLBC advised all Banks to submit the data directly to the Corporation under advice to SLBC.

SLBC once again reminded all banks to submit the data at the earliest to the corporation.

B. Credit flow to Weaker Section

Credit flow to Weaker Section advances **as on 31.12.2011 is Rs.50, 010.17 crores**. As per RBI norms the Weaker Section advances are to be **10%** of ANBC. In our State it is more than the stipulation i.e., **15.28%**.

(Bank wise statement is enclosed)

C. Credit flow to Women

As on 31.12.2011 advances to Women are at Rs. 40,417.90 crores. As per RBI norms the advances to Women is to be 5% of Net Bank credit. In our State it is more than the stipulation i.e., **10.95%**.

(Bank wise statement is enclosed)

D. Credit flow to Scheduled Castes/Scheduled Tribes

Reserve Bank of India issued latest guidelines on providing Credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) vide Master Circular No. RBI 2010-11/53 RPCD No. SP. BC. 03/ 09.09.01 / 2010-11 July 1, 2010.

As on 31.12.2011, the lending to SC/STs is Rs.12, 137.43 crores, comprising of **7.22 %** of priority sector advances and **3.29%** of total credit.

(Bank wise statement is enclosed)

E. Credit flow to DRI

As on 31.12.2011 the credit outstanding under DRI is Rs.328.50 crores. Target under DRI for 2011-12 is **Rs.3272.75 crores** (i.e., 1% of the total outstanding advances of previous year, total outstanding advances **as on 31.03.2011 are Rs.3, 27,275 crores**).

(Bank wise statement is enclosed)

13. Self Help Groups

A. Position of SHG-Bank Linkage Programme- December, 2011

A) Position of SHG Linkage Programme- December, 2011:

(Amount in crores)

Name of the Bank	Outstanding		Overdue Position		
	No.of SHGs	Amount	No.of Accounts	O/S. liability in overdue accounts	Actual Overdues
Public Sector Banks	877206	9368.83	147308	1281.35	418.41
Private Sector Banks	24619	84.65	3771	19.68	8.24
Cooperative Banks	19454	226.60	2610	9.56	7.66
Regional Rural Banks	385477	3599.58	55073	531.64	145.87
TOTAL	1306756	13279.66	208762	1842.23	580.18

B. Scheme for financing of Women Self Help groups with the support of Anchor NGOs as SHPI

A meeting was conducted on 21.11.2011 by the Secretary, Department of Financial Services, Ministry of Finance GOI, at New Delhi with regard to the importance of the SHGs in promoting Financial Inclusion and need for them to have cash credit limits as per the RBI frame work instead of term loans.

Further a draft document prepared by NABARD for financing women SHGs with the support of Anchor NGOs, as Self Help Promoting Institution (SHPI) was discussed. It was agreed that the role of NGOs is very important to keep the SHGs sustainable and therefore the NGOs should be given responsibility for lively hood development of the members of SHGs. Lead Banks and their RRBs will therefore open two special branches in each block of the allotted district for implementing of this model.

The NGOs will be paid an incentive but will bear full responsibility for avoiding NPAs. NGOs shall not be given any direct loan.

Department of Financial Services, MOF, has communicated the guidelines with regard to the scheme for financing of Women self help groups with the support of Anchor NGOs as SHPI.

Back ground:

SHG Bank linkage model, pioneered by NABARD, continues to be the predominant model in the Indian micro finance context with about 7.4 million SHGs, catering to about 100 million households saving with the formal banking system to the tune of Rs.7016 crore. Over the years, the SHG Bank linkage Programme has emerged as a viable model for financial inclusion of hitherto unreachable poor households particularly in rural areas.

Despite these efforts, a large number of the poor households continue to remain outside the fold of the formal banking system. The committee on Financial Inclusion which had attempted an analysis of the

district-wide gaps in financial inclusion, suggested that critical exclusion (In terms of credit) is manifest in 256 districts in the country, spread across 17 states, where credit gap is of 95% and above. Thus poor households continue to face challenges for seeking financial services from banks.

Under this model, the Self Help Promoting Institution (SHPI), usually a Non-governmental Organisation (NGO), nurtures groups of 10-20 individuals from poor households to pool their thrift and make loans amongst themselves for a short period of about six months after which they are credit linked to banks. The SHPI receives due consideration either from Government or institutions like NABARD or such other agencies for promoting and nurturing the groups and enabling their linkages with banks. Once the groups have been linked to the bank, they often monitor the loan portfolio.

Role of Anchor NGO as SHPI:

This scheme is proposed to overcome some of the persisting problems and facilitating a greater role for banks and SHPIs in inclusive development and also ensuring a faster expansion of the SHG-bank linkage Programme.

Under this scheme identification of **one not-for-profit NGO in each district**, which will act as SHPI for promotion and nurturing of SHGs as well as facilitator for banks for on lending to SHGs. This will promote, nurture, and rate the SHG, assess the loan requirement, process the loan application and enable the bank branch to lend the loan to SHG on its recommendation.

Identification of NGOs and support:

- a) One not-for-profit NGO in each district will be identified to act as SHPI. It is desirable to Enlist the NGO-SHPI as BC.
- b) Identified NGO should be in existence atleast for three years, submit three years balance Sheet and should have good track record.
- c) Due diligence to be made by the Bank in selection of NGO.
- d) Bank's may consider lending to SHGs promoted by BCs at interest rate of 18% per annum on Reducing balances. Suitable interest sharing approach may be worked out with the NGO.
- e) The NGO may be given 6 to 7% of the interest to cover the administrative, transaction and Risk costs.
- f) Incentives for recovery may also be considered for the NGO.
- g) Banks may consider providing soft loan (@ 2% per annum) to the NGOs to meet their initial Administrative costs.

For implementation of this model, In Andhra Pradesh, **two districts** namely **Adilabad and Khammam** where State Bank of Hyderabad is the Lead Bank and in Odisha state **Gajapathi district** where Andhra bank is the Lead Bank, were identified.

SLBC has communicated the guidelines issued by the Ministry of Finance, GOI, in this regard to all the Lead District Managers of Adilabad and Gajapathi.

- NGOs will be given Rs.10, 000/- per SHG promoted by them by NABARD.
- NGOs are to be given service charges of 5% per annum which will be charged to the SHGs.
- Interest to be charged to SHGs shall not be more than Base rate + 5% as per our Bank base rate.

During the recent review meeting conducted by GOI, it was informed that in Andhra Pradesh, SERP is playing the role of SHPI in rural areas and near saturation is achieved in promotion.

The Secretary, DFS, GoI, advised if Government is taking care of promotion of SHGs, the same can be continued.

C. SHG – Bank Linkage – Cash Credit facility

Department of Financial Services, Ministry of Finance, GOI vide their Lr.F.No.3/45/2011-AC, dated 17th November, 2011, issued guidelines to all Public Sector Banks with regard to Cash Credit Limit to SHGs.

- 1) The present practice of giving term loans has a cost to the bank because of high number of transactions and documentation required for it. That takes away lot of precious time of the staff of the branch. Similarly, it costs time and inconvenience to the group members as they have to come repeatedly to the branch for documentation and also save to keep separate accounts for repaying each loan.
- 2) Keeping the above in mind, **it has been decided that henceforth all SHGs will be sanctioned only cash credit limit.** The groups will extend loans to their members as per the guidelines of the RBI and NABARD. The SHGs shall ensure that they make payments of interest for this cash credit limit each month.
- 3) This measure will also reduce average cost of money to SHGs as they would be able to deposit surplus money in the bank as and when they have.
- 4) **In so far as existing SHGs are concerned, their term loans shall be converted into cash credit limit by 31st December 2011.**
- 5) NABARD will ensure that their DDMs work closely with the Nodal Officer of the Lead Bank in each district and ensure compliance of the same.
- 6) The guidelines laid down by the RBI permits sanction of credit in the ratio of 1:4. To simplify procedures, the banks will sanction cash credit limit for the amount which a Group will be entitled to have in the ratio of 1:4 after savings of 5 years. However, disbursement limit would be sanctioned after six months and thereafter reviewed each year in the ratio of savings as prescribed by the RBI. This will help to avoid repeated documentation which involves lot of activity for the Group as well as for the branch of the bank. **NABARD will ensure that this is discussed and conveyed to all bank branches in all districts of India immediately and in case of existing accounts, the same procedure will be followed.**
- 7) Wherever internal guidelines of the bank permits to go beyond the ratio of 1:4, the same will be applied in all cases – existing and new.

The matter was discussed at length in the 5th Steering Committee Meeting of SLBC held on 12.01.2011 and it was agreed that the following procedure may in general be adopted after obtaining approval from the competent authority in the Bank:

- The existing SHG loans **including overdue accounts** will be converted into CCL before 28.02.2012 with existing sanctioned limits. However **existing NPA accounts will be excluded.**
- Fresh loans will be in the form of Cash Credit Limit based on the corpus and projected 5 year savings of the SHG. However, the initial drawing power of the fresh loan has to be based on the assessment as on the date of sanction.

- The term loans sanctioned for housing purpose (bridge loans) will continue to be term loans.
- Since, it may take some time for Banks to develop suitable software for sanction of SHG loans under CC limit, the Bank branches will continue to sanction term loans as per the existing norms and convert these loans into CC limits later.
- GoAP to consider SHGs eligible for 'Vaddi Leni Runalu' (Interest free loans), only if they have repaid/credited into their CCL account some minimum amount which is at least 3% of Drawing Power at regular monthly intervals. This minimum amount of 3% per month credited into the account is not to be withdrawn for a period of six months. And at the end of sixth month, the SHGs will be permitted to draw this amount up to the eligible Drawing Power (DP) and continue to repay @ 3% of DP per month. However Groups can do transactions by crediting amounts and withdrawing amounts in excess of minimum 3% p.m. However, Banks are free to allow the operations in the CC limits to the extent of DP at any point of time. **The repayment of 3% of DP condition is only for providing interest subsidy by GoAP.**
- Any SHG finance given for seasonal activities can be fixed repayments accordingly. In case of SHG finance for other economic activity, repayment may be fixed as per existing guidelines.
- Documentation part is to be looked after by the Individual banks as per their guidelines.
- MEPMA will also follow the same guidelines as in the case of SERP.
- All fresh loans as CCs to be given from 1st February, 2012.
- All existing loans upon conversion can fix the due dates as original term loan due dates and Afterwards while reviewing can change for 5 year period to avoid all the accounts falling due at the same period.

It is also resolved that:

IN CASE ANY DELAY IN IMPLEMENTING/ADOPTING THE NEW SYSTEM OF CASH CREDIT LIMIT DUE TO SOME TECHNICAL/OTHER PROBLEMS, BANKS ARE REQUESTED TO FINANCE UNDER EXISTING TERM LOAN SYSTEM FOR ALL THE PENDING SHGs AND AFTER WARDS CAN BE CONVERTED IN TO CC LIMITS.

13. Lead Bank Scheme

A. Implementation of High Level Committee Recommendations – Progress Report December, 2011

HIGH LEVEL COMMITTEE TO REVIEW LEAD BANK SCHEME

ACTION POINTS FOR SLBC CONVENOR BANKS as on 31st December 2011

S.NO	Rec. No	RECOMMENDATIONS	PRESENT STATUS/ACTION POINTS
1	1	The Lead Bank Scheme (LBS) is useful and needs to continue. The State Level Bankers Committee (SLBC) and various fora under LBS should focus on addressing the 'enablers' and 'impeders' in advancing greater financial inclusion and flow of credit to priority sectors, while monitoring govt. Sponsored Schemes. (para 3.1, 3.8)	The State Level Bankers' Committee is setting a target for Priority Sector Advances under Annual Credit Plan by consolidating the District Credit Plans received from all districts in the State. SLBC is monitoring the progress under all Government sponsored schemes and achievement of Annual Credit Plan quarterly and taking the steps for 100% achievement of target of Priority Sector Advances. Required corrective steps are being initiated whenever required.
2	3	The over arching objective of Lead bank Scheme shall be to enable banks and State Governments to work together for inclusive growth.)Para 3.4)	In the State of Andhra Pradesh State Government and Banks are working together to achieve the inclusive growth.
3	4	It is necessary to broad base the scope of the scheme to cover initiatives for financial inclusion, role of State Governments, financial literacy and credit counseling as also 'credit plus' activities, formulate action plans to facilitate 'enablers' and remove / minimize 'impeders' for banking development for inclusive growth, develop grievance redressal mechanism, etc.(Para 3.7)	We are regularly following up with all the Banks and Lead District Managers to ensure that all the 6640 villages with population of over 2000 in the State of Andhra Pradesh are provided with banking services by the end of March, 2012 as a part of financial Inclusion. As on 31-12-2011 6063 villages are covered with Banking facilities. As on 31-12-2011 there are Thirteen (13) FLCCs in Srikakulam, East Godavari, West Godavari, Guntur, Adilabad & Medak, Krishna, Chittoor, Kurnool, Kadapa, Prakasam, Nellore and Ananthapur Districts. We are

			taking steps for the establishment of FLCCs in other districts also during this financial year.
4	7	Banks need to take the maximum advantage to available IT solutions. The funding arrangements available under Financial Inclusion Technology Fund (with NABARD) or other options such as the support offered for distribution of Government payments by RBI may be explored for the purpose. However, connectivity should not be an issue of consideration for not pursuing Financial Inclusion by commercial banks/ RRBs. (Para 3.13)	Banks are taking maximum advantage from the IT Solutions. Banks have issued smart cards to the tune 117.66 lakhs for the payment of Social Security Pensions & NREGA Payments. Banks are implementing ICT Based BC Model for providing banking facilities in the villages of more than 2000 population as a part of Financial Inclusion.
5	9	Although permitted, Primary Agricultural Credit Societies (PACS) are not being used as BCs. Concerted efforts may be made for using PACS as BCs where such PACS are running well.(Para 3.16)	We have advised all banks to consider Primary Agricultural Credit Societies also which are running well as BCs.
6	11	State Government to ensure road/ digital connectivity to mall centers where penetration by the formal banking system is required. The achievement of such connectivity may be monitored by a sub -committee of the DCC. Advantage may be taken of the special scheme offered by RBI of satellite connectivity through small V-SATs in remote areas. (Para 3.19)	We are pursuing with State Government to provide road/digital connectivity where penetration by the formal banking system is required. We have advised all Banks to open bank branches in Naxal affected areas and requested State Government to provide necessary security arrangements.
7	12	State Governments to ensure conducive law and order situation, adequate security uninterrupted power, water supply and irrigation facilities. (Para 3.20)	We are pursuing with State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and irrigation facilities wherever required.
8	18	The DLCCs/ SLBCs may monitor initiatives for providing 'credit plus' services by banks and State Government. The lead banks would need to take expeditious steps to set up RSETIs as per the plan projections. As recommended by the Working Group on Rehabilitation of sick SMEs(Chairman:Dr.K.C.Chakrabarty, April 2008) , a scheme for utilizing specified NGOs	In the State of Andhra Pradesh, RSETIs have been established in all districts. In all RSETIs training programmes are being conducted for unemployed youth for entrepreneurial development and for taking small business & self employment. This will ensure credit

		for providing training and other services to tiny micro enterprises may be considered by the SLBC convener banks in consultation with State Governments as per the guidelines contained in RBI circular RPCD.SME&NFS.BC.No.102/06.04.01/2008-09 dated May 04,2009(Para 3.26)	plus services to the needy people. Industry Associations are being used in the entrepreneurship education programmes.
9	31	The educational loans granted by banks may be monitored and progress reviewed in the meetings of the SLBC by evolving a tracking mechanism with the help of State Governments, educational institutions and banks, so as to ensure proper recovery of such loans. (Para 3.44)	The portfolio of Educational loans granted by banks is being monitored by SLBC in every SLBC Meeting and the problems are being discussed.
10	32	The activities of NGOs in facilitating and channeling credit to the low income households are expected to increase in the coming years. Bank's linkage with such NGOs/Corporate houses operating in the area to ensure that the NGOs/Corporates provide the necessary 'credit plus' services can help leverage bank credit for inclusive growth. Success stories could be presented in DCC/SLBC meetings to serve as models that could be replicated. (para 3.45)	Andhra Pradesh is leading in SHG Bank linkage programme and many innovations have emanated From the State. The NGOs are also actively coordinating in improving house hold incomes. We will continue the efforts from SLBC for up scaling.
11	33	SLBC/DCC to identify academicians and researchers engaged in research and development studies to be invited occasionally to the meetings of these bodies. (para 3.46)	We are regularly inviting Project Directors of NIRD and officials of MSME Institute for SLBC Meetings and we note to involve other academicians and researchers.
12	37	In States where the Chief Minister or the Finance Minister takes active interest in the SLBC and present in the meetings, the SLBC has been more effective as a coordination forum.(Para 4.2)	In Andhra Pradesh every SLBC Meeting is being attended by Hon'ble Chief Minister of Andhra Pradesh along with concerned Hon'ble Ministers and reviewing the progress under all Government sponsored schemes & Priority Sector Advances. The coordination is very effective in the State and is regarded as one of the model states.
13	39	In view of the large membership of the SLBC, it would be desirable for the SLBC to constitute Sub- Committees for specific tasks. In addition to the Sub - Committees already in existence,	In Andhra Pradesh, the system of conducting steering committee meetings is established and almost all the issues are sorted out in these

		these could include IT enabled financial Inclusion, financial inclusion in urban areas, action plan for financial literacy, grant of educational loans, improvement in land records/other evidence for land ownership/occupation, improving recovery systems, measures to deal with downturn, promoting banks/SHG linkage and addressing issues relating to provision of microfinance in the State. (Para 4.4)	meetings. We have constituted Sub Committees for review of FIP Progress, SHG-Bank Linkage programme, Reschedulement of Crop Loans, Pavala Vaddi being implemented by Govt. of Andhra Pradesh and Government of India Action Plan for improving Lending to Agriculture Sector.
14	41	The various fora at lower levels should give adequate feedback to the SLBC on issues needed to be discussed on a wider platform. Important issues/decisions of the BLBC, DCC and DLRC should be placed before the next meeting of the SLBC, so that these receive adequate attention at the State Level. (Para 4.6)	We also constitute sub committees wherever some study is required. In many parameters State is leading in the Country.
15	42	The secretariat/offices of SLBC should be sufficiently strengthened and the SLBC convenor bank should have a full fledged secretariat for effective discharge of its functions. (Para 4.7)	Our office is sufficiently strengthened with all required infrastructure.
16	60	Every SLBC should have its own website where all instructions issued by Reserve Bank and other agencies as also in respect of Government Schemes for the benefit of common persons are made available. (Para 5.8&5.9)	Exclusive website of SLBC of Andhra Pradesh was put in place. The website can be viewed at www.slbcap.nic.in The website can also be viewed from the website of Andhra Bank at www.andhrabank.in by clicking icon – SLBC, Andhra Pradesh available on home page.
17	62	Each SLBC may have a dedicated Financial Literacy Division to propagate the various instructions. The local media should be encouraged to frequently interact with the Financial Literacy Division and its help taken to reach out to the common persons. (Para 5.11)	SLBC have constituted a sub-committee of representatives of five Lead Banks for study of common approach to be adopted to provide financial counseling services through all financial Literacy & Credit Counseling Centers & State Level FLCC, proposed to be established. The common approach is envisaged to ensure that no duplication of efforts in preparation of material required and to design suitable programmes for financial literacy. However, later the banks have

			opined that individual approach is better by each Lead Bank in their Lead districts. At present 13 FLCCs are established and once all the FLCCs are established, we will start SLBC division to review & monitor.
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14. Government Sponsored Schemes

A. Central Government Sponsored Schemes

1). Prime Ministers Employment Generation Programme (PMEGP)

Target and Achievement for the year 2011-12 as on 20.03.2012 (Rs. In Lakhs)

Name of Organization	Target			No of applications sanctioned		Disbursed		
	Phy (No)	Fin. (MM)	Emp	No of Proj	Fin. (MM)	No of Proj	Fin. (MM)	Emp
KVIC, SO, Hyd	873	1221.64	8730	264	1063.04	228	982.09	6875
KVIC DO Vizag	242	339.36	2420	97	322.05	83	275.90	778
APKVIB	1115	1560.99	11150	994	2175.01	506	1684.00	11788
DIC	1486	2081.31	14860	1056	2995.68	749	2281.18	15968
Total	3716	5203.30	37160	2411	6555.78	1566	5223.17	35409

Action Points:

- Banks are to encourage covering of the loans under CGTMSE so that the credit facility can be extended to the needy in time.
- The Social targets SC/ST/Minorities/Ex-Service men, etc., are to be achieved, along with surpassing the allocated target under the scheme.
- SC Corporation / ST Corporation / Sainik Welfare Board/ Minorities Corporation are requested to create awareness among the target group about the PMEGP scheme.
- All the LDMs are advised to review the position of implementation of PMEGP in all the DCC / DLRC / JMLBC meetings regularly.

(Action: KVIC, KVIC, DIC and All Banks and LDMs)

2. Interest Subsidy Scheme for Housing Urban Poor (I S H U P)

Statement of Loans sanctioned under scheme as on 31.12.2011

(Rs. In Crores)

Target	No of Applns. filed	No of applns. sanctioned		No of loans disbursed		Subsidy claimed	
		Units	Amount	Units	Amount	Units	Amount
85641	33128	14614	44.32	7163	21.25	7980	5.93

Bank wise sanctions under ISHUP scheme As on 31.12.2011

Name of the Bank	Target	Applns. Filed	Sanctioned		Disbursements	
			Units	Amount	Units	Amount
Allahabad Bank	209	54	0	0	0	0
Andhra Bank	16597	6832	2758	832.90	1308	392.60
APGB	3161	750	0	0	0	0
APGVB	2081	642	119	38.29	69	23.09
Axis Bank	196	0	0	0	0	0
B o B	1276	454	351	105.30	197	59.10
B o I	1547	1042	344	103.20	185	53.50
Bank of Maharashtra	150	9	9	2.70	9	2.70
Canara Bank	3506	1182	524	157.20	140	39.00
Cathelic bank	121	0	0	0	0	0
C B I	1983	1087	728	225.21	402	127.41
City Union Bank	151	0	0	0	0	0
Corp n Bank	1752	716	578	173.40	65	16.00
DCCB	320	16	1	0.30	0	0
DGB	2484	356	198	59.40	164	49.20
HDFC	75	0	0	0	0	0
ICICI	181	30	30	9.00	0	0
IDBI	25	0	0	0	0	0
Indian Bank	3671	1799	984	295.20	505	142.25
I O B	2314	919	617	185.10	392	117.60
Indus Ind bank	25	0	0	0	0	0
ING Vysya Bank	1880	549	267	80.10	0	0
Karnataka Bank	50	0	0	0	0	0
Karur Vysya Bank	200	0	0	0	0	0
O B C	303	201	141	42.30	63	18.90
P N B	494	332	188	56.40	45	13.50

SGGB	1483	556	236	70.80	164	33.45
S B H	14095	3716	1815	547.53	914	275.33
S B I	16260	7816	2993	930.13	1889	575.98
S B M	312	29	18	5.40	0	0
S B T	40	0	0	0	0	0
Syn. Bank	4440	2759	866	259.80	350	96.90
UCO Bank	363	127	98	29.40	98	29.40
Union Bank	2848	670	506	151.80	140	42.00
Vijaya bank	1048	445	245	71.50	64	17.30
Total	85641	33128	14614	4432.36	7163	2125.21

District wise sanctions under ISHUP schemes as on 31.12.2011

Name of the District	Target	Applications filed	Sanctioned		Disbursements	
			Units	Amount	Units	Amount
Srikakulam	2169	885	788	2.37	70	0.21
Vizianagaram	4351	1133	614	1.82	548	1.62
Visakhapatnam	1264	405	0	0	0	0
East Godavari	1429	746	245	0.88	245	0.85
West Godavari	1394	1625	110	0.33	86	0.25
Krishna	2495	623	282	0.84	184	0.55
Guntur	2531	2071	1373	4.11	1336	3.99
Prakasam	950	647	48	0.01	48	0.12
Nellore	11847	6189	3218	9.65	1483	4.44
Chittoor	5867	2263	1091	3.27	319	0.42
Kadapa	3780	3172	3132	9.40	319	0.96
Anantapur	6126	1798	755	2.26	185	0.45
Kurnool	9671	3535	160	0.71	160	0.71
Mahaboobnagar	4200	817	0	0	0	0
Rangareddy	1238	349	0	0	0	0
Medak	2358	1056	274	0.96	265	0.96
Nizamabad	5347	262	248	0.74	247	0.74
Adilabad	6800	775	775	2.31	513	1.52
Karimnagar	2537	1224	708	2.13	502	1.51
Warangal	4714	2792	571	1.71	535	1.60
Khammam	2527	394	118	0.36	118	0.29
Nalgonda	2046	367	104	0.31	0	00
Total	85641	33128	14614	43.32	7163	21.25

Action Points:

- All the banks are requested to put up ISHUP subsidy claims, immediately after the disbursement of the first instalment of the housing loan.
- The Nodal Agencies, HUDCO and NHB are requested to co-ordinate.

(Action : APSHCL, HUDCO, NHB & All Banks)

3. Swarna Jayanthi Gram Swarojgar Yojana (SGSY)Target for the year 2011-12 and Achievement as on **31.12.2011**

(Rs. In crores)

	Commercial Banks	Co-operative Banks	Regional Rural Banks	Others	Total by all Banks
Target	193.14	7.67	120.49	0	321.30
Achievement	98.15	3.40	58.25	4.45	164.26

Action Points:

- The Chief Executive Officer, Society for Elimination of Rural Poverty (SERP) is requested to initiate necessary steps in the Districts where the performance is poor.
- SERP may ensure capacity building to the Group members on an ongoing basis and also that groups continue to follow the basic concepts of SHG mission.
- All LDMs to ensure achievement of the targets.

(Action: SERP and LDMs)**4. Swarna Jayanthi Shahari Rozgar (SJSRY)**Projections and achievement for 2011-12 as on **31.12.2011**

(Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage(as on 20.03.2012)	81650	1600.00	70340	1548.99
2	SHG Disability Programme	2532	48.00	687	4.71
3	USEP Programme under SJSRY	10000	100.00	1117	4.47
	TOTAL	94182	1748.00	72144	1558.17

5. Differential Rate of Interest - DRI

(Rs. In Crores)

Total Advances as on Year (31.03.2011)	Target (1% of total advances)	Achievement as on 31.12.2011
Rs.3,27,275	Rs.3,272.75	Rs.328.50

Action Points:

- All the Banks are requested to improve the credit under DRI as per the guidelines.

(Action: All Banks)

B) Government of Andhra Pradesh**6. Andhra Pradesh Micro Irrigation Project (APMIP):**

Target and Achievement for the year 2011-12 - as on 31.01.2012 (Rs. In Crores)

	Physical			Subsidy	Benef. Contribution / Credit requirement	Total Project Outlay
	Area (in Hect)	Total GOI	State Share			
	1	2	3			
	114000	251.24	242.59			
Target				493.83	91.39	585.22
Achvt.	81528	204.77	235.71	440.48	42.30	482.78

7. Animal Husbandry**Pasu Kranthi Padhakam**

Projections and Achievements as on 31.12.2011 (Rs. In Crores)

Annual Target		Achievement	
Phy	Fin (In Lakhs)	No. of animals inducted (Phy)	Fin (In Lakhs)
22057	42.03	12092	24.18

Rashtriya Krishi Vikas Yojana

Projections and Achievements as of 31-12-2011 (Rs. In Crores)

Annual Target		Physical Target Up to Dec 11(70%)	Subsidy released		Achievement	
Phy(units)	Financial		Units	Budget released	Units	Financial
8945	42.30	6262	3173	15.19	690	13.80

Action Points:

- The Director, Animal Husbandry Department is requested to take necessary steps to ensure grounding of the sanctioned applications.
- All LDMs to pay adequate attention in the successful implementation of the scheme since this is one of the priority scheme of the State Government and also Government of India.

(Action: Animal Husbandry Department and LDMs)

Jeeva Kranthi Pathakam:

(Rs. In crores)

Sheep & Goat Units				Ram Lamb Units			
Target		Achievement		Target		Achievement	
436	1.20	108	0.30	426	0.60	143	0.20

8. FisheriesProjections and Achievements for the year 2011-12 as on **31.12.2011**

(Rs. in Crores)

Beneficiary Component	Subsidy Component	Bank Credit Required	Total	Subsidy Released	Achievement
3.22	9.64	16.46	29.32	0.31	NIL

Action points:

- Commissioner of Fisheries is requested to take necessary steps to achieve the targets for the year 2011-12, if necessary by making a presentation in the SLBC steering committee.
- All Lead District Managers are requested to examine the reasons for such poor performance.

9. Sericulture

Targets for 2011-12

(Rs. In Crores)

Annual Targets			
No	Amount of Loan component	Subsidy	Total outlay
28476	46.42	35.38	81.80

Progress as on 31.01.2012

(Rs. In crores)

Annual Targets		Targets approved by DCC		Applications sponsored	Sanctioned		Units Grounded	
No	Amount of Loan	No	Amount of Loan	No	No	Amount of Loan	No	Amount of Loan
28476	46.42	16205	45.66	1967	875	4.31	672	3.56

Action Points:

- The Commissioner, Sericulture is requested to analyze the reasons for poor performance in implementing the schemes and take necessary steps to improve achievement of the targets.
- LDMs to ensure improvement in the implementation of the Scheme.

(Action: Sericulture Department and LDMs)

10. Handlooms & Textiles**Artisans Credit Cards /Handloom Weavers Groups:**Projections and Achievement for the year 2011-12 as on **31.12.2011** (Rs. in Crores)

Scheme	Target	Finance (Crores)	Appl. sponsored	Sanctioned	Financed so far (crores)	%of Target
Artisan Credit Cards	12150	121.50	4221	596	1.50	5%

Scheme	Target for the year 2011-12	Financial outlay for the year 2011-12	No of Groups formed	No of Groups covered by Banks	Amount released by the Banks (Crores)	% of Achievement in total target
Handloom Weavers group	12700	127.00	417	85	1.02	3.28%

11. A.P. Backward Classes Co-op. Finance Corporation

Annual Credit Plan of Margin Money (Subsidy) Scheme for 2011-12

Progress Report as on **31.01.2012**

(Rs. In crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
2565	2.10	4381	4444	1581	4.93	445	1.33	64

Rajiv Abhyudaya Yojana Scheme

Progress Report as on 31.01.2012

(Rs. In Crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
2578	4.15	2325	2503	1854	6.50	804	2.75	66

Andhra Pradesh Krishna Balija , Poosala Cooperative societies Federation Ltd.

Annual Action Plan 2011-12

(Rs. In Crores)

Physical target	Financial Target Unit Cost Rs. 1.50 Lakhs			
No of societies to be covered	Subsidy (50%)	Bank Loan (40%)	Beneficiary Contribution (10%)	Total Outlay
34	0.25	0.21	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
34	0.25	25	0.18	9	2.40	0.06	12.80

Andhra Pradesh Nayee Brahmins Cooperative Societies Federation Ltd

Annual Action Plan 2011-12

(Rs. In Crores)

Population of Nayee Brahmins Dist wise	Physical Target	Financial Target unit Cost Rs. 1.50 Lakhs			
	No of Society/Group	Subsidy (50%)	Bank Loan (40%)	Beneficiary contribution (10%)	Total Outlay
670144	34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
34	0.25	25	0.18	4	0	0.03	5.69

Andhra Pradesh Washermen Cooperative Societies federation Ltd**Annual Action Plan for "FINANCIAL ASSISTANCE SCHEME"**

(Rs. In crores)

Population of Rajaka	Physical target	Financial Target Unit Cost Rs. 1.50 Lakhs			
	No of Society Groups	Subsidy (50%)	Bank Loan (40%)	Beneficiary Contribution (10%)	Total Outlay
1922903	34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
34	0.25	25	0.18	0	0	0	0

Andhra Pradesh Uppara Cooperative Societies Federation Ltd.

Annual Action Plan 2011-12

(Rs. In Crores)

Physical Target	Financial Target Unit Cost Rs.1.50 Lakhs			
No of societies to be covered	Subsidy (50%)	Bank Loan (40%)	Beneficiary contribution (10%)	Total Outlay
34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
34	0.25	25	0.18	0	0	0	0

Andhra Pradesh Vaddera Cooperative Societies Federation Ltd.

Annual Action Plan for "FINANCIAL ASSISTANCE SCHEME" for the year 2011-12

(Rs. In Crores)

Physical Target	Financial Target Unit Cost Rs.1.50 Lakhs			
No of societies to be covered	Subsidy (50%)	Bank Loan (40%)	Beneficiary contribution (10%)	Total Outlay
34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
34	0.25	13	0.09	0	0	0	0

Andhra Pradesh Valmiki /Boya Cooperative Societies Federation Ltd.

Annual Action Plan 2011-12

(Rs. In Crores)

Physical Target	Financial Target Unit Cost Rs.1.50 Lakhs			
No of societies to be covered	Subsidy (50%)	Bank Loan (40%)	Beneficiary contribution (10%)	Total Outlay
34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
34	0.25	16	0.12	0	0

Andhra Pradesh Bhattaraj Cooperative Societies Federation Ltd

Annual Action Plan for "FINANCIAL ASSISTANCE SCHEME" for the year 2011-12

Physical Target	Financial Target Unit Cost Rs.1.50 Lakhs			
No of societies to be covered	Subsidy (50%)	Bank Loan (40%)	Beneficiary contribution (10%)	Total Outlay
34	0.25	0.20	0.05	0.51

Progress Report as on 31.01.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
34	0.25	23	0.17	3	0.02

12. A.P.Scheduled Caste Co-operative Finance Corporation Limited

Economic Support Scheme

District wise progress report on Bank Linked Govt. sponsored. Schemes as on **29.02.2012**

(Rs .in Crores)

Annual Targets		Sponsored Applications	Sanctioned up to February, 2012		Grounded		%of target
Phy.Nos	Amount		Phy.Nos	Amount	Phy.Nos	Amount	
34701	134.98	34782	28972	93.80	16556	50.27	37

Action Plan:

- The V.C. and M.D. AP SC Coop. Finance Corporation Limited is requested to take necessary steps in getting all the sanctioned units grounded by banks, before the end of March, 2012.
- All LDMs are requested to ensure 100% grounding of the sanctioned units before 31st March, 2012.

13. Andhra Pradesh State Christian Finance Corporation

Bank Linked Income Generation Schemes

Progress under Govt. sponsored. Schemes during 2011-12 **as on 31.01.2012** (Rs. In Crores)

Annual Targets		Sanctioned		Subsidy/MM Released		Subsidy/MM Utilized	
Phy. No	Amount	Phy. No	Amt	Phy. No	Amt	Phy No	Amt
835	17.50	220	1.86	165	0.49	79	0.02

14. Andhra Pradesh Scheduled Tribes Co-op Finance Corporation Ltd. (TRICOR)

Economic Support Scheme

Projections on Bank Linked Govt. sponsored. Schemes for 2011-12 **as on 31.12.2011**

(Rs. In crores)

TRICOR approved Targets (DCC)			Applications sponsored	Applications Sanctioned up to the month			Applications Grounded up to the month		
1	2	3	4	5	6	7	8	9	10
Phy No	Bank loan	Total outlay		Phy. No	Bank Loan	Total outlay	Phy. No	Bank Loan	Total outlay
17502	34..89	63.04	4376	4376	10.86	20.05	356	0.84	1.59

Action Plan:

- The M.D. TRICOR may initiate necessary steps for successful implementation of the Schemes during the month of March, 2012 since the performance under sanctions and grounding of the units is poor so far.
- All LDMs may ensure grounding performance before 31st March, 2012.

15. A.P.State Minorities Finance Corporation Ltd.

Progress Report as on 29.02.2012

(Rs. in Crores)

Annual Target		Appl. Sponsored	Appl. Sanctioned		Applications Grounded			
No	Amount		No	Amount	No	% of target	Amount	% of target
2900	8.70	6293	4363	8.85	2077	72	3.80	44

16. Andhra Pradesh Youth Services - A.P.S.T.E.P

Action Plan of Rajiv Yuva Shakthi Programme – 2011- 12 - upto 15.03.2012 (Rs.in Crores)

Annual Target		Applications sponsored	Admn. Sanctions		Units grounded	
Phy	Amount		Phy	Amount	Phy	Amount
7667	53.66	10520	7493	67.80	2636	24.27

17. Society for Elimination of Rural Poor (SERP)

Projections & Achievement for the year 2011-12 As on 20.03.2012 (Rs. In crores)

Particulars	Target		Achievement	
	Accounts	Amount	Accounts	Amount
SHG Bank linkage	3,92,168	9084.00	3,00,645	6710.13

18. Mission for Elimination of Poverty in Municipal Areas (MEPMA)

Projections & Achievement for 2011-12 as on 31.12.2011 (Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage(as on 20.03.2012)	81650	1600.00	70340	1548.99
2	SHG Disability Programme	2532	48.00	687	4.71
3	USEP Programme under SJSRY	10000	100.00	1117	4.47
	TOTAL	94182	1748.00	72144	1558.17

15. Overdue/NPA Position

Overdue/NPA position under various sectors as on 31.12.2011

Sector	Outstanding		Overdues			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
Short Term Crop Production Advances	8355296	43597.32	1897758	18733.59	10503.66	316096	2016.71
Agri.Term Loans Including Agri. Allied Activities Advances	2789993	37394.23	548872	8290.41	2360.73	225769	2482.52
Total Agriculture Advances	11022135	78924.76	2567116	27202.26	13487.98	540976	4491.62
Non Farm Sector Advances	610147	24222.10	210906	4262.46	3080.08	150589	2554.43
Other Priority Sector Advances	1560438	39361.91	217732	5743.33	2491.22	113439	2107.45
Total Priority Sector Advances	13276374	143693.10	2746169	33816.33	16065.61	748958	7723.64
Educational Loans Advances	233301	5111.04	40931	682.74	164.78	20684	346.27
Housing Loans Advances	519315	23529.60	104625	3422.51	773.62	56749	1114.51
Self Help Groups Advances	1306756	13279.66	202769	2114.09	769.88	86696	972.42

***overdue data not received from all banks.**

Short Term Agriculture Crop Production Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.18733.59 crores** which is **42.96%** and NPA is **4.62%** to total outstandings and NPA in real terms it is **Rs.2016.71 crores**.

Agriculture Term Loans Including Allied Activities:

The total outstanding balance in overdue accounts (PNPA) is **Rs.8290.41 crores** which is **22.17%** and of NPA is **6.64%** to total outstandings and NPA in real terms it is **Rs.2482.52 crores**.

Total Agriculture:

The total outstanding balance in overdue accounts (PNPA) is **Rs.27202.26 crores** which is **34.47%** and NPA is **5.69%** to total outstandings and in real terms it is **Rs.4491.62 crores**.

Non Farm Sector:

The total outstanding balance in overdue accounts (PNPA) is **Rs.4262.46 crores** which is **17.59%** and NPA is **10.54%** to total outstandings and in real terms it is **Rs.2554.43 crores**.

Other Priority Sector Advances:

The total outstanding balance in overdue accounts (PNPA) is **Rs.5743.33 crores** which is **14.59%**. And NPA is **5.35%** to total outstandings and in real terms it is **Rs.2107.45 crores**.

Total Priority Sector Advances:

The total outstanding balance in overdue accounts (PNPA) is **Rs.33816.33 crores** which is **23.53%** and NPA is **5.38%** to total outstandings and in real terms it is **Rs.7723.64 crores**.

Educational Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.682.74 crores** which is **13.36%** and NPA is **6.77%** to total outstandings and in real terms it is **Rs.346.27 crores**.

Housing Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.3422.51 crores** which is **14.55%** and NPA is **4.73%** to total outstandings and in real terms it is **Rs.1114.51 crores**.

Self Help Groups:

The total outstanding balance in overdue accounts (PNPA) is **Rs.2114.09 crores** which is **15.91 %** and NPA is **7.32%** to total outstandings and in real times it is **Rs.972.42 crores**.

Since all Banks have not submitted data, the above is indicative only.

Action Points:

- All the banks are requested to submit the data on quarterly basis in the prescribed format regularly.
- Government is requested to extend required cooperation / support to banks for improving the recovery position

Recovery of Agriculture Loans

Overdues are ballooning in agriculture sector and the mounting overdues are the main concern for ensuring smooth flow of credit to the sector.

Recovery of loans as per the terms of repayment has become essential under prudential norms, lest these accounts will become NPAs. Increasing magnitude of overdues / NPAs has compelled the banks to take up recovery on a continuous basis with a serious note.

At the request of SLBC, Agriculture Department has decided to coordinate with Banks in all DCC/ DLRC/ JMLBC meetings & Agriculture Department may improve coordination with banks for recovery and other matters.

Assistance from Agriculture Department, Govt. of Andhra Pradesh:

Commissioner and Director of Agriculture, Government of Andhra Pradesh, has communicated Constitution of Special team to recovery of Agricultural advances and informed the proposed dates to be visited by the teams. Commissioner, basing on the information furnished by the banks selected 128 villages as chronic villages and designed the time schedule. The Agriculture Department has deputed Additional Directors of Agriculture as team Heads for the recovery drives.

SLBC has communicated the same to the Banks and Lead District Managers of the Districts, concerned, and advised them to utilise the services for effective recovery.

All Public Sector Banks

All Controlling Offices of the Banks are requested to issue instructions to their respective branches to utilise the services of Dy. Tahasildars for the recovery of Weaker Section Housing loans along with PMEGP / PMRY loans.

Lead District Managers

Lead District Managers are requested to take up Recovery of Agriculture loans as main agenda in JMLBC / DCC meetings regularly for proper monitoring and affective co-ordination wherever necessary.

Submission of Overdue and NPA data by Banks

Banks should submit complete and accurate data especially with regards to **OVERDUES AND NPA**, so that SLBC, if necessary will take up the issue at the highest level with the Government for recovery of overdues.

16. Regional Rural Banks

Regional Rural Banks main focus of lending is to Agriculture and Allied activities in rural and semi urban and urban areas. Reserve Bank and NABARD and sponsored banks are reviewing the performance of RRBs at regular intervals.

Performance of Regional Rural Banks on important parameters

Deposits:

Rs. In crores

S.No	Name of the RRB	31.03.2010	31.12.2010	31.03.2011	31.12.2011
1	APGVB	3804.51	3832.20	4794.72	4764.88
2	APGB	3517.33	3815.21	4079.05	4203.88
3	CGGB	640.93	637.96	759.16	797.96
4	DGB	2261.53	2177.61	2600.94	2594.11
5	Sapthagiri Grameena	1243.97	1367.56	1553.62	1742.75
	Total	11468.27	11830.54	13787.49	14103.58

Advances:

Rs. In crores

S.No	Name of the RRB	31.03.2010	31.12.2010	31.03.2011	31.12.2011
1	APGVB	3865.10	4671.47	4894.43	5209.43
2	APGB	3563.55	4120.86	4291.01	5265.68
3	CGGB	667.64	899.97	847.42	1105.40
4	DGB	1609.52	1846.69	1966.16	2203.79
5	S G B	1384.62	1671.41	1754.75	2155.40
	Total	11090.43	13210.40	13753.77	15939.70

CD Ratio:

S.No	Name of the RRB	31.03.2010	31.12.2010	31.03.2011	31.12.2011
1	APGVB	101.59	121.90	102.08	125.26
2	APGB	101.31	108.01	105.20	109.33
3	CGGB	104.17	141.07	111.63	138.53
4	DGB	71.17	84.80	75.59	84.95
5	S G B	111.31	122.22	112.95	123.68
	Total	96.71	111.66	99.76	113.02

Bank Net Work:

S.No	Name of the RRB	No. of Branches as on 31.12.2011
1	APGVB	555
2	APGB	403
3	CGGB	109
4	DGB	231
5	S G B	147
	Total	1445

Total Agricultural Advances:

Rs.in crores

S.No	Name of the RRB	Crop Loans		Agrl. Term Loans	
		31.12.2010	31.12.2011	31.12.2010	31.12.2011
1	APGVV	2333.48	1829.44	374.63	1154.45
2	APGB	2180.32	2734.17	992.09	1386.52
3	CGGB	525.24	672.03	191.30	219.38
4	DGB	587.46	751.64	172.53	645.95
5	S G B	675.78	1009.52	490.89	491.59
	Total	6302.28	6996.80	2221.44	3897.89

Total Advances:

Rs. In crores

S.No	Name of the RRB	Outstanding		Total Agriculture	
		31.12.2010	31.12.2011	31.12.2010	31.12.2011
1	APGVV	4671.47	5209.43	2708.11	2983.89
2	APGB	4120.86	5265.68	3172.41	4120.69
3	CGGB	899.97	1105.40	716.54	891.41
4	DGB	1846.69	2203.79	759.99	1397.59
5	S G B	1671.41	2155.40	1166.67	1501.11
	Total	13210.40	15939.70	8523.72	10894.69

- **Deposits:** Between **31.12.2010** and **31.12.2011** the deposits increased from **Rs.11, 830.54 Crores** to **Rs.14, 103.58 Crores** registering a growth of **Rs2, 273.04 crores** which is **19.21 %**.
- **Advances:** Between **31.12.2010** and **31.12.2011** the advances increased from **Rs.13, 210.40 Crores** increased to **Rs.15, 939.70 crores** registering a growth of **Rs 2,729.30 crores** which is **20.66%**.
- **CD Ratio:** Between **31.12.2010** and **31.12.2011** the CD ratio increased from **111.66 %** to **113.02%**.
- **Crop Loans:** Between **31.12.2010** and **31.12.2011** the Crop Loans increased from **Rs. 6,302.28 crores** to **Rs 6,996.80 crores** registering a growth of **Rs.694.52 crores** which is **11.02%**.
- **Agriculture Term Loans:** Between **31.12.2010** and **31.12.2011** Agricultural Term Loans increased from **Rs. 2,221.44 crores** to **Rs 3897.89 crores**, registering a growth of **Rs 1,676.45 crores** which is **75.46%**.
- **Total Agrl Advances:** Between **31.12.2010** and **31.12.2011** the total agricultural advances increased from **Rs.8, 523.72 crores** to **Rs.10, 894.64 crores**, registering a growth of **Rs.2, 370.92 crores** which is **27.82%**.
- The percentage of Agricultural advances to total advances as on **31.12.2010** was **64.52%** and increased to **68.35%** as on **31.12.2011**.

Implementation of Financial Inclusion Plan (FIP) by RRBs: In Andhra Pradesh state 6640 villages where the population is above 2000 were allotted to various banks mostly in their respective area of operations. Of which 1964 villages have been allotted to all RRBs for providing banking services under the plan.

Progress as on 29.02.2012

Name of RRB	No. of Villages covered	Cumulative achievement	% of Achievement	To be achieved
Andhra Pradesh Grameena Bank	546	546	100%	NIL
Andhra Pradesh Grameena Vikas Bank	869	869	100%	NIL
Chaithanya Godavari Grameena Bank	128	128	100%	NIL
Deccan Grameena Bank	252	252	100%	NIL
Sapthagiri Grameena Bank	169	169	100%	NIL
Total	1964	1964	100%	NIL

Regional Rural Banks (RRBs) - HR Policy

RRBs are an integral part of rural credit system and are expected to play an increasingly important role in the development of particularly rural areas. It is important that the RRBs function in a highly professional manner, embracing the technological advancements. However, the staffs of RRBs suffer lack of professional and technological expertise due to the confined area of operation and lack of facilities for modern technology in RRBs. In the wake of technological advancement in banking sector, the staffs of RRBs needs to be trained to be professionally sound and to have required level of expertise in advanced banking and technologies

With a view to modernize and strengthen the technology up gradation and functioning of RRBs to compete and play a more meaningful role in the financial services sector, the CEOs of all Sponsor Banks were, MOF, GOI letter No. F. No. 7/6/2011-RRB dated 8th September, 2011, advised to take necessary action regarding Operational Integration, human resource development and related issues of RRBs. It was inter-alia advised in the circular that with a view to RRB employees gets better exposures in banking services, the sponsor banks could take RRB employees on deputation to the extent of the number of employees deputed by them in RRBs.

In view of the above, the said instructions are reiterated herewith and the deputation of staff from RRBs to sponsor banks and vice-versa should be effected in the following manner:

- (i) 20 % of the Group 'A' officers, in Scale I to IV in RRB, should be deputed to the respective sponsor bank. Officers to be deputed to sponsor banks should be calculated in such a way that it covers each of the management scales I to IV.
- (ii) The sponsor bank will depute the same number and level of officers to the RRB which have deputed its staff to the sponsor bank.

(iii) The tenure of the deputation should be for a period of three years. The same could be extended to a maximum period of five years.

(iv) The pay and allowances and service regulations of the parent organisation will be applicable to the deputed staff.

Hence, all RRBs are advised to take necessary action on the above lines and action taken report may be sent to this Department of Financial services, MOF, GOI, on priority basis.

17. Flow of Information:

SLBC request all Banks and LDMs to submit the quarterly information to be submitted to SLBC immediately after completion of the respective quarter to enable the SLBC to consolidate the position and to convene the SLBC meetings as per schedule. The delay in submission leads to delay in conducting of SLBC meetings and hence realize the time schedule and submit the data on time to run the SLBC schedule smoothly.

18. Important Communications received:

A. Reserve Bank of India:

1. RBI CIR /2011-12/306, RPCD.CO.Plan.BC.43/04.09.01/2011-12, dated 19, December, 2011

Reg: Credit under dairy segment of Agriculture and Allied Activities-Treatment under Indirect Finance to Agriculture.

RBI Circular RPCD.CO.Plan.BC.No.10/04.09.01/2011-12 dated July 1, 2011, has stated that bank loans to entities other than individual farmers engaged in food and agro based processing under Agriculture and Allied activities are treated as indirect finance to agriculture.

Now, RBI vide above circular clarified, the doubt that has been expressed on the financial activities which promote dairy development in the districts. As credit under the dairy segment (including procurement, storage, processing, collection, transportation, etc.) primarily benefits small/marginal farmers and tiny units, it has been decided that bank credit to all activities which contribute to the development of dairy business would be treated as indirect finance to agriculture under priority sector. However, due care may be exercised by banks to ensure that the ultimate beneficiaries are farmers engaged in dairy farming, who will benefit from such investment.

(Circular enclosed)

(All banks may note the said guidelines given in the circular.)

2. RBI/2011-12/304, A.P. (DIR Series) Circular No.59 , Dated December 19 , 2011:

Reg: External Commercial Borrowings (ECB) for Micro Finance Institutions (MFIs) and Non-Government Organisations (NGOs) - engaged in micro finance activities under automatic Route.

RBI Cir. RBI/2011-12/290, DNBS.CC.PD.No.250/03.10.01/2011-12, dated December 12, 2011, wherein introduction of New Category of Non Banking Financial Company – Micro Finance Institutions and directions in this regard were given. Further, RBI vide circular above, Considering the specific needs of the micro finance sector, the existing ECB policy has been reviewed in consultation with the Government of India and it has been decided that hence forth MFIs may be permitted to raise External Commercial Borrowings up to USD 10 million or equivalent during a financial year for permitted end uses (i.e., proceeds are utilised for lending to Self Help Groups or for micro-credit or for bonafied micro finance activity including capacity building)

(All MFIs and NGOs may note the above guidelines)

3. RBI/2011-12/337, RPCD.MSME & NFS.BC. Circular No.53 /06.02.31/2011-12, DATED January 4, 2012.

Reg: Issue of Acknowledgement of Loan Applications to MSME borrowers.

RBI informed that they have been receiving complaints from the Industry Associations/Chambers that banks are not acknowledging loan applications. It is therefore, reiterated vide their circular cited above that banks should mandatorily acknowledge all loan applications, submitted manually or online, by their MSME borrowers and ensure that a running serial number is recorded on the application form as well as on the acknowledgement receipt.

Banks are further encouraged to start Central Registration of loan applications and the same technology may be issued for online submission of loan applications as also for online tracking of loan applications.

Hence all banks are requested to issue suitable instructions to their branches and controlling offices for meticulous compliance.

(Action for all Banks)

4. RBI/2011-12/344, RPCD.No.PLFS.BC.54/05.04.02/2011-12, dated January 9, 2012.

Reg: Union Budget-2011-12 – Interest Subvention Scheme-2 percent interest subvention and 3 per cent Additional subvention for short-term crop loans in 2011- 12.

RBI vide their circular mentioned above has given guidelines with regard to Interest Subvention Scheme for short term crop loans in 2011-12. We advise all banks to follow the guidelines and submit the estimates of short term production credit to farmers upto Rs.3.00 lakh during the year 2011-12 to RBI.

(All Banks may follow the guidelines in this regard)

5. RBI/2011-12/425, DBOD NO.BL.BC.82/22.01.009/2011-12, dated March 02, 2012.

Reg: Financial Inclusion by Extension of Banking Services- Use of Business Correspondents (BCs).

RBI vide their circular DBOD NO.BL.BC.43/22.01.009/2010-11 dated September, 28, 2010 on them above subject wherein it is stated that while a BC can be a BC for more than one Bank, at the point of customer

interface, a retail; outlet or a sub-agent of a BC shall represent and provide banking services of only one bank. It was also stated that the terms and conditions governing the contact between the bank and the BC should be carefully defined in written agreements and subjected to a thorough legal vetting.

In this connection, it has been decided to permit interoperability at the retail outlets or sub-agents of BCs (i.e., at the point of customer interface), provided the technology available with the bank, which has appointed the BC, supports interoperability, subject to the following conditions:

- a) The transactions and authentications at such retail outlets or sub-agents of BCs are carried out on-line.
- b) The transactions are carried out on Core Banking Solution (CBS) platform: and
- c) The banks follow the standard operating procedures to be advised by the Indian Banks` Association (IBA)

However, the BC or its retail outlet or sub-agent at the point of customer interface would continue to represent the bank, which has appointed the BC.

B. NABARD:

01. NABARD No. NB.FID/FI-01/2011-12, dated 11 August, 2011 Circular No.151/FID – 11/2011:

Reg: Support to Commercial Banks under Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF).

It is clarified by NABARD that Support to Commercial Banks from Financial Inclusion Fund (FIF) will continue as per existing guidelines. However, this support will be based on prior sanction and Banks may send their proposals related to FIF to our Regional Offices for consideration. **(Circular enclosed).**

(All Commercial Banks may note the said guidelines given in the circular)

02.NABARD Ref:NB.DCRR.No.1026 to 1050/D-1/2011-12dated 16 September, 2011 Cir.No.182/DCRR-06/2011:

Reg: Declaration of Dividend by Primary Agricultural Credit Societies (PACS).

Consequent upon the amendments as envisaged in the Revival Package for Short Term Cooperative Credit Structure (STCCS), PACS have been given autonomy in their financial and internal administrative matters. NABARD has issued guidelines for the PACS on declaring the dividends. **(Circular enclosed)**

(PACS may note the above guidelines given in the said circular)

03. NABARD Ref.No.NB. FID/1154/FI-01/2011-12, Cir No.155/FID-12/2011, dated 18 August, 2011.

Reg: Financial Inclusion by RRBs through BC Model using card based ICT Solution-ASP Model for Financial Inclusion (ICT) – Support from FITF:

NABARD vide their endorsement No. NB.FID/2434/FI-01/2010-11 dated 18th January, 2011 for support under FTTF for Financial Inclusion by RRBs through BC Model using card based ICT Solution. However, banks having Application Service Provider (ASP) Model for ICT too requested for such support. Accordingly, NABARD has decided to support the RRBs having ASP Model as per the norms given in the above circular. **(Circular enclosed)**

(RRBs may note the said guidelines given in the circular.)

04. NABARD Ref. No. RD/643/WH3/Refinance/2011-12, Circular No.266/RD-8/2011, dated 23 December, 2011.

Reg: NABARD (Warehousing) Scheme, 2011-12- Provision of Refinance

NABARD vide their Ref. No. RD/643/WH3/Refinance/2011-12, Circular No.266/RD-8/2011, dated 23 December, 2011 issued detailed guidelines on Warehousing scheme, 2011-12, Provision of Refinance.

(All Banks may give more thrust on promoting warehousing finance and avail the benefits of refinance)

19. Annexures:

S.No	Particulars	Page No.
1	Bankwise Number of B ranches as on 31.12.2011	79
2	Bankwise Deposits and Advances &CD Ratio as on 31.12.2011	81
3	Bankwise Priority Sector Advances as on 31.12.2011	83
4	District wise key indicators as on 31.12.2011	85
5	Bankwise Agriculture Advances (Direct & Indirect) as on 31.12.2011	86
6	Bankwise Achievement of Annual Credit Plan 2011-12 as on 31.12.2011	88
7	District wise achievement of Annual Credit Plan 2011-12 as on 31.12.2011	92
8	Benefits extended to LEC holders as on 18.02.2012	94
9	Credit disbursements to Non loanee farmers as on 16.02.2012	95
10	FIP progress report as on 29.02.2012	96
11	Financial Literacy and Credit counselling centres (FLCCs) as on 29.02.2012	97
12	Data on RSETIs as on 31.12.2011	99
13	Bankwise CGTMSE approvals from 01.04.2011 to 10.03.2012	102
14	Bankwise MSME Advances as on 31.12.2011	105
15	Bankwise Housing Loans as on 31.12.2011	107
16	Bankwise Education Loans as on 31.12.2011	109
17	Bankwise Advances to Minorities as on 31.12.2011	111
18	Bankwise Advances to Weaker Sections as on 31.12.2011	113
19	Bankwise Advances to SC /ST as on 31.12.2011	115
20	Bankwise Advances to Women as on 31.12.2011	117
21	Bankwise Advances under DRI as on 31.12.2011	119
22	Bankwise Outstanding SHG Advances as on 31.12.2011	121
23	Bank wise position on overdues/NPAs (sector wise)	123
24	Detailed data relating to Government sponsored programmes	124