

**182<sup>nd</sup> Meeting of  
STATE LEVEL BANKERS` COMMITTEE OF  
ANDHRA PRADESH**

**Agenda & Background Notes**

**Date: 04.01.2014 - Time: 04.00 pm  
Venue: Jubilee Hall, Public Gardens, Hyderabad**

**STATE LEVEL BANKERS` COMMITTEE OF A.P**

**CONVENER  ANDHRA BANK**

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**01. Adoption of the Minutes of 181<sup>st</sup> SLBC Meeting held on 04.06.2013 & other meetings of the SLBC held after 04.06.2013**

The Minutes of **181<sup>st</sup> SLBC Meeting** held on **June 04, 2013** were circulated to the members of SLBC, LDMs and Government Departments concerned.

The Minutes of Sub-committee Meetings and Steering Committee Meetings held after **04.06.2013** and up to **16.12.2013** were circulated to the members of SLBC, LDMs and Government Departments concerned. Details of the meetings held are furnished hereunder.

Sl. No.	Name of the Meeting	Date of Meeting held
1	SLIIC Subcommittee Meeting	22.06.2013
2	Subcommittee meeting on Common Due date structure	03.07.2013
3	Subcommittee on RSETIs	03.07.2013
4	3rd Steering Committee Meeting of SLBC	23.07.2013
5	Meeting on DBT-LPG	30.08.2013
6	SLIIC subcommittee Meeting	04.09.2013
7	Sub Committee Meeting on Animal Husbandry & Dairy Development & Fisheries	10.09.2013
8	Subcommittee Meeting on NRLM	10.09.2013
9	4 <sup>th</sup> Steering Committee Meeting of SLBC	10.10.2013
10	Special Steering Committee Meeting on SME Sector	29.10.2013
11	SLIIC Sub Committee Meeting	23.11.2013
12	5 <sup>th</sup> Steering Committee Meeting	09.12.2013
13	Subcommittee on to work out modalities on implementation of Vaddi Leni Runalu (VLR) scheme of GoAP for SHGs synchronizing with Interest subvention scheme of GOI under NRLM	16.12.2013

These Minutes may be taken as approved by the house as no amendments/changes were received by SLBC of Andhra Pradesh except for:

- the meeting on subcommittee on AH, Dairy Development & fisheries where in NABARD has informed that the need for study on Dairy farming was agreed, however NABARD has not offered to take up the study and explore the possibility to bring changes if any in the guidelines under the scheme such as advancing of lock in period etc.,

02. Banking Statistics

## A. BANKING AT A GLANCE IN ANDHRA PRADESH

As on 30.09.2013

Amount in Crores

Total Number of bank branches	9,948
Rural - 3668      Semi Urban - 2673 Urban - 2193      Metro - 1414	

Total <b>Deposits</b> in the State	4,20,412
Total <b>Advances</b> in the State	4,95,806
Credit Deposit Ratio (RBI norm -60%)	<b>117.93%</b>

<b>Total Priority Sector Advances</b>	<b>2,25,078</b>
% of Priority Sector Advances to ANBC (RBI Norm 40%)	47.72%
<b>of which</b>	
Agricultural Advances % of Agrl. Adv. to ANBC (RBI norm - 18%)	<b>1,27,546</b> <b>(27.04%)</b>
Non-farm sector/Micro & Small Enterprises (% to Net Bank Credit)	<b>50,443</b> <b>(10.17%)</b>
Others' under Priority Sector Advances (% to Net Bank Credit)	<b>47,089</b> <b>(9.50%)</b>
<b>of which</b>	
Educational Loans	<b>5,055</b>
Housing Loans	<b>32,405</b>
SHGs	<b>21,245</b>
Advances to Weaker Sections(10% of ANBC)	<b>67,568 (14.33%)</b>
Advances to Women(RBI norm -5% on NBC)	<b>52,351 (10.56%)</b>
Advances to SC/ST	<b>14,800 (6.58%)</b>
Advances to Minorities (RBI norm 15%on priority sector)	<b>13,583 (6.03%)</b>

**B. BANKING KEY INDICATORS OF ANDHRA PRADESH****Amount in crores**

<b>S. No</b>	<b>PARTICULARS</b>	As on 31.03.2011	As on 31.03.2012	As on 31.03.2013	As on 30.09.2013
1.	Number of Branches:				
	Rural	2997	3245	3555	3668
	Semi Urban	2107	2327	2582	2673
	Urban	2030	2096	2189	2193
	Metro	1077	1210	1313	1414
	Total	8211	8878	9639	9948
2.	Deposits	2,83,600	3,41,894	4,00,209	4,20,412
3.	Incremental Deposits (% of increase)	37,914 (15.43%)	58,294 (20.56%)	58,315 (17.06%)	20,203 (5.05%)
4.	Advances	3,27,275	3,94,398	4,71,623	4,95,806
5.	Incremental advances (% of increase)	57,515 (21.32%)	67,123 (20.51%)	77,225 (19.58%)	24,183 (5.13%)
6.	C.D.Ratio (RBI norm - 60%)	115.40%	115.36%	117.84%	117.93%
7	Incremental CD Ratio	151.70%	115.15%	132.43%	119.70%

**C. Statement of Priority Sector Advances (Outstanding)****Amount in crores**

S. No.	Particulars	As on 31.03.11	As on 31.03.12	As on 31.03.13	As on 30.09.13
1	Crop Production/Short Term loans	41,752	52,127	70,047	78,717
2	Agri.Term Loans including allied activities	41,346	49,563	55,713	48,829
3.	Total Agri.Advances	83,098	1,01,690	1,25,760	1,27,546
	% of Agri.advances to ANBC (RBI norm- 18%)	30.80%	31.07%	31.89%	27.04%
4.	Non Farm Sector / Micro & Small Entps. (% to Net Bank Credit )	27,033 (8.26%)	31,569 (8.00%)	36,368 (7.71%)	50,443 (10.17%)
5.	Others' under Priority Sector Advances (% to Net Bank Credit)	44,096 (13.47%)	46,484 (11.79%)	52,671 (11.17%)	47,089 (9.50%)
	<b>Total Priority Sector Advances</b>	<b>1,54,227</b>	<b>1,79,743</b>	<b>2,14,799</b>	<b>2,25,078</b>
	% of Priority Sector Advances to ANBC (RBI norm -40%)	57.17%	54.92%	54.46%	47.72%

**03. Achievement of Annual Credit Plan 2013 – 14****A. Achievement as on 30.09.2013**

(Rs. in crores)

Sl. No	Item	Target 2013-14	Achievement (Disbursements during 01.04.13 to 30.09.2013)	% of Achievement
1	Short Term Crop Production Loans Khariff Rabi <b>Total</b>	  31,996 17,993 <b>49,989</b>	  28,820  <b>28,820</b>	  90.07  <b>57.65</b>
2	Agrl. Term Loans Khariff Rabi <b>Total</b>	 3,609 3,608 <b>7,217</b>	 6,277  <b>6,277</b>	 173.93  <b>86.98</b>
3	Allied to Agriculture Khariff Rabi <b>Total</b>	 5,009 5,009 <b>10,018</b>	 3,395  <b>3,395</b>	 67.78  <b>33.89</b>
4	Khariff Rabi Total Agriculture	40,614 26,610 <b>67,224</b>	38,492  <b>38,492</b>	94.78  <b>57.26</b>
5	Micro & Small Enterprises	12,604	<b>9,832</b>	78.01
6	Others under Priority Sector	20,066	5,098	25.41
7	<b>Total Priority Sector</b>	<b>99,894</b>	<b>53,422</b>	<b>53.48</b>
8	<b>Non Priority Sector</b>	<b>33,180</b>	<b>37,931</b>	<b>114.32</b>
9	<b>Total Credit Plan</b>	<b>1,33,074</b>	<b>91,353</b>	<b>68.65</b>

**B. Annual Credit Plan Achievement – Last Three years**

Amount in crores

Sl. No	Item	2010-11		2011-12		2012-13		2013-14 up to 30.09.2013	
		Target	Achvmt	Target	Achvmt	Target	Achvmt	Target	Achvmt
1	Crop Production Loans	26261	30229	30985	36451	37128	50157	49989	28820
2	Agrl. Term Loans incl. allied activities	11574	17701	17015	22060	15844	23491	17235	9672
3	Total Agriculture	37835	47930	48000	58511	52972	73648	67224	38492
4	Non Farm Sector / Micro & Small Entps	8150	11051	8198	8226	9343	11255	12604	9832
5	Others' under Priority Sector	15700	13897	17118	12039	19852	14631	20066	5098
<b>Total Priority Sector</b>		<b>61685</b>	<b>72878</b>	<b>73316</b>	<b>78776</b>	<b>82167</b>	<b>99534</b>	<b>99894</b>	<b>53422</b>

**04. Major Action Points of earlier SLBC / Steering Committee Meetings – ATR**

Sl. No.	Action Point	Action by	Action initiated/Status
<b>A</b>	Opening of bank branches closed/shifted due to security reasons	All Banks	<p>Govt and RBI have given instructions to open the Bank branches closed/shifted due to security reasons in the past.</p> <p>SLBC has advised all Banks and LDMs to take necessary steps to relocate the branches closed/shifted due to security reasons in the past.</p> <p>The matter was discussed in various fora by SLBC &amp; RBI, and advised all Banks for immediate action.</p> <p>The present status as on 30.09.2013 is placed as annexure 31.</p>
<b>B</b>	Opening of Branches in Tribal Areas	All Banks	Banks have opened 19 branches in the Tribal areas as requested by the Tribal Welfare Department, GoAP.

			<p>All Banks and LDMs are advised to take immediate steps to open Bank branches in Tribal Areas where there are no banking services by placing the matter in DCCs.</p> <p>Priority to be given for opening of branches in Mandal head quarters.</p>
<b>C</b>	Central Registry by GoAP	GoAP	Government of Andhra Pradesh to expedite formation of Central Registry for MSME sector
<b>D</b>	Opening of FLCCs at Divisional Head quarters and opening of FLCs in LDM offices	LDMs and Lead Banks	<p>FLCCs are opened in all 23 Districts of Andhra Pradesh by Lead Banks.</p> <p>Number of FLCCs operating in Divisional Head Quarters:</p> <ul style="list-style-type: none"> <li>i) Andhra Bank at Rajahmundry.</li> <li>ii) By SBI at Amalapuram</li> <li>iii) By DCCB at Kakinada</li> <li>iv) By CGGB at Tenali (Guntur district), Peddapuram ( E.G. District) and Bhimavaram ( W.G. District)</li> </ul> <p>RBI Vide their Cir.No.RPCD.FLC.No.12452/12.01.018/2011-12, Dt. June 6, 2012 advised that :</p> <p>All Lead Banks to set up FLCs in all its LDM offices and 20 such FLCs are opened at LDM offices.</p> <p>FLCs are yet to be opened at the following 3 Lead District Offices:</p> <p><b>Kurnool, Ananthapuramu and Kadapa</b></p> <p>SLBC advised the Controllers of Lead Banks &amp; LDMs to initiate immediate steps for opening of FLCs in these three districts.</p> <p>Financial Literacy activity being taken up by Rural branches.</p>
<b>E</b>	Small & Micro Enterprises – Implementation of K.C. Chakravarthy Committee Recommendations- Preparation of Model project Reports in each district	LDMs/ DICs	All LDMs and DICs to take immediate steps on the matter involving KVIC/KVIB and to place on the model projects in district websites for the benefit of banks & 1 <sup>st</sup> generation entrepreneurs.

<b>F</b>	CGTMSE Targets to be allocated among Banks for the year 2013-14	SLBC	SLBC has allocated 1 lakh units for the coverage under CGTMSE scheme for the year 2013-14 and communicated to all banks.
<b>G</b>	Subcommittee of SLBC to discuss the common due date structure for Agricultural Short Term Loans in view of the new KCC guidelines issued by RBI.	SLBC	SLBC has constituted the subcommittee with the representatives of:  Commissioner of Agriculture Reserve bank of India Five Lead Banks APCOB and DGB OSD, Finance (IF) Dept. GoAP  The subcommittee meeting was held on 03.07.2013 and discussed on the matter. Minutes of meeting placed as annexure in Agenda 20.
<b>H</b>	Department of Agriculture, GoAP requested to create machinery to help the banks in recovery of chronic dues under agriculture advances	GoAP	GoAP is requested to create machinery for the recovery of chronic overdues in Agriculture sector.
<b>I</b>	Proposal of GoAP to formulate a scheme to support 6 lakh Youth in the state of AP and place the same before Banks for implementation.	GoAP	GoAP is requested to formulate the scheme in consultation with the departments concerned for implementation by banks.
<b>J</b>	Implementation of Integration of land records with Banks in Andhra Pradesh.	NIC and GoAP	With the support of Govt. of AP, NIC integration of land records in the state has made beginning. The banks (38) could start viewing the land records to ensure correctness. Other banks shall part the master user ids.  In the second phase, steps needs to be taken for creation of charge on the crop and the land.



**05. Agriculture Sector****1) Progress in lending Short Term Production Loans****(Rs. in crores)**

Sl. No	Item	Target 2013-14	Achievement (Disbursements during 01.04.13 to 30.09.2013)	% of Achievement
1	Short Term Crop Production Loans Khariff Rabi <b>Total</b>	 31,996 17,993 <b>49,989</b>	 28,820  <b>28,820</b>	 90.07  <b>57.65</b>
2	Agri. Term Loans Khariff Rabi <b>Total</b>	 3,609 3,608 <b>7,217</b>	 6,277  <b>6,277</b>	 173.93  <b>86.98</b>
3	Allied to Agriculture Khariff Rabi <b>Total</b>	 5,009 5,009 <b>10,018</b>	 3,395  <b>3,395</b>	 67.78  <b>33.89</b>
4	Khariff Rabi <b>Total Agriculture</b>	 40,614 26,610 <b>67,224</b>	 38,492  <b>38,492</b>	 94.78  <b>57.26</b>

**Implementation of Union Budget speech 2013-14 – Interest Subvention Scheme for Short Term Crop Loans during the year 2013-14****RBI/2013-14/398 RPCD.No.PSD.BC.71/05.04.02/2013-14, Dated December 4, 2013**

Reserve Bank of India has issued a circular in pursuance of the budget announcement made by the Finance Minister relating to the Interest subvention Scheme 2013-14, Interest subvention 2% p.a. will be made available to Public Sector Banks (PSBs) and Private Sector Scheduled Commercial Banks (in respect of loans given by their rural and semi-urban branches) on their own funds used for short-term crop loans up to Rs.3.00 lakhs per farmer provided the lending institutions make available short term credit at the ground level at 7% per annum to farmers.

Besides, additional interest subvention @3% will be available to the prompt paying farmers from the date of disbursement of the crop loan up to the actual date of repayment by farmers or up to the due date fixed by bank for repayment of crop loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement.

Further all banks are advised to pursue the latest direction on end utilization and applicability of components of Kisan Credit Card scheme for interest subvention facility.

All Banks are requested to suitably guide all their branches with regard to interest subvention guidelines of RBI and extend interest subvention to all categories of loans mentioned in the circular. SLBC has communicated the guidelines to all Banks.

It is advised that the lending institutions shall publicize the scheme amongst the farmers through various modes of literacy programmes.

## 2) Progress in lending to LEC holders

Department of Agriculture, GoAP, during the current financial year 2013-14, a target for financing 7.00 lakhs new LEC holders is proposed and GoAP has assured to issue licenses to all eligible tenant farmers by the end of April, 2013 and supply the lists to all the bank branches.

As per the information available with SLBC, the position of LECs as on **03.12.2013** is as follows:

No. of LECs Issued			No. Of Licensed Cultivators financed by Banks during 2013-14	
Renewal of old LEC	LECs Issued fresh	Total	Khariff	
			Number	Amount (Rs. In Crores)
<b>2,76,693</b>	<b>1,62,701</b>	<b>4,39,394</b>	<b>1,43,976</b>	<b>305.09</b>

(District-wise position is enclosed as **Annexure -10**)

### Reasons for low progress:

- 1) LEC card holders financed during the previous years have not repaid the loans
- 2) Owner farmers have availed the loans prior to issue/renewal of LECs to the Tenant farmers
- 3) Delay in issuing of fresh LECs and renewal of the existing LECs by the Revenue Department, GoAP
- 4) Overdues are mounting up in LEC financing
- 5) No regular recovery mechanism by Dept. of Agril. GoAP to extend helping hand to Banks

### In this regard, all banks are once again advised to:

- Sensitize all their Branch Managers on the necessity for extending finance to LEC holders.
- Finance may be extended either individually or through JLG Model (as per the choice of LEC holders)

- Wherever the loan is denied to LEC holder, reasons are to be given by the branches for such denial.
- LDMs are advised to review the progress periodically in DCC and other meetings.

As per the information given by banks, the overdues are to the tune of **40%** in respect of finance extended to LEC holders during the earlier years. The Agriculture Department, GoAP shall look into this aspect and to extend necessary cooperation through their field staff for recovery of overdues.

**All Banks are once again advised to ensure that all eligible LEC holders are extended finance and all branches are sensitized in this regard. Branches also advised to seek assistance of Mandal Agricultural officers in the recovery.**

### **3) Recent Cyclones/Heavy Rains in the state – Relief Measures**

The state experienced series of cyclones/heavy rains viz. Phailin cyclone, heavy rains during 3<sup>rd</sup> week of October, 2013, Helen cyclone, Lehar cyclone etc., during fag end of Khariff and beginning of Rabi season damaging major crops and causing losses to animal husbandry, weavers, micro sectors etc. in many parts of the state.

SLBC has advised all LDMs of the respective districts to convene special DCC meetings and discuss the extent of crop damages and chalk out the plan of action for extending relief measures to the affected farmers in accordance with extant guidelines of RBI on Natural calamities in these areas with the support of the District administration.

We have advised all Banks and LDMs to respond proactively and to take immediate steps after declaring the affected mandals by the GoAP in exploring relief measures.

GoAP is requested to issue Notification of affected mandals in the state through GO to enable the banks to initiate immediate steps for extending relief measures to the affected farmers/SME sector.

**Forum may discuss on the above issue.**

### **4) Vaddi Leni Runalu and Pavala Vaddi scheme on crop loans from Khariff 2012 (Front end Interest claim) and Rabi 2011-12 (Back end Interest claim) – Request for furnishing of certain information.**

Department of Agriculture, GoAP has requested the bankers to furnish the following information with regard to Vaddi Leni Runalu and Pavala Vaddi scheme of GoAP.

- Crop loans disbursed during Khariff and Rabi 2012-13 and the rate of recovery (as per GO Rt.No.639, dt.27.04.2013)
- Quarterly statement in the format as prescribed in GO Rt.No.639, dt.27.04.2013 (details of SC/ST/Women to be furnished) for the period 01.04.2013 to 30.06.2013; 01.07.2013 to 30.09.2013 is due from the bankers.
- Submission of MIS data by 30<sup>th</sup> November, 2013 for the claims already processed and amounts released up to 31<sup>st</sup> July, 2013.
- Submission of monthly Acknowledgement of claims received, by 2<sup>nd</sup> of every month along with declaration on letter head duly signed by an authorized signatory (Format in Annexure I & II)

- Submission of claims pertaining to crop loans disbursed during Rabi 2011-12 in AP format II- Consolidated and category wise (GEN, SC, ST) duly audited in duplicate along with advance stamped receipt for the amounts claimed immediately to the Dept. of Agriculture office.
- Khariff and Rabi claims are to be submitted separately.

In addition to the above information all Banks are requested to submit the details of bank-wise, district-wise branch codes by 15<sup>th</sup> November, 2013, based on which the district wise data can be sorted out.

All Banks are advised to furnish the above information immediately to the Dept. of Agriculture, GoAP immediately.

GoAP informed that the cutoff date for submission of claims for reimbursement of interest for Khariff 2012 and also for submission of Non-MIS data up to 31<sup>st</sup> December, 2013 and no further extension will be accepted after the date.

#### **5) Issue of farmers of FSCS sponsored by SBI- Non availability of short term loans under Interest subvention scheme of Gol & VLR scheme of GoAP**

SLBC has received references from LDMs that the farmers who have availed short term crop loans from FSCSs, which are sponsored by State Bank of India, are not getting the benefit of Vaddileni Runalu and Pavala vaddi scheme of Govt. of AP in respect of Crop Loans availed by them and repaid in time.

In this regard as per Master Circular of RBI on interest rates dated 01.07.2013, Banks financing PACS for short term seasonal agricultural operations may lend below their Base Rate to the extent refinance is available from NABARD. However, when Banks use their own funds, they are not allowed to lend below Base Rate.

SBI is using their own funds for financing PACS/FSCSs and they are charging above base rate and hence such loans are not covered under interest subvention/additional subvention of Gol on short term crop production loans.

The farmers borrowing from PACS/FSCSs are losing the benefit of interest subvention/additional interest subvention of Gol as PACS cannot lend at stipulated rate of 7% to the borrowers.

Similarly these farmers are also not eligible for Vaddi Leni Runalu/Pavala Vaddi scheme of GoAP.

SLBC has brought this issue to the notice of Reserve Bank of India, Hyderabad and requested to clarify the applicability of above clause as mentioned in master circular to Commercial Banks where they do not draw refinance for short term crop production credit from NABARD and eligibility under interest subvention of Gol for the farmers who have availed ST loans from FSCS sponsored by such banks.

SLBC is yet to receive response from Reserve Bank of India.

The forum may deliberate on the above.

## 6) Kisan Credit Card Scheme – Common due date structure

RBI has introduced revised Kisan Credit Card (KCC) scheme and issued guidelines vide circular RPCD.FSD.BC.No.77/05.05.09/2011-12, dated May 11, 2012.

As per guidelines of RBI each withdrawal under the short term sub-limit as estimated be allowed to be liquidated in 12 months, without the need to bring the debit balance in the account to zero at any point of time.

No withdrawal in the account should remain outstanding for more than 12 months and the term loan component will be normally repayable within a period of 5 years depending on the type of activity / investment as per the existing guidelines applicable for investment credit. Financing banks at their discretion may provide longer repayment period for term loan depending on the type of investment.

Further RBI has given modified instructions vide their Circular No.RBI/2012-13/162 RPCD.FSD.BC.No.23/05.05.09/2012-13, dated August 7, 2012, wherein it is informed that **the repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which a loan has been granted.**

In this regard, various banks are adopting different due dates for repayment of short term loans sanctioned under KCC.

Hon'ble Chief Minister of AP made an announcement on 02.10.2011 for complete waiver of interest on crop loans repaid by the farmers in time, beginning with Rabi season of 2011-12 for loans up to Rs.1.00 Lakh.

Further GoAP has announced Zero Interest i.e., Vaddileni Runalu Scheme for Khariff 2012 and informed the Banks not to collect Interest from the farmers and issued GO Ms.No.639, dt.27.04.2013 with regard to the modalities for payment of interest to Banks.

The interest subsidy will be calculated on the crop loan amount from the date of its disbursement/drawal up to the date of actual repayment by the farmers or up to the due date of the loan as fixed by the Banks, whichever is earlier, **subject to a maximum period of one year.** This criteria compares with the existing guidelines under interest subvention scheme of Government of India under Kisan Credit Card scheme.

**Against this backdrop, it is felt necessary to adopt a common due date structure for all banks at District/State Level.**

SLBC has constituted a sub Committee on adoption of a common due date by all banks and the subcommittee met on **03.07.2013** and resolved to recommend to adopt common due date i.e. 12 months from the first drawal of the limit to facilitate the Government of A.P in implementation of benefit schemes to the farming community and to redress the grievances of the farmers on different due dates. The detailed minutes of the meeting is furnished under agenda item 20- Proceedings of meetings.

## 7) NAIS/MNAIS/Weather Based Crop Insurance Scheme – for Khariff 2013 & Rabi 2013-14 - Guidelines

SLBC has been communicating the crop Insurance guidelines received from Department of Agriculture along with GOs issued by GoAP with regard to NAIS/MNAIS/Weather based Crop Insurance schemes to be implemented by all Banks from time to time. For the Khariff 2013-14, GoAP has released following GOs under NAIS, MNAIS, WBCIS and SLBC has circulated the GOs to all Banks and LDMs.

G.O. Ms. No.770, dt.21.05.2013 of A&C (FP.II.1) Dept. G.O. Ms. No.771, dt.21.05.2013 of A&C (FP.II.1) Dept. G.O. Ms. No.768, dt.21.05.2013 of A&C (FP.II.1) Dept. issued in this regard.

All Banks are advised to follow the given guidelines scrupulously and cover all eligible crops under the above scheme without exception.

Representations received from various banks and LDMs to extend final cut off date for submission of declaration forms to AIC of India with regard to MNAIS and WBCIS from the existing 15.08.2013 to 31.08.2013 in view of recent disturbances/agitations in some parts of the state. SLBC has taken up the issue with AIC of India, Hyderabad.

#### **Request for extension of date for submission of declarations by branches for Khariff 2013-14**

During the recent prolonged Samaikhyandhra agitation in some parts of the state, many bank branches could not function properly and lot of disruption to the banking activities/function took place.

In view of the above, all Banks are requesting the AIC of India, Hyderabad to extend the cut-off date for submission of declarations under Crop Insurance schemes till 30<sup>th</sup> November, 2013 as a special case.

Accordingly, AIC has extended final cut off date up to 30.11.2013 for submission of declarations for Khariff season 2013.

#### **Notification Rabi 2013-14:**

MNAIS – Rabi 2013-14 Notification of Crops and Areas–G.O. Rt.No.1339, dt.11.11.2013

WBCIS – Notification of Crops – G.O. Rt.No.1340, dt.11.11.2013 and

NAIS - Notification of crops and Areas – G.O. Rt.No.1338, dt. 11.11.2013

SLBC circulated all the three Notifications to all Banks

#### **National Agricultural Insurance Scheme (NAIS)- Rabi 2013-14**

With regard to implementation of National Agricultural Insurance Scheme (NAIS) in Andhra Pradesh, a communication is received from Agriculture Insurance Company of India stating that upon request from the State Govt. of Andhra Pradesh, Govt. of India considered to allow the implementation of NAIS in Andhra Pradesh for the current Rabi 2013-14 season as it has already been notified in the state for implementation.

Accordingly, the Controlling Authorities of all Banks are requested to instruct their branches to follow the same procedure for NAIS implementation and submit their crop insurance declarations as per the seasonality discipline in respect of 19 districts (G.O.No.1338 dt.11.11.2013 of Agriculture & Cooperation Department), which was communicated vide our Ref. No. 1 above. As regards 3 districts namely Warangal, Prakasam and Nellore, MNAIS (Modified National Agricultural Insurance Scheme) will continue for the current Rabi season 2013-14.

### **8) Extending the Provision of Revenue Recovery Act to Banks**

In the State of Andhra Pradesh the lending exposure to Agriculture sector is more than Rs.1,25,000 crores and Banks are taking proactive steps for further improving the lending to Agriculture sector. To facilitate seamless flow of credit to Agriculture, it is also need of the hour to curb the increasing trend of overdue/NPAs in this sector.

SLBC has been receiving requests from Banks that the overdue/NPAs in Agriculture sector is in increasing trend and requesting for extension of the provisions of Revenue Recovery Act, 1864 to Agriculture loans to enable the Banks to reduce and control the overdue in Agriculture sector.

**SLBC requested the GoAP to take a view on the requests made by the Banks in this regard as the matter was also discussed in the meetings earlier, but no action has been initiated by the GoAP.**

**GoAP is requested to take a view on the above and do the needful in this regard.**

### **9) Relief measures to Poultry Sector –Guidelines issued by Ministry of Finance, GoI**

SLBC has received representation from Poultry Association that due to increased cost and non availability of Poultry feed ingredients, the industry is suffering. As there is no commensurate increase in egg prices, the poultry farmers are under distress. The matter was discussed in the 5<sup>th</sup> Steering Committee Meeting held on **07.09.2012** and 7<sup>th</sup> Steering Committee Meeting held on **30.11.2012** and all banks were advised to make case to case analysis and extend required relief to Poultry farmers.

It is informed by the MoF that a meeting under the Chairmanship of the Union Agriculture Minister held on 06.05.2013 to, inter alia, discuss representation from Poultry Industry regarding difficulties being faced by them due to increase of prices of maize and soya.

The representation has, inter alia, sought fiscal/non fiscal measures such as grant of moratorium on repayment of interest and installments towards term loans, grant of interest subvention, rephasing of outstanding term loans and sanctioning additional working capital loans etc.,

The representation has been considered in consultation with the Reserve Bank of India and after careful consideration RBI has advised as follows:

- Granting a moratorium on repayment of interest and/or installment on term loans availed by the borrowers in the poultry industry is a commercial decision to be taken by the banks. However, any alteration of repayment period/repayable amount/the amount of installments/rate of interest due to reasons other than competitive reasons would amount to restructuring of loans.
- Under RBI's extant restructuring guidelines, banks can restructure any account whether standard, sub-standard or doubtful as also more than once, provided the financial viability is established and there is a reasonable certainty of repayment as per the terms of the restructuring package. If such restructuring is done within RBI laid down framework, certain asset classification benefits are currently available.
- Banks would be free to restructure and extend the repayment period of loans to any category of borrowers which have come under stress. However, RBI is not in favor of extending any asset classification benefits beyond what is already provided for in our extant restructuring guidelines for any particular sector or segment.

**In the light of the above, Banks were requested to look into each case on merits within the prudential norms of RBI on restructuring, consider the requests, if at all, for Reschedulement, sanctioning of additional working capital limits and for holiday of one year in repayment etc., on case to case basis.**

It is given to understand that some of the banks have extended poultry relief measures to the poultry units based on the above guidelines. Banks are requested to furnish the information regarding the relief extended to poultry to SLBC immediately.

### **Insurance of Birds**

Banks are extending substantial amounts to Poultry Industry and exposure is more than Rs.1500 crores in the State of Andhra Pradesh. Of late, banks have come across sudden outbreak of diseases in Poultry causing heavy losses to the Poultry units as Insurance companies are not providing Insurance cover to Poultry with disease clause. SLBC requested the UIICO representative to explore the possibility of extending insurance coverage to the birds from diseases in the Steering committee meeting held on 20.04.2013.

UIICO representative informed that they had a bad experience in the past and hence they are not covering the insurance of birds. He informed that the matter will be discussed with their Head Office for approval.

Further, SLBC has referred the matter to Indian Banks` Association (IBA) who in turn referred the same to Government of India.

**SLBC again reminded vide our Lr. No.666/30/07/729, dt.08.08.2013. We are yet to receive the guidelines.**

### **EMU farming**



SLBC has received representations from farmers regarding bankers` approach to Emu farming and informed that some of the farmers have established Emu farming in Andhra Pradesh by availing bank loans under the Central Scheme of NABARD and facing the following problems in the recent times:

- Establishment of Emu processing units has started only recently and it has to grow further to cater to the needs of the existing Emu framers in AP.
- Hence, most of the existing Emu forms are still deriving income mainly from sale of chicks to new emu farms being established.
- Of late, Banks have been adopting conservative approach to credit support for the activity in view of the recent Emu crisis in Tamil Nadu.
- The present situation has prompted the prospective farmers to desist from establishing new Emu farms.
- Hence, devoid of marker for sale of chicks, the existing farmers are compelled to maintain emu chicks for more than 18 months, thus making the activity uneconomical.

SLBC also received a representation from Emu Farmers` association informing that of late, the Emu farmers are facing lot of problems in the State of Andhra Pradesh viz., lack of market either for birds or for its products and loss of large number of birds due to recent Phailin cyclone.

In view of the above, the above problems were discussed in the recent steering committee meetings and subcommittee meetings and based on the discussions Department of Animal Husbandry, GoAP has requested the DGM, NABCONs to take up the study on Emu Industry on the problems that are being faced by them on behalf of NABARD and submit a report to take a view of the situation and to take immediate measures by Banks in this regard.

#### **10) Dairy Entrepreneurship Development Scheme (DEDS) – Continuation of the Scheme for 2013-14 – Review**

NABARD vide their No. NB.APRO.HYD.DEDS-142/2226/2013-14 dated 11.06.2013 has informed the administrative approval of Gol for continuation of the DEDS for the year 2013-14.

NABARD , Hyderabad vide letter No.4154/2013-14 dated 26.08.2013 has communicated major study observations of their investment specific study on Dairy Entrepreneurship Development scheme in Prakasam and West Godavari districts conducted during January and March 2013. Some of the important action points pertain to all the stake holders of the scheme are detailed hereunder.

- a) There is a good potential for promoting various dairy activities in clusters or on area based approach taking into consideration the backward and forward linkages through institutional credit by linking to Government of India and State Government schemes. Command areas of newly completed irrigation projects and completed watershed areas offer good scope for financing dairy activities.

- b) There is good scope for encouraging other eligible activities of DED scheme by banks viz., rearing of heifer calves, vermicompost along with milch animal units; purchase of milking machines/milk testers/bulk milk cooling units (up to 2000 lits capacity); purchase of dairy processing equipment of manufacture of indigenous milk products; establishment of dairy product transportation facilities and cold chain, cold storage facilities for milk and milk products and establishing dairy marketing outlet/diary parlour.
- c) There is a need to promote azolla cultivation, green fodder (seasonal or perennial) in own or on lease land to reduce the cost of milk production and improve viability.
- d) Fodder cultivation as an exclusive income generating activity could be promoted in dairy clusters. Considering the availability of paddy straw, the main source of dry fodder, urea treatment of paddy straw could be promoted to improve nutrient availability.
- e) Display of sign board has to be ensured for the units financed under DED scheme
- f) Submission of Utilization certificate after receiving subsidy has to be ensured.
- g) Banks have to act as per the DED scheme guidelines wherever the time taken for disbursement exceeds the time limit stipulated for completion of the project.
- h) As the capital subsidy will be back ended with minimum lock in period of three years, the banks have to ensure that the loan accounts are not closed before the stipulated lock in period of three years. The repayment schedules have to be drawn on the total amount of the loan (Including subsidy) in such a way that the subsidy amount is adjusted after liquidation of net bank loan, excluding subsidy.
- i) The implementing bank branch should credit the subsidy to the reserve fund of the borrower and interest has to be charged only on the effective bank loan portion i.e., total outlay excluding the margin and subsidy from the date of receipt of subsidy. Further the capital subsidy should be refunded one year after the account becoming NPA and remaining NPA as on date.

SLBC of AP has communicated suggestive action points in detail to all the controllers and LDMs vide letter No.666/30/11/829 dated 31.08.2013 for initiating necessary action.

**DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME - Placing regular agenda item in DCC/DLRC meetings for review**

Department of Financial Services, Ministry of Finance, Gol vide Lr. No.F.No.3/13/2011-AC, dated 14 November, 2013 informed that the Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Gol has directed to review the progress made under Dairy Entrepreneurship Development Scheme (DEDS) may be taken up as a regular agenda item in the DCC/DLRC meetings at District level.

Hence, all LDMs are advised to make note of this and keep the above subject as agenda item in all DCC/DLRC/JMLBC meetings invariably and review the progress in this regard.

**Year-wise details of subsidy sanctioned and released under DED scheme**

Amount Rs. in crores

Particulars	2010-11		2011-12		2012-13		2013-14		Cumulative as on 30.11.2013	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Target	--	--	--	--	--	12.00	--	24.00	--	--

Subsidy Sanctioned	842	3.17	15574	34.94	24699	66.68	8929	27.51	50044	132.30
Subsidy Released	105	1.21	4709	9.31	7878	20.19	33685	88.83	46377	119.54

**11) Capital subsidy scheme for Solar Lighting and Small Capacity PV Systems and Scheme for promotion of Solar Water Heaters under Jawaharlal Nehru National Solar Mission of MNRE, GoI**

NABARD has issued the above scheme guidelines vide their Lr.No.NB.APRO.HYD/Dor/3269/JNNSM-1/2013-14, dt. July 2013 and the same has been communicated to all Banks by SLBC vide Lr.No.666/30/123/677, dt.29.07.2013 and advised all banks to give suitable instructions to all their branches to implement the scheme during the year 2013-14.

SLBC vide Lr.No.666/30/123/1111, dt.05.11.2013, also communicated to all Banks with regard to NABARD guidelines for Capital subsidy/Refinance scheme for Installation of Solar Off-grid and Solar water heating system and requested all banks to advise their branches in this regard.

**12) Overdues/NPAs under Agriculture Sector as on 30.09.2013**

A/cs In lakhs & Amt. Rs In crores

Sector	Outstanding		Overdue			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	119.19	78717	22.56	20288	15448	5.16	3329
Agril. Term Loans Including Agril. Allied Activities Advances	27.77	33664	6.15	7088	5020	2.92	2252
Agril. And Allied-Indirect	1.97	15165	0.26	2813	1185	0.10	901
<b>Total</b>	<b>148.93</b>	<b>127546</b>	<b>28.96</b>	<b>30190</b>	<b>21654</b>	<b>8.18</b>	<b>6482</b>

<b>Agriculture Advances</b>							
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(The figures are indicative as the data is not received from all member banks)

**Short Term Agriculture Crop Production Loans:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.20,288 crores** which is **25.77%** and NPA is **4.23%** to total outstandings and NPA in real terms it is **Rs.3,329 crores**.

**Agriculture Term Loans Including Allied Activities:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.9,901 crores** which is **20.28%** and NPA is **6.46%** to total outstandings and NPA in real terms it is **Rs.3,153 crores**.

**Total Agriculture:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.30,190 crores** which is **23.67%** and NPA is **5.08 %** to total outstandings and in real terms it is **Rs.6,482 crores**.

SLBC has been requesting the GoAP to create machinery in the Agriculture department to help the Banks in recovery of chronic dues in Agricultural sector. This will help in better recycling of funds and increased credit flow to agricultural sector.

**06. Micro, Small & Medium Enterprises (MSME) Sector**

**A. Position of lending to MSME sector**

Amt Rs In Crores

Particulars	Outstanding as on 31.03.2011		Outstanding as on 31.03.2012		Outstanding as on 31.03.2013		Outstanding as on 30.09.2013	
	A/cs.	Amt.	A/cs.	Amt.	A/cs.	Amt.	A/cs.	Amt.
Micro Enterprises	787166	11,001	822447	12,775	983767	15830	1029772	21517
Small Enterprises	134681	17,386	221817	26,741	206570	29298	219018	28926
<b>Total MSE</b>	<b>921847</b>	<b>28,387</b>	<b>1044264</b>	<b>39,516</b>	<b>1190337</b>	<b>45128</b>	<b>1248790</b>	<b>50443</b>
<b>%of Micro enterprises to total MSE</b>	<b>85.39%</b>	<b>38.75%</b>	<b>78.76%</b>	<b>32.33%</b>	<b>82.65%</b>	<b>35.08%</b>	<b>82.46%</b>	<b>42.66%</b>
Medium Enterprises	32261	11,820	68404	12,260	62560	12099	166809	12131
<b>Total MSME</b>	<b>954108</b>	<b>40,207</b>	<b>1112668</b>	<b>51,776</b>	<b>1252897</b>	<b>57227</b>	<b>1415599</b>	<b>62574</b>

<b>PM Task Force –Recommendations</b>	<b>Norm %</b>	<b>Actual %</b>
Banks are advised to achieve a <b>20</b> per cent year-on-year growth in credit to micro and small enterprises	20	23.16%
<b>10</b> per cent annual growth in the number of micro enterprise accounts.	10	18.56%
<b>40</b> per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises having investment in plant and machinery up to Rs. 10 lakh and micro (service) enterprises having investment in equipment up to Rs. 4 lakh;	40	Not available
<b>20</b> per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises with investment in plant and machinery above Rs. 10 lakh and up to Rs. 25 lakh, and micro (service) enterprises with Investment in equipment above Rs. 4 lakh and up to Rs. 10 lakh.	20	Not available
<b>60</b> per cent of MSE advances should go to the micro enterprises. Allocation of 60% of the MSE advances to the micro enterprises is to be achieved in stages viz. 50% in the year 2010-11, 55% in the year 2011-12 and 60% in the year 2012-13.	60	42.66%

**B. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme-  
Progress made by banks for the last five years and achievement for 2013-14**

<b>S. No</b>	<b>As on</b>	<b>Proposals covered during the year</b>	
		<b>No. of A/cs.</b>	<b>Amount (in Crs.)</b>
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	31.03.2012	9029	573.30
06	31.03.2013	21569	703.21
<b>07</b>	<b>01.04.2013 To 28.12.2013</b>	<b>16058</b>	<b>518.30</b>

The performance of coverage under the scheme is **16058** units as against the target of **1.00 lakh** units. Banks are advised to:

- Sensitize the branch Managers to extend coverage under the scheme

- Display at bank branches the availability of Collateral free loans
- All loan applications to be acknowledged
- Explore the possibility of opening of Special branches in SME clusters.

**All Banks are requested to make concerted effort and reach the 1 lakh units target set for coverage of CGTMSE units during the current year.**

### **C. Rehabilitation of Sick Micro and Small Enterprises**

The feedback received by Reserve Bank of India at various fora on MSEs and analysis shows that the identification of sickness in MSE enterprises is so late that the possibilities of revival recede. This necessitates a need for change in the definition of sickness in order to remove the delay factor.

The emphasis of the revised guidelines is to hasten the process of identification of a unit as sick, early detection of incipient sickness, and to lay down a procedure to be adopted by banks before declaring a unit as unviable,. Accordingly, the revised guidelines are issued for rehabilitation of sick units in the MSE sector as given in Annex.1 of RBI Cir.RBI/2012-13/273, RPCD.CO.MSME & NFS.BC.40/06.02.31/2012-2013, dated November 1, 2012.

The important changes brought out in the guidelines based on the recommendation of the working group vis-à-vis the existing guidelines on rehabilitation of sick MSSE units are furnished in Annex – II of the above circular for ready reference.

RBI emphasize that timely and adequate assistance to potentially viable MSE units which have already become sick or are likely to become sick of the utmost importance not only from the point of view of the financing banks but also for the improvement of the national economy, in view of the sector`s contribution to the overall industrial production, exports and employment generation.

The banks should therefore, take a sympathetic attitude and strive for rehabilitation, in respect of units in the MSE sector, particularly wherever the sickness is on account of circumstances beyond the control of the entrepreneurs. However, in cases of units, which are not capable of revival, banks should try for a settlement and/or resort to other recovery measures, expeditiously.

### **D. Pending Projects for Regulatory clearance of State Government of Andhra Pradesh**

SLBC has received a copy of letter no. DO No.62/Secy.(DFS)/2011, dated 24<sup>th</sup> 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 Government of Andhra Pradesh for want of regulatory clearances with an advice to convene a meeting with the departments concerned.

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 substantial amount of funding has been committed by banks but they are unable to disburse for want of clearances pending at the level of State Government.

**All Banks are requested to bring to the notice of SLBC for such pending projects to take up at the appropriate level.**

#### **E. Representation from Rice Millers Association**

SLBC has received a representation from the Warangal District Rice Millers Welfare Association through the Commissioner of Civil Supplies requesting to charge lesser rate of Interest on loans provided to Rice Mills and advised all Banks to offer their views on the representation.

SLBC also received a letter from Ministry of Finance along with a copy of letter dated 23.08.2012 received from Shri Rajaiiah Siricilla Hon`ble MP (RS) along with representation from Rice Millers Association, Andhra Pradesh, on the problems faced by the Rice Millers and advised all Banks to take up need based restructuring of MSME accounts on case to case analysis.

**All Banks are requested to extend the necessary support to the needy customers.**

#### **F) Assignment/Alienation of Government land in favour of Individuals/Organizations – Violation of conditions - Restrictions**

SLBC has received a communication from Chief Commissioner of Land Administration & Special Chief Secretary to Government and it is mentioned that government lands have been assigned/alienated in favor of either individuals / organizations etc with certain conditions for them to be used for a specific purposes.

The assignees/alienees in violation of those conditions of assignment/alienation are preparing project reports and grounding the works and getting financial assistance from Banks.

Hence all Banks are advised not to sanction any financial assistance or loans to such assignees/alienees that are in violation of the conditions of assignment/alienation or in violation of the transfer of assigned lands act, purchase the lands and submit any project report for their funding or for finance.

**All Banks are requested to make note of the above while sanctioning loans to such customers and furnish the information about the loans given to such assignees/allienees to SLBC to enable us to inform the same to GoAP.**

#### **G. Handloom Weavers**

##### **1. Revival, Restructure and Reform Package Scheme for Handloom Sector – Revised guidelines**

Development Commissioner for Handlooms, Ministry of Textiles, GoI has issued guidelines for implementation of Modified Revival, Reform and Restructuring package for Handloom sector and Institutional credit component of integrated Handlooms Development Scheme (IHDS) and their merger into "National Handloom Development Programme". The same has been communicated by SLBC to all Banks vide Lr No.666/30/21/994, dt.08.10.2013.

Further, it is advised that RRR package is to be implemented positively by 31<sup>st</sup> December, 2013 as per approval of the Government and the individual weavers have to be sanctioned fresh loans after the waiver, to ekeout their livelihood. It is further informed that the in built mechanism is to revive the activities of the weavers in weaving sector and in case the banks fail to waive their loans as per the guidelines of the RRR package and not sanction fresh loans, it will be a futile exercise and there will be a need to call back the amounts released to the Bankers.

Director of Handlooms and Textiles and Apparel Export Parks, GoAP informed that CGM, NABARD has been requested to arrange to furnish the details of individual weavers in the prescribed proforma whose loans were waived under RRR package for Handloom Sector and also the utilization certificates from the concerned Banks. SLBC vide Lr No.666/30/21/1081, dt.25.10.2013 advised all Banks to submit the same to NABARD under copy marking to Handlooms Department, GoAP to enable them to furnish the same to GoI.

**All Banks are advised:**

1. To furnish the details of individual weavers whose loans were waived under RRR package for Handloom sector, to NABARD under copy to Handlooms Dept. GoAP.
2. To furnish the utilization certificates having utilized the amounts for the purpose for which it was sanctioned, to NABARD under copy to Handlooms Dept. GoAP.
3. To implement the RRR package before 31<sup>st</sup> December, 2013 positively
4. To sanction and disburse Weavers Credit Cards to the Handloom weavers in a big way as per the target (25,000 WCCs) set for the year 2013-14 as per the revised unit costs already communicated by NABARD.

**2) Progress in lending under Weaver Credit Card Scheme**

The Handloom Sector is providing employment to a large number of persons in the state and the sector needs to be given the required thrust as there is good potential.

Under WCC scheme, the target given for the year 2013-14 is 25000 units and SLBC advised all Banks to issue necessary instructions to their branches to improve lending under Weaver Credit Card Scheme and to reach the targets set for March, 2014. Performance of the scheme is given under state Government sponsored schemes.

SLBC is regularly reviewing the progress in issuance and disposal of pending applications under WCC scheme.

**The district-wise and Bank-wise position as on 31.10.2013 is enclosed as annexure 24.**

It is informed by the Director of Handlooms and Textiles & Apparel Export Parks, A.P. Hyderabad that during the deliberations took place in the meeting convened under the Chairmanship of Hon'ble Minister of Textiles on 11<sup>th</sup> July, 2013, the following decisions were taken:



- State Government to send the applications for WCC received in the camps to banks after proper scrutiny of the applications.
- Banks to ensure that the guidelines of the RRR package and WCC are made available to bank branches at field level for effective implementation of the scheme.
- Banks to ensure and give priority for sanction of fresh loan to those weavers and primary cooperatives whose loans have been waived under RRR package.
- Uniform weaver credit card, as per the design finalized by the Ministry of Textiles, should be issued expeditiously by all banks.
- All the applications submitted or collected from weavers and duly certified by the handloom department/directorate will be forwarded through the district lead bank, who in turn will forward the applications to concerned branch of service area.
- All State Governments and banks will submit the fortnightly progress report of WCC online through web enabled application [www.wcchandlooms.in](http://www.wcchandlooms.in). Each bank and State Government will be provided user id and password.
- Banks will nominate a Nodal Officer State-wise and State Government will nominate a State Nodal Officer for coordination between states and banks for WCC. The names of the Nodal Officers along with contact No. and email id will be provided to DC (Handlooms) and same will be uploaded on [www.wcchandlooms.in](http://www.wcchandlooms.in).
- SLBC conveners will ensure that issuance of WCC is a part of regular agenda of every SLBC & DCC meeting so that this issue is discussed on regular basis.
- Banks will give details of all pending claims including details of black out and other pending cases of TUFS with them by end of July, 2013.
- Banks will depute Nodal Officers of TUFS who will interact with office of Textile Commissioner to reconcile & freeze the figure of committed liabilities within 15 days.

### **Credit support to Handloom Weavers; Authorization to Banks for engaging 'Bunkar Facilitators' under National Handloom Development Programme**

The Development Commissioner for Handlooms, Ministry of Textiles, GoI, New Delhi vide their Lr.No.6/2/99/DCH/2013-14/DHDS dated 27.09.2013 issued guidelines on modified RRR package for Handloom Sector and Concessional Credit Component under "National Handloom Development Programme". These guidelines are available at Website [www.handlooms.nic.in](http://www.handlooms.nic.in). In terms of Para 5.6 of the said guidelines, banks are authorized to engage 'Bunkar Facilitator' on the lines of 'Business Facilitator (BFs)' Model, as approved by RBI, in handloom predominant areas; to assist them in improving credit dispensation to weavers.

#### **The role of such business facilitator is as follows:**

- a) Creating awareness about savings and other products and education and advice on managing money and debt counseling
- b) Identification of borrowers and fitment of activities
- c) Collection of loan applications, verification of basic data and their preliminary processing
- d) Processing and submission of applications to banks

- e) Post sanction monitoring and
- f) Follow-up for recovery and repayment.

It is also stated that an incentive of 0.5% of loan amount disbursed (subject to a minimum of Rs.100/- and a maximum of Rs.2000/-) will be paid to the bank by Govt. of India for each Weaver Credit Card issued; for onward payment to bunkar facilitators. Banks may utilize this opportunity provided by GoI for improving credit support to handloom weavers.

**Hence, all Banks are requested to follow the above directions and take necessary steps for sanction of loans to Handloom weavers under Weaver Credit Card Scheme. The department of Handlooms & Textiles shall facilitate for enhanced flow of credit to handloom sector.**

### 3) NABARD guidelines for per loom finance

SLBC received guidelines from NABARD with regard to per loom scale of finance for financing working capital requirement of new looms/activation of idle looms for the year 2013-14 & 2014-15, fixed in the recent meeting of State Level Standing Committee (SLSC) held on 11.11.2013 at Andhra Pradesh State Co. Operative Bank Ltd. (APSCB), Head Office, Hyderabad.

SLBC vide Lr.No.666/30/21/1195, Dated: 27.11.2013, advised all banks to circulate the revised scale of finance to their branches, for arriving working capital requirements of new looms/activation of idle looms.

### H. Overdue/NPAs under MSE Sector as on 30.09.2013

(Rs. In crores)

Sector	Outstanding		Overdue			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
MSE	1248790	50443	349896	10222	3957	201803	2705

(The figures are indicative as the data is not received from all member banks)

### MSE/PMEGP loans – Mounting of overdues – Request for constitution of a recovery mechanism

In view of the mounting of overdues in SME sector in general and PMEGP in particular, SLBC vide Lr No.666/30/308/983, Dt. 04.10.2013, requested the Secretary, Industry & commerce, MSME Department, GoAP to constitute a recovery mechanism that helps the banks which in turn encourage seamless credit flow to MSME sector.

In response the Deputy Secretary to Government, GoAP, Industry & Commerce Department, directed the Chief Executive Officer, APKVIB, Grama Parisramala Bhavan, Hyderabad to take necessary steps to constitute a recovery mechanism to help the banks vide their Lr.No.15529/MSME/A1/2013-1, dated 28.10.2013.

SLBC is yet to receive the developments with regard to constitution of recovery mechanism from CEO, APKVIB, Hyderabad.

## **07. Housing Loans**

### **A. Position of Housing Loans as on 30.09.2013**

(Rs in Crore)

Year	Total Outstanding		Disbursements	
	No. of a/cs	Amount	No. of a/cs	Amount
2011-12	590216	27649	59095	5102
2012-13	634549	31632	92327	7300
September, 2013	624491	32405	30282	3160

### **Issues relating to RGK & VAMBAY claims with APSHCL:**

It is being informed by banks that though there are several cases of mis-utilization of loans allocated under weaker section housing programme and repayments are not forthcoming, steps are not being initiated for reallocation of the houses.

SLBC has requested Housing Department earlier to reallocate at least a few cases for demonstration, which will have positive impact on recovery.

It is informed by the AP State Housing Corporation Ltd, directed all Project Directors (Housing) in the state that the Govt. has issued orders to cancel the houses/Flats constructed under the schemes of RGK, VAMBAY, UBH which are not occupied /let-out by the beneficiaries.

APSHFC Ltd advised the PDs (Housing) to select new eligible and needy beneficiaries and re-allot the houses/Flats to the beneficiaries by following the procedure/guidelines issued in this regard.

SLBC is yet to receive the latest information in this regard.

### **B. Stalled Residential Housing projects**

SLBC has received a communication from Ministry of Finance with regard to Revival of the Stalled Residential Housing projects along with the letter addressed to all CMD of Public Sector Banks by CMD of National Housing Bank.

All Banks are accordingly advised to submit the list to NHB on all such semi constructed projects with their location details (all approvals received/not received) together with remarks about non-completion/semi-completion etc. which may be considered viable by the banks for funding and completion of the project.

MoF has advised to take necessary steps in the matter and include the same as a regular agenda for discussion at the SLBC meetings.

**All Banks are advised to submit the lists to NHB immediately marking a copy to SLBC.**

### C. Overdue /NPAs under Housing Loans as on 30.09.2013

(Rs. In crores)

Sector	Outstanding		Overdue			Non – Performing Assets	
	No. of a/c s	Amount	No. of overdue accounts	Total balance in O.D a/cs	Actual overdue amount	No. of accounts	Amount
Housing loans	624491	32405	154936	6237	1034	55834	1053

(The figures are indicative as the data is not received from all member banks)

**The percentage of total balance in overdue accounts & NPA to outstandings is 19.25% & 3.25% respectively.**

## 08. Educational Loans

### A. Position of Educational Loans

(Rs in Crore)

Year	Total Outstanding		Disbursements	
	No. of a/c s	Amount	No. of a/cs	Amount
2011-12	244906	5483	52057	885
2012-13	231365	5040	54332	897
As on September, 2013	229015	5055	25392	499

Department of Financial Services, MoF, Gol is regularly monitoring the progress made by Banks in lending to Educational loans every quarter.

It is advised by Gol that there should not be inordinate delay in the decision on Education Loan applications. They have also commented on the following:

- Applications are being rejected at the initial stage and being approved subsequently on representation
- Absence or ineffectiveness of the Grievance Redress Mechanism

- Sanction of loans under vocational courses has not been adequately popularized.

All Banks are requested to issue suitable instructions to their branches and to ensure that applications are not rejected on flimsy grounds. Banks were also advised to put in place an effective Grievance Redressal Mechanism.

### B. Overdue/NPAs under Educational Loans as on 30.09.2013

(Rs. In crores)

Sector	Outstanding		Overdue			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
Educational loans	229015	5055	60064	1095	361	22372	362

(The figures are indicative as the data is not received from all member banks)

The percentage of total balance in overdue accounts & NPA to outstandings is 21.66% & 7.16% respectively.

### 09. SELF HELP GROUPS

#### A. Position of SHG-Bank Linkage Programme- September , 2013

SHG-Bank linkage Programme Disbursements vis-à-vis Targets for the last five Years

(Rs. In crores)

Year	Rural SHG Disbursements			Urban SHG Disbursements			Total Disbursements			Outstanding (Rural& Urban)	
	Target Amt.	No.	Amt.	Target Amt.	No.	Amt.	Target Amt.	No.	Amt.	No.	Amt.
2008-09	10655	476195	6637	800	92238	843	11455	568433	7480	989382	9837
2009-10	9000	404439	6501	1200	107962	1253	10200	512401	7754	1167000	11764
2010-11	7236	389439	7093	1400	90614	1481	8636	480053	8574	1690393	13153
2011-12	9084	345549	7875	1600	74999	1655	10684	420548	9530	1364980	15548

2012-13	9126	452470	10936	1900	76759	1928	11026	529229	12864	1344094	18455
2013-14 up to 30.09.2013	11075	150611	3973	2100	21613	610	13175	172224	4583	1470848	21245

## B. Overdue/NPAs under SHG Bank Linkage Programme

(Rs. In crores)

Sector	Outstanding		Overdue			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
SHG Bank Linkage Programme	1470848	21245	216636	2195	946	89631	731

(The figures are indicative as the data is not received from all member banks)

**The percentage of total balance in overdue accounts & NPA to outstandings is 10.33% & 3.44% respectively.**

The overdues are mounting up in this sector year by year. Banks have requested SLBC to convene a Special Steering Committee meeting to review the overdue position and to request GoAP to extend focused support to the banks to reduce the OD/NPAs in this sector.

The above issue has taken up in the 5<sup>th</sup> Steering committee meeting of SLBC held on 09.12.2013 and the minutes are enclosed in Agenda 20.

## 10. Social Welfare Schemes

### A. Lending to Minority Communities under Priority Sector Lending

In Andhra Pradesh, the amount lent to minority communities is **Rs. 13,583.33 crores which constitutes 6.03%** of Priority Sector Lending as against the stipulated target of 15% as on **30.09.2013**

A series of steps were initiated by GoAP and SLBC to improve the lending to minority Communities.

#### Credit to Minority Communities for the last three years:

Sl. No.	Year ended	Outstanding Rs. In Crores
1	March, 2011	11,727.52

2	March, 2012	12,124.31
3	March, 2013	13,746.01
4	September, 2013	13,583.33

Apart from sub-committee constituted by SLBC, the Secretary, Minority Welfare Department and Chief Secretary of GoAP have reviewed the position of lending to Minority Communities and all Banks were advised to ensure achievement of 15% of credit to Minority Communities.

It was suggested that the subsidy component of Government sponsored schemes may not be sufficient to reach the target and it requires multi pronged approach by:

- 1) Conducting special EDPs near all Industry Clusters.
- 2) Conducting exclusive training programmes in all RSETIs.
- 3) Achieving saturation by SERP in organizing Women of Minority communities into SHGs, etc.,
- 4) Proper classification and reporting of accounts
- 5) Identifying and financing the eligible beneficiaries without linking to availability of subsidy but to cover under CGTMSE wherever possible.
- 6) Proper reporting under MIS to reflect the factual performance.

#### B. Credit Flow to Weaker Sections for the last three years:

Sl. No.	Year ended	Outstanding Rs. In Crores
1	March, 2011	45,778.20
2	March, 2012	52,980.95
3	March, 2013	64,391.62
4	September, 2013	67,568.19

Weaker Section advances **as on 30.09.2013** is **Rs. 67,568.19 Crores** which constitutes 14.33% as against the RBI stipulation of 10% of ANBC.

#### C. Credit Flow to Women for the last three years:

Sl. No.	Year ended	Outstanding Rs. In Crores
1	March, 2011	37,418.91
2	March, 2012	41,741.58
3	March, 2013	51,190.11
4	September, 2013	52,351.36

**As on 30.09.2013 advances to Women are at Rs.52,351.36 Crores** which constitutes 10.56% as against the RBI norms of 5% of Net Bank credit.

**D. Credit Flow to Scheduled Castes / Scheduled Tribes for the last three years:**

Sl. No.	Year ended	Outstanding Rs. In Crores
1	March, 2011	10,785.32
2	March, 2012	12,757.96
3	March, 2013	13,940.85
4	September, 2013	14,799.88

**As on 30.09.2013, the lending to SC/STs is Rs.14,799.88 Crores**, comprising of **6.58%** of priority sector advances.

Reserve Bank of India issued guidelines on providing Credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) vide Master Circular dated 01.07.2013 and all banks and LDMs are advised to be guided by the same.

**E. Credit under DRI**

Sl. No.	Year ended	Outstanding Rs. In Crores
1	March, 2011	319.78
2	March, 2012	362.41
3	March, 2013	203.15
4	September, 2013	214.53

**As on 30.09.2013 the credit outstanding under DRI is Rs.214.53 Crores.** Target under DRI for 2013-14 is **Rs. 4,716.23 Crores** (i.e., 1% of the total outstanding advances of previous year, total outstanding advances **as on 31.03.2013** are **Rs.4,71,623 Crores**). The performance is negligible in comparison to the stipulations. All Banks shall make all out efforts to identify the eligible beneficiaries and to extend finance as per the guidelines.



### 11. Government Sponsored Schemes

**Position of implementation of Government Sponsored Schemes during the FY 2013-14**

#### A. Government of India

#### 1) Prime Ministers Employment Generation Programme (PMEGP)

#### A) Achievement as on 30.09.2013

(Rs. In Lakhs)

Name of Organization	Target				Sanctioned by Banks		Achievement for the year 2013-14 (up to 30.09.2013)			
	Phy (No)	Fin. (MM)	Bank Credit	Employment created (nos.)	No. of Projects	Margin Money	No. of Projects	Fin. (MM)	Bank Credit	Employment created (nos.)
KVIC, SO, Hyderabad	1009	1425.75	4405.57	8072	46	196.68	61	207.75	308.88	662
KVIC, DO Vizag	280	396.04	1223.76	2240	NIL	NIL	NIL	NIL	NIL	NIL
APKVIB	1289	1821.79	5629.33	10312	53	151.80	13	51.07	158.32	163
DIC (Rural)	859	1214.53	3752.90	6872	87	114.01	84	211.87	122.05	635
DIC(Urban)	859	1214.53	5623.27	6872						
<b>Total</b>	<b>4296</b>	<b>6072.27</b>	<b>20634.83</b>	<b>34368</b>	<b>186</b>	<b>462.49</b>	<b>158</b>	<b>470.69</b>	<b>589.25</b>	<b>1460</b>

(Source: KVIC, Hyderabad)

### SC/ST TARGETS UNDER SC/ST SUB PLAN FOR THE YEAR 2013-14 UNDER PMEGP SCHEME OF KVIC 2013-14.

Rs. in Lakhs

Name of the Organization	SC - Target				ST- Target			
	Phy (No)	Fin. (MM)	Bank Credit	Employment created (nos.)	Phy (No)	Fin. (MM)	Bank Credit	Employment created (nos.)
KVIC, SO, Hyderabad	151	217.95	673.47	1208	68	102.83	317.74	544
KVIC, DO Vizag	42	60.71	187.59	311	19	26.99	83.40	142
APKVIB	193	278.15	859.48	1534	86	122.12	377.35	683
DIC -Rural	129	187.05	577.98	1032	57	80.94	250.10	456

DIC- Urban	129	187.05	866.04	1032	57	80.94	250.10	456
<b>Total</b>	<b>644</b>	<b>930.91</b>	<b>3164.57</b>	<b>5117</b>	<b>287</b>	<b>413.82</b>	<b>1278.70</b>	<b>2281</b>

The statement showing the District-wise SC/ST targets for the year 2013-14 in respect of KVIC, APKVB and DIC received from KVIC is enclosed.

The said targets are approved in the Steering Committee meeting and communicated to the Lead District Managers in the State with direction to fix the Bank-wise targets in their districts concerned for the year 2013-14.

**Banks are advised to accord sanctions and make disbursements.**

The State Level Monitoring Committee (SLMC) meeting on PMEGP has been held on 12.11.2013 by KVIC at Hyderabad and the following action points have emerged for implementation by all banks in Andhra Pradesh:

- LDMs have to arrange for meeting of District Level Task Force Committee in consultation with District Collector and GM, DIC for scrutiny of applications.
- It has been decided that the District level staff of APKVIB & DIC may be deputed to financing banks for collecting Margin Money Adjustment Account details in respect of the units financed during 2008-09 & 2009-10 and requested all Banks to provide the MM Adjustment account details to the staff of APKVIB & DIC.
- It has been decided that to accept applications received after due date also in view of the adverse impact on the identification process due to Samaikhyandhra agitation. DTFC may scrutinize and consider eligible beneficiaries from among such applications.
- Banks are advised not to insist collateral securities for loans up to Rs.10 lakh in SME sector.
- Banks are advised to cover more number of units under CGTMSE scheme as the performance of banks is very low under this scheme.
- Banks are advised not to reject applications once scrutinized and forwarded by the DLTFM on flimsy grounds, unless there are valid reasons pertaining to technical feasibility & economic viability.
- Unit costs are not to be reduced unilaterally in order to cover more number of applications within district target.

**Sri K.H. Muniyappa, Hon`ble Union Minister for MSME, GoI reviewed the implementation of PMEGP scheme during the State level workshop on PMEGP held at Hyderabad on 21.12.2013 and advised all controllers of Banks and all LDMs as under:**

- All pending applications pertaining to the year 2012-13 should be sanctioned based on the merits.
- Fresh applications received during the current year to be sanctioned immediately.
- The Disbursements for the sanctions already made should be completed before 31<sup>st</sup> December, 2013. Disbursements towards all fresh sanctions should be completed before 15<sup>th</sup> January, 2014.

It is informed by the Hon`ble Minister that the compliance of above instructions will be reviewed by the Hon`ble Union Minister after 26<sup>th</sup> January, 2014.

**All Banks are advised to issue suitable instructions to their branches and all LDMs are advised to ensure the sanctions and disbursements at the district level by communicating the above time lines to all branches.**

**B) Quality improvement in PMEGP scheme as per suggestions received from Department Related Parliamentary Standing Committee on Industry (DRPSCI):**

KVIC, Ministry of MSME Mumbai vide their circular No. PMEGP/DRPSCI/2013-14 dated 25.06.2013 informed that DRPSCI has been reviewing the PMEGP scheme regularly and has given their observations and recommendations for bringing in quality improvement in implementation of the scheme.

Accordingly the recommendations of the committee are detailed below for further necessary action by the implementing agencies i.e., KVIC, KVIB and DIC for compliance.

- a) The committee noted that the District Level Task Force (DLTFC) meeting has to be conducted regularly, (bimonthly as per the scheme guidelines). However it is observed that same is not being followed in different states in the country. The committee directed that KVIC should strictly enforce that DLTFC meetings are conducted regularly and applications are short listed and forwarded to banks on regular basis instead of bunching the applications during the last quarter of the year. Applications should be scrutinized as per the laid down procedure on first come first serve basis. In case the targets are already achieved with the applications received, concerned State/Divisional Directors should inform applicants accordingly.
- b) KVIC and Banks should focus on the Districts which are performing poorly under PMEGP scheme so that balanced and uniform development takes place in all the districts of the States. District wise monitoring need to be done by KVIC for improving the performance of these states.
- c) Awareness camps and workshops should be conducted in the districts which are weak in PMEGP implementation to improve their performance and create awareness of the scheme amongst the unemployed persons in the Districts.
- d) There is need to step up progress of District Level Exhibitions for promoting the products of PMEGP entrepreneurs and all out efforts should be made to achieve the targets fixed for the exhibitions under PMEGP.
- e) The committee recommended that to enable more number of unemployed persons to take advantage of the scheme, smaller and viable projects should be promoted under PMEGP scheme and KVIC should issue guidelines in this regard

It is directed by KVIC that the above contents may be discussed in SLBC and SLMC (State Level Monitoring Committee) being held under the Chairmanship of Principal Secretary, Industries and action taken may be intimated to Directorate of PMEGP for further necessary action.

**SLBC circulated the contents of the circular to all controlling authorities of banks in the state for doing the needful.**

## **2. National Rural Livelihood Mission (NRLM)**

Reserve Bank of India has issued guidelines with regard to National Rural Livelihood Mission scheme (NRLM) vide their circular No.RBI/2012-13/559, RPCD.GSSD.CO.No.81/09.01.03/2012-13 dated June 27, 2013 and the same is communicated to all Banks for implementation.

In this regard, as directed by RBI, SLBC has constituted a subcommittee with the following members:

- All Member Banks of Steering Committee
- Reserve Bank of India
- NABARD
- Principal Secretary, Finance(IF) Department, GoAP
- Principal Secretary, Rural Development, GoAP
- CEO, SERP

The Sub-Committee on NRLM is expected to meet every month with a specific agenda of review, implementation and monitoring of the SHG-bank linkage and the issues /constraints in achievement of the credit target. SLBC should be derived from the analysis of the reports of the subcommittee. The first of such subcommittee meeting was held on 23.07.2013. Since the scheme has been modified as National Rural Livelihood Mission by GoI and the SHG bank linkage target under rural sector is taken as target under NRLM. The position has been reviewed in the steering committee meeting held on 10.10.2013.

#### SHG Bank Linkage in Rural Areas (SERP) – Progress as on 30.09.2013

Rs. in Crores

Annual Target		Achievement	
No. of SHGs	Amt.	No. of SHGs	Amt.
432385	11,075	150611	3,973

#### National Rural Livelihoods Mission (NRLM) – Ajeevika – Interest Subvention Scheme

Reserve Bank of India Vide Lr No.RBI/2013-14/373, RPCD.GSSD.CO.BC.No.57/09.01.03/2013-14, November 19, 2013 has issued the detailed guidelines with regard to Interest Subvention Scheme under NRLM made applicable to the Public Sector Banks, Regional Rural Banks and Cooperative Banks in 150 districts

In the state of Andhra Pradesh the following eight districts are identified out of 150 districts across the country:

Sl. No.	Name of the District	Sl. No.	Name of the District
1	Adilabad	5	Vijayanagaram
2	Srikakulam	6	Visakhapatnam
3	East Godavari	7	Khammam

4	Warangal	8	Karimnagar
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The circular issued by RBI with detailed guidelines in this regard is enclosed for the benefit of all Banks.

RBI advised the states having state specific interest subvention schemes to harmonize their guidelines with the central scheme. Accordingly a meeting of Subcommittee has convened on 16.12.2013 and the minutes are enclosed in the Agenda item No.20.

### 3. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) - USEP and UWSP

#### S H G Bank Linkage (MEPMA) - Achievement as on 30.09.2013

(Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage	93208	2100	21613	610

#### Targets & Achievement for 2013-14 as on 30.09.2013

(Rs. in Crores)

S. No.	Item	Target		Achievement	
		Physical	Financial	Physical	Financial
1	USEP Programme under SJSRY	10000	100.00	2802	28.42
2	UWSP Programme under SJSRY	150	7.50	10	0.50

### National Urban Livelihood Mission (NULM) Scheme

Govt. of India, Ministry for Housing and Urban Poverty alleviation informed that with the approval of Cabinet Committee on Economic Affairs (CCEA), the scheme of NULM has been officially rolled out in place of SJSRY.

NULM would aim at universal coverage of the urban poor for skill development and credit facilities. It will strive for skills training of the urban poor for market based jobs and self employment, facilitating easy access to credit.

### 4. Housing Schemes - ISHUP & RRY

#### a) Interest Subsidy Scheme for Housing Urban Poor (ISHUP)

##### Achievement as on 30.09.2013

(Rs. in crores)

Target - Units	No. of applications filed	No. of loans sanctioned	Achievement	
			Units	Amt.

40000	4008	1552	1051	2.65
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The above scheme is ceased to be in existence from September, 2013.

**b)Rajiv Rinn Yojana (Revised Interest Subsidy Scheme) for housing to Weaker Sections launched by the Ministry of Housing & Urban Poverty Alleviation, GoI**

Interest Subsidy Scheme for Housing the Urban Poor' (ISHUP) was being implemented by Govt. of India as a supportive measure for expanding credit flow to housing for the Economically Weaker Sections (EWS) and Low Income Groups (LIG).

The Ministry of Housing and Urban Poverty Alleviation (MH&UPA), GoI has designed a Revised Interest Subsidy Scheme - renamed as Rajiv Rinn Yojana (or Rajiv Loan Scheme), as an additional instrument for addressing the housing needs of the EWS/LIG segments in urban areas. The Scheme envisages the provision of a fixed interest subsidy of 5% on interest charged on the admissible loan amount to EWS and LIG segments to enable them to buy or construct a new house or for carrying out addition to the existing building.

MH & UPA has already launched the captioned scheme formally and issued guidelines of the scheme to all banks. All member banks are requested to send a word of confirmation for having communicated the scheme guidelines to all the branches in Andhra Pradesh and instructed them to implement this new scheme in place of ISHUP.

**Inclusion of representatives of HUDCO as members in SLBC**

The Rajiv Rinn Yojana (RRY) has been operationalized subsequent to the approval of Cabinet committee on Economic Affairs (CCEA) on the September 3<sup>rd</sup> 2013. Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been designated as the Central Nodal Agencies (CAN) for the implementation of the scheme.

In view of the above, the Joint Secretary to Government of India requested to include representative of concerned HUDCO Regional Official in the State Level Bankers Committees to monitor and review the above schemes at State level.

Hence, at the request of the APSHC, Hyderabad included the representative of HUDCO as member of the SLBC and will be invited to all SLBC meetings in future. This was communicated to HUDCO Regional chief by the SLBC.

**5) Agri-Clinics & Agri-Business Centers (ACABC) – Review of progress**

The Central Scheme “Establishment of Agri-Clinics & Agri-Business Centers (ACABC)” launched in April, 2002 and has created wide awareness and motivation about the potential of agri preneurship in rural areas among all the stakeholders. The Agri ventures setup under ACABC scheme are expected to necessarily provide advisory and extension services also to the farmers and this supplement the efforts of public extension system including unemployed candidates in rural areas.

National Institute of Agricultural Extension Management (MANAGE) is implementing training component of the Scheme through Nodal Training Institutes identified across the country and NABARD is the responsible for disbursement of subsidy to trained candidates availing bank finance for establishing their agri-ventures.

DFS, Ministry of Finance vide Lr.No.F.No.3/32/2012-AC, dated 26.11.2013 advised SLBC conveners to review the sanction of loans by Banks to trained candidates under the scheme and advised to clear the eligible loan applications on priority. Hence, banks are required to facilitate disbursement of credit and subsidy to the trained candidates for establishing agri-ventures.

Similar review may be undertaken by LDMs at DCC/DLRCs at the district level.

#### **Progress as on 24.12.2013:**

No. of projects sanctioned: 65

No. of projects pending : 244

(Bank-wise sanctions and pending projects is placed as **annexure -32**)

All Banks are requested that necessary instruction may kindly be issued to their branches to expedite the clearance of pending loan applications under ACABC scheme and also releasing bank finance to the trained candidates on priority.

### **B) Government of Andhra Pradesh**

#### **6. Andhra Pradesh Micro Irrigation Project (APMIP): Achievement as on 30.09.2013**

(Rs. In Crores)

Target	Physical	Financial		Beneficiary Contribution / Credit requirement	Total Project Outlay
	Area (in Hectares)	Total GOI share	State Share		
	78,103	287.53	275.97	122.60	686.09
Achievement	18,426	81.04	66.30	29.47	176.81

Department of Horticulture, GoAP has informed that the project extension for further period of 5 years is received in September, 2013 and the targets are allotted in September, 2013.

The project Director may ensure that targets are to be achieved with credit linkage.

## 7. Animal Husbandry

### Rashtriya Krishi Vikas Yojana (RKVY): Achievement as on 30.09.2013

(Rs. In Lakhs)

S. No	Category	Annual Target		Achievement	
		Physical (No. of Animals)	Financial	Physical (No. of Animals)	Financial
1	CM's Package	1300	263.90	236	48.38
2	RKVY - 2 Milch Animal Units	1219	432.75	281	99.76
3	RKVY - 20 Milch Animal Units	1940	241.25	120	15.00
4	Mini Dairy Units	21724	3204.29	543	80.09
5	NMPS –Heifers	673	93.54	111	15.43
6	ST Sub Component	2737	555.32	---	--
7	RKVY Heifers	3000	550.51	241	44.22
	<b>Total</b>	<b>32593</b>	<b>5341.56</b>	<b>1532</b>	<b>302.88</b>

SLBC has constituted a sub committee to review the progress at periodical intervals in Animal Husbandry and fisheries sector with the following members, upon the request made by Principal Secretary, AHDD & F department, GoAP.

- Principal Secretary, AHHDD&F, GoAP as Chairman of the committee
- Convener, SLBC of AP as convener
- All member banks of Steering Committee of SLBC
- Reserve Bank of India as member
- CGM, NABARD as member
- Principal Secretary, Finance (IF) Department as member.

In order to improve the performance and to sensitize the banks the above subcommittee was constituted and the subcommittee meeting was held on 10.09.2013. It is resolved in the meeting



that all banks should increase credit flow to AH sector especially to Government Programmes. In order to increase further allocations to AH sector, the department is requested to study the present problems which are coming in the way of credit flow and to suggest measures to overcome the problems. The minutes of the meeting are placed in agenda item No.20.

### 8. Fisheries - Achievement under Programme Year 2013-14 (up to 30.09.2013)

(Rs. in Crores)

Target			Achievement	
Units	Bank loan component	Subsidy component	Subsidy Released	Achievement
2923	22.30	35.55	NIL	NIL

#### Action Plan suggested:

- Commissioner of Fisheries is requested to ensure that grounding of the schemes is done only with bank credit linkage.
- All the District Collectors are requested to give proper attention to these schemes in view of its poor performance in the earlier years also.

### 9. Sericulture: Achievement as on 30.09.2013

(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
5000	22.86	4550	30.26	131	86	0.65	64	0.53

#### Action plan suggested:

- Commissioner, Sericulture is requested to sponsor adequate number of loan applications to the banks.
- District Collectors are requested to conduct periodical reviews with the field functionaries and banks so as to ensure that targets during the current year are invariably achieved.

### 10. Handlooms & Textiles Achievements as on 27.12.2013

(Rs. in Crores)

Scheme	Target ( Number of cards)	WCC issued	Financed	
			No. of Beneficiaries	Amt.
<b>Weavers Credit Cards</b>	25000	8446	8446	26.25

**Action plan suggested:**

- Director of Handlooms & Textiles is requested to initiate necessary measures to ensure that those benefited under the loan-waiver schemes of the Gol/State government are extended bank finance to pursue their activities.
- It is informed that 43,408 applications are pending with the banks and requested to expedite the sanctions to achieve the target.
- The District collectors are requested to activate the machinery involved in implementation of the schemes so that re-lending takes place for those who got benefited under the relief packages of the State/Central Government.
- Banks are advised to ensure that further financial assistance is extended to the beneficiaries under RRR package, if otherwise, in order.

Details of District-wise pendency in number of applications are placed as **annexure no.24**.

**11. A.P. Backward Classes Co-op. Finance Corporation- Performance as on 30.09.2013****Rs. in crores**

Name of the Scheme	Annual Target		Appl. Sponsor ed	Appl. Sanctioned		Applications Grounded	
	No	Amt.		No	Amount	No	Amount
Margin Money scheme	68667	412.00	NIL	NIL	NIL	NIL	NIL
Rajiv Abhyudaya Yojana scheme	22887	137.32	NIL	NIL	NIL	NIL	NIL
Krishna Baliga, Poosala Baliga Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Nayee Brahmin Cooperative societies Federation Ltd	7950	59.63	NIL	NIL	NIL	NIL	NIL

Washermen Cooperative societies Federation Ltd	5250	39.38	NIL	NIL	NIL	NIL	NIL
Sagara(Uppara) Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Valmiki/Boya Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Bhattraja Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Vaddera Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Viswa Brahmana Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL
Kummari/Salivahana Cooperative societies Federation	3298	24.74	NIL	NIL	NIL	NIL	NIL
Medara Cooperative societies Federation Ltd	1965	14.74	NIL	NIL	NIL	NIL	NIL

**Action plan suggested:**

- The VC and MD, AP BC Cooperative Finance Corporation Ltd is advised to initiate the process for sponsoring the applications for the logical conclusion by way of sanction of bank loans and releasing of Govt. assistance.

**12. A.P. Scheduled Caste Co-operative Finance Corporation Limited****Achievement under the Programme Year 2013-14 – as on 30.09.2013**

(Rs .in Crores)

Annual Target		Applications sponsored		Applications sanctioned		Applications grounded	
Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
127792	535.39	12434	82.92	154	0.85	154	0.85

**Action plan suggested:**

- The performance of Banks in sanction and disbursement is disheartening. Banks need to analyze the reasons for such poor performance and the reasons there of.
- The VC & MD, AP SC Cooperative Finance Corporation Limited may take-up with the bankers for sanction & grounding of the units as per the targets allocated, since the performance so far has been very poor.

### 13. Andhra Pradesh State Christian Finance Corporation: Achievement as on 25.10.2013

(Rs. In Crores)

Target		Progress	
Physical	Financial	Physical	Financial
4592	18.50	391	1.14

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

Target and achievement under Bank linked schemes for the year 2013-14 – as on 30.10.2013

(Rupees in crores)

Target						Achievement		Remarks
Physical (Number)	SCA	GIA	IF	BC	Total	Physical (Number)	Fin(Total Outlay)	Remarks
60000	57.89	60.00	112.00	5.89	235.78	NIL	NIL	Revision of subsidy pattern is under active consideration of group of ministers constituted by Govt. Hence no Economic support schemes under AAP 2013-14 are implemented.

#### Action plan suggested:

- The Managing Director, TRICOR shall review the position on sponsoring the applications to Banks and to take steps for getting sanctions on hearing the subsidy patterns.

**15. A.P. State Minorities Finance Corporation Ltd.: Achievement as on 17.12.2013**

Rs. in Crores

Annual Target		Applications sponsored	Applications Sanctioned		Applications Grounded	
No	Subsidy Amt.		No	Amt.	No	Amt.
33334	100.00	41226	11897	32.90	1942	4.71

**Action plan suggested:**

- Though sanctions are about 29% of sponsored applications, disbursements are not on par to sanctions.
- APSMFC Ltd is also advised to identify the prospective beneficiaries by coordinating with RSETIs who have been imparting training to candidates of minority communities so that viable schemes can be financed.
- The V.C. & Minorities MD, AP State Finance Corporation Limited is requested to concentrate and pursue with the banks for speedy grounding of the sanctioned units.

**16. Andhra Pradesh Youth Services - A.P.S.T.E.P****Rajiv Yuva Shakthi Scheme: Achievement under the Programme Year 2013-14 as on 30.09.2013**

Rs. in Crores

Target	Subsidy sanctioned		Total released		Grounded	
	Physical	subsidy	Physical	subsidy	Physical	Subsidy
11,250	1991	19.49	749	7.46	212	2.12

**Action plan suggested:**

- Commissioner, Youth services Department is requested to initiate necessary measures in getting sanctions of the applications sponsored.
- The District collectors are requested to ensure 100% achievement under the scheme, in view of the importance attached by the Govt. towards the self employment of educated youth.

### 17. A.P. Disabled Welfare Department

Economic Rehabilitation Scheme physical and Financial Targets and achievement 2013-14 as on 30.09.2013

Amount Rs. in Lakhs

Budget provided as subsidy for the year 2013-14	50% subsidy (Maximum per Rs.30,000/- beneficiary)	Physical Target	Achievement
297.90	297.90	993	432

Disabled Welfare Department is advised to take necessary steps for sponsoring/ sanction / disbursement of loans to eligible candidates.

### 18. Overdue position under Government sponsored schemes

(Rs. In Crores)

Sector	Outstanding		Overdue			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
Central Government sponsored Schemes	279060	5074	81941	885	414	51243	258
State Government sponsored schemes	2424483	20230	666991	3678	2869	359218	1639
SGSY	199356	3471	28448	117	70	16489	58
SJSRY	24885	1065	15040	534	196	9514	98

PMRY/PMEGP	48986	430	35054	206	133	23746	90
ISHUP	5833	107	3399	28	15	1494	12

**Central Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 17.44% & 5.08% respectively.

**State Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 18.18% & 8.10% respectively.

**SGSY:** The percentage of total balance in overdue accounts & NPA to outstandings is 3.37% & 1.67% respectively.

**SJSRY:** The percentage of total balance in overdue accounts & NPA to outstandings is 50.14% & 9.20% respectively.

**PMRY/PMEGP:** The percentage of total balance in overdue accounts & NPA to outstandings is 47.91% & 20.93% respectively.

**ISHUP:** The percentage of total balance in overdue accounts & NPA to outstandings is 26.17% & 11.21% respectively.

## 12. Financial Inclusion

### A. GENERAL

#### 1) Providing Banking Services in all Villages with above 2000 population - Progress as on 30.09.2013

Banks have completed process of providing Banking services in respect of all 6640 villages allocated in the State of Andhra Pradesh. Subsequently Banks have covered another 11 villages and the total villages covered are 6651.

Banks are advised to ensure that the number of transactions in the FI villages is improved and the services of BCs are effective.

#### 2) Implementation of FIP in below 2000 population – Progress as on 30.09.2013

SLBC has communicated to all banks with regard to allocation of villages with below 2000 population as per the allotment made by the District Level Selection Committees.

In respect of villages with Population of below 2000, out of 17,374 villages allotted to all Banks, **7,453** villages are provided with banking services as on September, 2013 by deploying 7,172

BCAs, 264 brick and mortar branches and 17 villages through other modes (like banking on bike etc) in 2130 villages.

Quarterly Progress report District-wise and Bank-wise as on 30.09.2013 is enclosed as annexure no.26

### **Financial Inclusion Plan for the Year 2013-16**

Banks have prepared 3 years Board approved Financial Inclusion Plans (FIP) from April 2010 to March 2013. Since the 3 year FIP period expired by March 2013, RBI has advised all banks to prepare comprehensive Financial Inclusion Plans for the next 3 years from **April 2013 to March 2016**. SLBCs are advised to compile /consolidate State wise Financial Inclusion Plans for the next 3 years in the format **LBS-MIS- IV** after obtaining the same from the controlling offices of all banks in their jurisdiction

SLBC has submitted the Road Map as advised by Reserve Bank of India in respect of below 2000 population villages. Reconciliation process was attended by all LDMS. In the meeting conducted on 28.01.2013 by RBI, it was advised to maintain a healthy mix of 5% to 10% of brick and mortar branches of the total BC outlets. Accordingly SLBC has collected revised information from all Banks and submitted to RBI which is enclosed as annexure.

SLBC has also submitted FIP Quarterly progress report for September, 2013 (**LBS MIS V**) to RBI which is enclosed as **annexure 30**.

### **B. DIRECT BENEFIT TRANSFER and OPENING OF BANK ACCOUNTS:**

#### **1) Direct Benefit Transfer Scheme - phase I**

Gol has implemented Direct Benefit Scheme for 26 centrally sponsored schemes at the first instance in Five Pilot districts in Andhra Pradesh and 43 districts across the country details mentioned below:

<b>Name of the District</b>	<b>Name of the Lead Bank</b>
Ananthapuram	Syndicate Bank
Chittoor	Indian Bank
East Godavari	Andhra Bank
Hyderabad	SBH
Ranga Reddy	SBH

#### **Direct Benefit Transfer Scheme - Phase II**

MoF, Gol vide Lr. No.F.No.6/41/2012-FI(Vol.III) dated, April 01, 2013 , has announced additional 78 districts across the country under Phase II and among them eight districts are in the State of Andhra Pradesh. They are:



Name of the District	Name of the Lead Bank
Srikakulam	Andhra Bank
Guntur	Andhra Bank
Vizianagaram	SBI
Adilabad	SBH
Nalgonda	SBH
YSR Kadapa	Syndicate Bank
Kurnool	Syndicate Bank
Krishna	Indian Bank

## 2) Direct Benefit Transfer Scheme - LPG – Phase I

Gol has rolled out DBT for LPG consumers in 20 pilot districts all over India out of which 5 Pilot districts are in the State of Andhra Pradesh w.e.f. 01.08.2013.

Sl. No.	Name of the District & Lead Bank
1	East Godavari district (Lead Bank –Andhra Bank)
2	Ananthapuram district(Lead Bank –Syndicate Bank)
3	Chittoor district (Lead bank – Indian Bank)
4	Hyderabad district (Lead bank – SBH)
5	Ranga Reddy district (Lead Bank –SBH)

LPG dealers are being involved through District administration for Collection of details of SB account Numbers & Aadhaar numbers of consumers to facilitate the Banks for seeding of Aadhaar numbers into their accounts.

All Banks and LDMs are advised to collect the applications from the LPG consumers through various sources like direct collection of applications at the branches, through Drop Box facilities, through OMCs, Internet, ATMs, Debit cards etc., and seed their Aadhaar Numbers into their accounts. Banks are also advised to map the seeded accounts with NPCI on daily basis.

Further Ministry of Finance vide their Lr. F. No.6/38/2012-FI, dated 16<sup>th</sup> August, 2013 informed that Gol has launched DBT for LPG to additional 35 districts across the country from 01.09.2013 & vide DO No.6/38/3012-FI, dated 23.08.2013 extended to additional 269 districts in the country in phased manner starting from 01.09.2013 to 01.01.2014.

In the State of Andhra Pradesh, the following Seven Districts are included for implementation of **DBTL from 01.09.2013.-Phase II**

Sl. No.	Name of the District & Lead Bank
1	Srikakulam (Lead Bank - Andhra Bank)
2	Guntur (Lead Bank – Andhra Bank)
3	Krishna (Lead Bank – Indian Bank)
4	Adilabad (Lead Bank – State Bank of Hyderabad)
5	Cuddapah (YSR Kadapa) – (Lead Bank – Syndicate Bank)
6	Prakasam (Lead Bank – Syndicate Bank)

7	West Godavari (Lead Bank – Andhra Bank)
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**It is directed by MoF that 60% of seeding should be completed before 31<sup>st</sup> October, 2013 in Phase II districts**

**DBTL from 01.10.2013**

Sl. No.	Name of the District & Lead Bank
1	Karimnagar (State Bank of Hyderabad)
2	Khammam (State Bank of Hyderabad)
3	Nizamabad (State Bank of Hyderabad)
4	Nellore (Syndicate Bank)
5	Warangal (State Bank of India)
6	Medak ((State Bank of India)
7	Nalgonda (State Bank of Hyderabad)
8	Visakhapatnam (State Bank of India)

**DBTL from 01.11.2013**

Sl. No.	Name of the District & Lead Bank
1	Mahaboobnagar (State Bank of India)
2	Vizianagaram (State Bank of India)

**DBTL from 01.01.2014**

Sl. No.	Name of the District & Lead Bank
1	Kurnool (Syndicate Bank)

All banks and LDMs of the above districts are requested to take immediate steps for opening of bank accounts to all LPG consumers and seed their Aadhaar numbers in to their accounts. All banks are requested to take up campaigns for collecting applications for seeding of Aadhaar numbers of their customers and complete the seeding immediately.

**Steps taken by SLBC:**

- The issues have been discussed in Steering Committee Meetings and all Lead Banks are requested to suitably advise their LDMs.
- Conducted LDMs Meeting & Video Conference with all LDMs and advised them on the steps to be taken.
- Addressed letters to the District Collectors to intervene and advise the departments concerned.
- Taken up the issues with Chief Secretary & Nodal Officer DBT of GoAP at State Level.
- Taken up the issues concerning Aadhaar enrollment and Seeding with UIDAI
- Advertisement campaign was taken up in News papers, TV and Radio for opening of accounts and seeding of Aadhaar numbers.
- Call centre has been established by SLBC on behalf of all Banks to guide the public on queries relating to account opening and Aadhaar seeding.

**DBT position as on 27.12.2013 in the state of Andhra Pradesh is enclosed as annexure no.27**

### **Commission payable to Banks on the amount transferred under DBT**

Department of Expenditure (Plan Finance II Division) Ministry of Finance vide Lr.No.32(07)/PF-II/2011, dt.04.07.2013 informed as follows:

- a) At a flat rate of 1% on the total amount transferred under DBT, till the time necessary software tools to distinguish DBT/Non-DBT transactions are in place in the banks. The above commission is admissible subject to the condition that after the next six months, it would be examined by the banks whether the amount transferred through BCs is more than or equal to the amount transferred under DBT. If it is found that the amount transferred through BCs is less than the amount transferred under DBT, then the commission would be reduced on pro-rata basis.
- b) Rate of 2% of the amount actually transferred through BCs under the DBT scheme , once it is technologically possible to ascertain the value of the transactions through BCs.

In continuation of the above, it is clarified that the above referred payment of commission to the banks shall be admissible at the time of credit of amount in the account of the beneficiary, at the present stage where commission is payable at the flat rate of 1% on the total amount transferred under DBT. The payment methodology for the payment of 2% commission would be decided as and when the conditions specified for the same are met.

All Banks are advised to follow the above guidelines

### **3) Suggested Road map to make Andhra Pradesh State as model and best practices state in the country under DBT Implementation**

Governor, Reserve Bank of India has informed during the meeting with the Chief Minister of Andhra Pradesh on June 06, 2013 and to evolve a road map to achieve 100% DBT implementation and all officers of the State Government and banks in the State are to be sensitized to make Andhra Pradesh a model state in the country for Direct benefit Transfer Scheme. He requested all the Bankers and other stake holders to take up this challenge and let us make all out efforts in implementation of DBT Scheme.

Banks should make sincere efforts to reach saturation in opening of accounts, seeding of Aadhaar numbers in to their Bank accounts and uploading of seeded accounts with the NPCI mapper in a time bound manner with regard to all DBT and DBTL schemes.

Government of AP and UIDAI are requested to take necessary steps for 100% enrollment of Aadhaar since there is a gap on availability of Aadhaar numbers to the number of beneficiaries. Since the volume of LPG consumers is large, there is a need for assistance from the Government as well as from Oil Marketing Companies and Gas distributors in collecting the applications for getting their bank accounts seeded with Aadhaar numbers.

During the Video conference held on 16<sup>th</sup> July, 2013 by the Ministry of Finance, it is advised that all banks to complete the seeding of Aadhaar for LPG consumers to the extent of 80% by 15<sup>th</sup> August, 2013 and the remaining can be completed at the earliest.

Ministry of Finance has advised the Banks to expedite the process of Aadhaar seeding in bank accounts through alternate channels viz., ATM, Internet banking and SMS apart from written requests received either directly or through drop box facility for picking up the position very quickly. He also advised all Banks to use Remote Aadhaar Seeding Facility (RASf) to expedite the process.

MoF has advised the LDMS to supply the CDs collected from OMCs to all banks with a request to contact the beneficiaries either by phone or by personal contacts for opening of accounts and obtaining Aadhaar number from the existing account holders.

All Banks are requested to put in place the Grievance Redressal Mechanism for Direct Benefit Transfer scheme.

All Stake holders are requested to take necessary steps to fulfill the ambition of the Governor, RBI.

#### **4) Financial Inclusion drive to open Bank accounts of migrant labour and street Vendors/Hawkers in Urban areas**

Department of Financial Services, MoF has given guidelines to all Banks under financial inclusion drive to open bank accounts of migrant labour and street vendors/hawkers in urban areas. To begin with, it is advised that accounts of all migrant labour and street vendor/hawkers who are working within 500 meters of the branches in urban and metro areas should be opened. Thereafter, the branches should extend this process of opening of accounts beyond 500 meters so that all such persons get financially included.

SLBC has advised all Banks to instruct their branches to launch a drive for opening of accounts to migrant labour/street vendors and hawkers in urban areas. The progress need to be continuously monitored by the controlling authorities.

#### **5) Establishment of ATMs and issuance of Debit Cards**

##### **Installation of ATMs**

Gol has advised all Banks to establish onsite ATMs in all areas of 10000 and above population centers invariably at all Bank branches.

Further Ministry of Finance has directed all Banks including Regional Rural Banks to plan for ATMs for all their Branches.

MoF also advised Banks to go for offsite ATMS wherever there is no possibility of provision of site and other infrastructures readily available at the branch. It is also advised that top priority is to be given for establishment of ATMs in all identified pilot districts for Direct Benefit Transfer.

All Banks to ensure that Micro ATMs are to be placed in all BC locations immediately to enable the DBT beneficiaries to draw the amounts.

#### **Issuance of Debit Cards:**

All Banks are advised to issue Debit Cards to all the beneficiaries under various schemes taken up for Direct Benefit Transfer to enable them to draw their money at ATMs.

### **C. SUB SERVICE AREA PLAN**

#### **1) Mapping of Gram Panchayats for coverage through Branch/ BCA/ CSC –Sub service area approach**

Gol, vide their communication dated 20<sup>th</sup> December, 2012 advised that mapping of Gram Panchayats basing on sub service area approach is to be done and banks need to ensure that 1000 to 1500 households are available in the sub-service area of BCA.

It was advised that, it should be ensured that the Gram Panchayats to be covered by each bank branch/BCA is clearly identified as Sub-service area within the service area of the branch.

Accordingly, the exercise was completed in all Districts and all **22,170** Gram Panchayats are mapped into **14,128** sub service areas.

The statement showing mapping of Gram Panchayats into sub-service area of Phase I - five pilot districts, Phase II – eight districts and other districts is enclosed as **annexure -29**.

**MoF has advised all banks to provide banking channels in all SSAs in 13 DBT implementing districts by 15<sup>th</sup> December, 2013.**

#### **Online MIS reporting system:**

Online MIS reporting system has been rolled out in the entire state by DFS and LDMs are advised to complete the data entry by **31<sup>st</sup> December, 2013**.

**The job of review of online reporting system has been entrusted to SLBC and it is expected that a review conference will be conducted by DFS during 1<sup>st</sup> week of January, 2014.**

## 2) Setting up BCAs - Engaging Common Service Centers as BCAs

Gol vide their communication dated December 10, 2012 advised that in order to ensure convergence and to assist viability of BC, it would be necessary that in the villages to be covered, wherever CSC exists, the CSC is to be made as BCA.

Common Service Centers have been set up in the country under the Department of Electronics and Information Technology, Govt. of India under the National e-Governance Plan. In order to extend the outreach of BCAs, Public Sector Banks have signed an agreement with the CSC e-Governance Services India Ltd (CSC SPV), a special purpose vehicle setup by the Government of India to monitor and manage the Common Services Centre, for engaging CSCs as BCA.

It was advised that in the sub-service area where neither a BCA nor a functional CSC is available, the M/s CSC e-Governance Services India Ltd. would establish a new CSC for which suitable advice would be issued by the CSC Services India Ltd. In case this is not feasible, the Banks could engage a new BCA.

**All Banks are requested to note the above.**

## D. ACTION PLAN FOR LWE DISTRICTS

### 1) Action Plan for Financial Inclusion in LWE affected Districts - Progress

Gol vide their circular dated 4<sup>th</sup> January, 2012 has introduced a Scheme for WSHG development in LWE districts of the country. Against **109 districts** identified in the country, **16 districts** are located in Andhra Pradesh.

#### Progress in formation of Groups and savings linked and Credit Linked as on 30.09.2013

Year	Savings Linked		Credit Linkage	
	Target	Achievement	Target	Achievement
2012-13	14490	8809		5559
2013-14	7375	2573	5215	1291

NABARD has drawn an action plan for grant support for promoting SHGs by the Anchor NGO and released some amounts for their promotion and development.

**NABARD** has extended the grant support to **Anchor NGO** as per the following details:

**(Rupees in lakhs)**

Purpose	Sanctioned	Released & Utilized by SERP
Grant assistance for providing skill development training to Women SHG members	61.40	Not released
Micro Entrepreneur Development Programme	27.36	27.36

To SERP as upfront grant	1449	144.90
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NABARD had prepared livelihood plans in the above LWE districts and implement the same for the development of the districts.

SLBC is regularly monitoring the progress under the scheme and at district level; a District Level, Project Implementation and Monitoring Committees (**PIMCs**) were constituted to review the progress.

## **2) Scheme for Installation of PoS machines at Merchant Establishments in LWE districts**

As a part of Financial Inclusion in LWE districts, Ministry of Finance has directed all LDMs to provide 100 PoS machines in each district and issue smart cards to all the beneficiaries.

SLBC has advised all LDMs to distribute the target of 100 PoS machines among the Banks in the district and advise them to provide PoS Machines to the Merchant Establishments to reduce the dependency on Cash in LWE districts.

It is also informed that **100 PoS** machines per district will be supplied free of cost as per MoF guidelines by the respective banks and necessary steps may be taken by the Banks to supply the same to the respective selected branches of their Bank.

## **3) Establishment of Ultra Small Branches in LWE Districts under the guidelines for Integrated Action Plan (IAP) for selected Tribal and Backward Districts under the State Component of Backward Regions Grant Fund (BRGF)**

Gol has directed vide letter nos. F. No.21/13/2009-FI (Pt.) dated 28.12.2011, 09.02.2012, 20.03.2012 and 01.08.2012 that Ultra Small Branches (USBs) are to be established in all FI villages with population of above 2000 covered or to be covered through BC agents.

The Planning Commission has also formulated guidelines for Integrated Action Plan (IAP) in 78 selected tribal and backward districts under the State component of Backward Regions Grant Fund (BRGF). The guidelines on Integrated Action Plan provide that a Committee headed by District Collector/District Magistrate and consisting of the Superintendent of Police of the District and District Forest Officer will be responsible for implementation of the Scheme.

The establishment of USB would comprise two cost components, namely Capital/ Fixed Costs of Rs. 1,40,000/- and the recurring costs.

Planning Commission has included funding of capital cost for the establishment of USB amounting to Rs. 1,40,000/- per USB as permissible work/ project under IAP and informed the State Governments concerned to take necessary action in this regard.

In view of the foregoing, SLBC advised LDMs of 8 districts (out of 16 LWE districts) to approach the District Collector/District Magistrate of the respective District for funding of capital cost for the establishment of USBs in the identified villages having population of above 2000.

LDMs are also advised to claim the amounts from the District Collector for the USBs already established under this category.

**E. FLCs & RSETIs****1) Financial Literacy and Credit Counseling Centers (FLCCs) and Financial Literacy Centers (FLCs)- Position in A.P**

RBI Vide their Cir.No.RPCD.FLC.No.12452/12.01.018/2011-12, Dt. June 6, 2012 advised that:

All Lead banks to set up FLCs in all its LDM offices and the existing FLCC will continue. Financial Literacy activity is to be taken up by all rural branches. RBI has already clarified that the erstwhile FLCCs are also to be termed as FLCs henceforth.

**Position in Andhra Pradesh:**

<b>Particulars</b>	<b>No. of FLCs</b>
Number of FLCCs operating in the District Head Quarters	23
Number of FLCCs operating in Lead District Offices	20
Number of FLCCs operating in Divisional Head Quarters By Andhra Bank at Rajahmundry. By SBI at Amalapuram By DCCB at Kakinada By CGGB at Tenali (Guntur district), Peddapuram ( E.G. District) and imavaram (W.G. District)	6
<b>Total</b>	<b>49</b>

(Detailed statement enclosed as **annexure-13**)

**FLCs are yet to be opened at the following Lead District Offices:**

Kurnool, Ananthapuram, Kadapa

All Lead Banks are advised to ensure that FLCs are opened at the above Lead District Offices and confirm to SLBC. It is also advised during the recent LDMs meeting held on 21.12.2013 to expedite opening of FLCs at Lead Bank office as per RBI guidelines.

**2) Taking up Financial Literacy Campaigns by all Rural branches**

RBI has also advised that financial literacy activity should be taken up by all rural branches.

All Banks are advised to give suitable instructions to all their rural branches to take necessary steps in this regard and ensure submission of progress made to RBI and SLBC.



**Financial Literacy material provided by RBI**

SLBC has been entrusted the job of Printing & supplying of Financial Literacy Material to all rural branches, Controllers & FLCs in the State of AP in Telugu language. SLBC has entrusted the job to L1bidder and the material will be supplied to all Controllers before 31st December, 2013.

**3) Rural Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development**

SLBC has received a communication from the Joint Secretary (RL), Ministry of Rural Development, Gol that in order to strengthen the RSETIs implementation machinery, they have suggested the States to take the following steps:

- Formation of SLBC Subcommittee on RSETIs at State Level. The subcommittee formed under the Chairmanship of Principal Secretary RD) with Convener, SLBC as a co-chairperson. The Subcommittee shall meet regularly (at least once in a quarter) to review the progress of RSETIs.
- Formation of Local Advisory Committee at District Level with the District Collector should be made as Chairman of the Committee and Regional Head of the sponsoring bank acting as the Co-chairperson and Lead District Manager, District Development Manager, NABARD, GM, District Industries Centre, PD, DRDA, the Employment Exchange Officer, Heads of vocational institutes in the district like ETCs, it is, Polytechnics, KVKs etc., and two or three eminent personalities connected with rural development acting as members. The Director of the RSETI shall be the Convener.
- Sponsoring of BPL candidates/assistance to Director RSETI in identifying suitable candidates for the programmes.
- Reimbursement of training cost of BPL candidates and
- Facilitating credit flow to the RSETI candidates and post training support to the trainees

Accordingly, SLBC has constituted a Subcommittee of SLBC for strengthening the RSETI implementation machinery. The meeting was convened on 03.07.2013 and the proceedings were placed in the agenda item 20.

**F. APSLBC CALL CENTRE****Functioning of APSLBC Call Centre on behalf of all Banks for the purpose of providing guidance to the Public on Financial Inclusion - Opening of bank accounts and Seeding of Aadhaar numbers**

As per Guidelines of MoF, SLBC has opened a Call Centre on **10.12.2012** on behalf of all Banks in the State of Andhra Pradesh as a part of Financial Inclusion for opening of bank accounts of households and migrant labors.

APSLBC Call centre will function **from 7.00 A.M. to 9.00 P.M.**

APSLBC Call Centre is replying the queries of the public and received good number of calls from the public since its inception.

Since the Call centre is useful for the public for opening of bank accounts and seeding of Aadhaar numbers into the bank accounts, all Banks are advised to inform the public to utilize the call centre for any queries related to opening of bank accounts and seeding of Aadhaar numbers.

## **G. OTHERS**

### **1) Uploading of Modified Services area Plans on the district web sites**

Gol has directed vide their Lr. No. F.No.11/4/2011-FI(C-48762), dated the 11<sup>th</sup> September, 2012 for preparation of Revised Service Area Plans (SAPs) with additional information and for uploading the same on district(s) website.

The format has been sent to all LDMs for preparation of revised service area plan on the basis of Gram Panchayat with details about all financial inclusion villages identified under Swabhimaan Campaign and with additional details/ contact number of BCAs/ visiting bank officials etc.

But, It has, however, been observed that many districts are yet to upload the Service Area Plan as per format circulated vide letter dated 25<sup>th</sup> June, 2012.

It may also be appreciated that the Service Area Plan needs to be periodically updated to account for appointment of new BCAs, change of BCAs, change of identified Bank official for weekly visit etc.

Therefore, SLBC has advised all LDMs to ensure that the service area plan with requisite details have been prepared and uploaded on the district website and also being updated regularly on a monthly basis whenever any change takes place. The date of updating of Service Area Plan must be mentioned on the website.

### **2. Insurance Initiatives- Identifying an NGO/SHG Federation/RRBs etc. to act as Micro Insurance Agent for Promoting Insurance Services**

During the meeting on Financial Inclusion with all Banks and Insurance Companies by the Secretary, DFS, MoF, Gol, held on 21.09.2012, it was advised that:

LDMs are advised to identify an NGO/SHG/MFI/Sec.25 company for the purpose of appointing them as Micro Insurance Agent by Insurance Companies and in turn they will appoint the BCAs as specified persons for extending both life and non life insurance products.

**SLBC has received a communication from the Director, DFS, Ministry of Finance, Gol along with MoF communication F.No.1/4/2013-DA, dated 25<sup>th</sup> April, 2013 informing that the Insurance Regulatory and Development Authority has issued revised guidelines with regard to appointment of Micro Insurance Agents.**

Presently, as per the existing IRDA guidelines an NGO/SHG Federation/MFI/Sec.25 company are only eligible for the purpose of appointing them as Micro Insurance Agent by Insurance Companies and in turn they will appoint the BCAs as specified persons for extending both life and non life insurance products.

With the revised guidelines, both Life and Non-life Insurance companies can appoint the following institutions/societies as Micro Insurance Agents and in turn they can appoint specified persons for extending the Insurance products.

- a) District Cooperative Banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India.
- b) "Regional Rural Banks" established under Section (3) of Regional Rural Banks Act, 1976 subject to being eligible as per extant norms of Reserve Bank of India.
- c) Urban co-operative banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India.
- d) Primary Agricultural Cooperative societies
- e) Cooperative Societies registered under any of the cooperative Societies Acts.

In accordance with the above guidelines, LIC of India has appointed 325 BCAs as specified persons and also trained them for extending Micro Insurance products in the State of Andhra Pradesh.

During the year 2013-14, LIC of India has proposed to appoint 1750 BCAs as MI Agents/ Specified persons for mobilizing a total of 4,85,000 MI policies including 95,000 policies through BCAs as specified persons.

### **3. Geographical Information System (GIS) - (BFS) module enabled for SLBC Coordinators/Lead Banks**

MoF vide their communication dated 23<sup>rd</sup> October, 2012 informed that the GIS module of Banking Amenities Data for Financial Inclusion is now accessible to SLBC Conveners/Lead Banks. The GIS module is for visualization and query purposes only and any data errors need to be corrected only through the data entry module. The data thus modified will be reflected in the GIS module on a periodic basis.

SLBC has communicated the help document and guidelines in this regard to all LDMS and Lead Banks.

All LDMs and Lead Banks are advised to correct the data errors if any for which the data is already uploaded and update the data on GIS Module on periodical basis i.e., on Monthly intervals since the GoI is proposed to place the GIS module in public domain once the data entered is get verified by SLBC through LDMs.

SLBC request all LDMs to confirm immediately to SLBC that the data on GIS module is error free and it is updated.

### **4. Use of National Optical Fibre Network (NOFN) Infrastructure in Rural Branches of PSBs and RRBs**

DFS, MoF, GoI vide their Lr.F.No. 1/23/2013-FI, dated 25<sup>th</sup> June, 2013 has directed that Department of Telecommunications, Government of India, has informed that Bharat Broadband Network Limited (BBNL), a company under Companies Act 1956 has been incorporated to execute

the project National Optical Fibre Network (NOFN) to connect 2,50,000 Gram Panchayats with Optical Fibre Network and provide necessary bandwidth on non-discriminatory basis to all categories of service providers. This bandwidth can be used by Service Providers to launch various categories of services (e-governance/e-learning/e-medicine/e-commerce) in the geographical area of the Gram Panchayats and all villages in its ambit.

A Coordination Committee has been constituted under the Chairmanship of Secretary, Department of Telecommunications (copy of order attached) with terms of reference inter-alia being to assess the requirement of various Ministries/ Departments of Government of India to have a PAN India Network to offer G2C Services up to Panchayat level.

BBNL has embarked upon pilot projects in three blocks covering 58 Gram Panchayats in three different States as under:

- (i) Arian Block; Ajmer Distt.; Rajasthan
- (ii) Parvada Block; Visakhapatnam Distt.; Andhra Pradesh
- (iii) Panisagar Block; North Tripura Distt.; Tripura

A proposal to provide connectivity, through NOFN, to all rural branches of 26 Public Sector Banks and 62 RRBs is being examined to obviate the problems in connectivity in rural areas.

**Use of National Optical Fibre Network (NOFN) infrastructure in rural branches of PSBs and RRBs in Parvada Block, Visakhapatnam district on pilot basis.**

During the Video conference held on 12.11.2013 with Ministry of Finance, Department of Financial Services GOI, New Delhi, it is informed that NOFN infrastructure will provide stable connectivity since it is a dedicated service provided by BSNL. Banks can opt the service where the branches have been opened without any connectivity and also can opt for second line connectivity where the existing arrangements are providing poor connectivity. Banks may think of this facility for their new expansion plans under Financial Inclusion.

In this regard, DFS requires the following information from the banks operating in Paravada block and response received from them is furnished here under.

S.No.	Information sought by DFS	Response from SBH	Response from APGVB	Response from Syndicate Bank
1	Mode of connectivity presently available with bank branches	BSNL leased lines	NOFN	BSNL leased lines
	Furnish the connectivity problems, if any, with the existing arrangements	No problem	Though UPS system is provided, power backup is not provided.	No problems
	Any second line /support line connectivity is required in support of the existing arrangements	V-SAT (BSNL) available	Not necessary	Not necessary

	Furnish the connectivity requirements for the proposed expansion of providing banking channels by deploying either brick & mortar branch or BCA mode	No requirement	Necessary to the proposed expansion, if any.	Not necessary
	Requirement of internet connectivity to BCAs operating in rural areas.	No requirement	Required connectivity for USB at Tanam village	No requirement.

In view of the above, we advise all banks operating in the above block of Visakhapatnam district, to ascertain and furnish the above information immediately.

## 5. Unbanked Mandals / One Banked Mandals

SLBC has taken up the matter of Unbanked Mandals in several fora and advised all Banks and LDMs to take necessary steps for opening of branches in those Mandals. Reserve Bank of India also conducted a meeting and advised all Banks to take necessary steps in this regard.

### District-wise details of Unbanked Mandals as on 30.11.2013

SLBC has been time and again advising LDMs of the respective districts to take up the issue on top priority at the DCC level and explore the possibility of opening of Bank branches in those centers immediately. But, it is learnt from the LDMs as follows:

S. No	Name of the District	Name of the Unbanked Mandal	Present Position/Remarks
1	East Godavari	Gangavaram	Branch is expected to be opened within 2-3 months time by SBI. Searching for suitable premises in view of security reasons.
2	Kadapa	Gopavaram	No bank is coming forward for opening of branch. Syndicate Bank (Lead Bank) is advised to explore the possibility of opening of the branch.
3	Karimnagar	Mahamutharam	Deccan Grameena Bank has opened a branch at Mahamutharam on <b>30.12.2013</b> .
4	Visakhapatnam	Munchingput	APGVB has opened a branch at Munchingput on <b>28.12.2013</b> .

We request SBI and Syndicate Bank to expedite the process of opening of branches in those centers at the earliest.

We advise the LDMs of East Godavari & Kadapa districts to follow up with the concerned banks and see that bank branches are opened immediately before **31.12.2013**.

## 6. Opening of branches in Tribal Areas

- a) The Tribal welfare Department has requested Banks to open bank branches in 34 centers identified by them where banking services are required. SLBC has taken up the matter in the Bankers' meetings. The GoAP has also conducted a meeting of RRBs and SLBC Convener recently and requested the Regional Rural Banks to explore the possibility of opening of branches in those Tribal areas.

It is informed by the Hon`ble Revenue Minister in the 181<sup>st</sup> SLBC meeting that out of the above Centers, Banks have opened branches in the following 19 centers and requested the bankers to open branches in the rest of the centers.

S. No	District	Name of ITDA Division	Name of the Bank	Place of Branch	Date of Opening
1	Srikakulam	Seethampet	APGVB	Bhamini	25.03.2013
2	-- do --	-- do --	APGVB	Kollivalasa	25.03.2013
3	-- do --	-- do --	S B H	Hiramandalam	02.04.2013
4	-- do --	-- do --	APGVB	Pathapatnam	25.03.2013
5	Vijayanagaram	Parvathipuram	Andhra Bank	Komarada	27.02.2013
6	-- do --	-- do --	APGVB	Panchali	25.03.2013
7	Visakhapatnam	Paderu	APGVB	Munchingpattu	31.12.2012
8	-- do --	-- do --	Andhra Bank	Ananthagiri	22.03.2013
9	-- do --	-- do --	U C O Bank	G.K. Veedhi	19.04.2013
10	East Godavari	Rampachodavaram	Andhra Bank	Maredumilli	28.11.2012
11	-- do --	-- do --	Andhra Bank	Pedageddada	00.03.2013
12	Adilabad	Uttoor	D G B	Ravindranagar	22.03.2013
13	-- do --	-- do --	D G B	Dasturabad	26.03.2013
14	-- do --	-- do --	Andhra Bank	Asifabad	18.03.2013
15	-- do --	-- do --	S B H	Koutala	31.03.2013
16	-- do --	-- do --	S B H	Nazrulnagar	29.10.2012
17	-- do --	-- do --	D G B	Ramnagar	16.03.2013
18	-- do --	-- do --	Andhra Bank	Lokeswaram	22.03.2013
19	Guntur	Srisailam	Andhra Bank	Veldurthy	08.12.2012

## LIST OF CENTRES GIVEN BY TRIBAL WELFARE DEPARTMENT FOR OPENING OF BRANCHES

Sl. No.	Name of the District	Centre
1	Vijayanagaram	Kedaripuram, Neelakantapuram, JM Valasa, Gangareguvalasa, Sambara, Baguvalasa, Mosuru & Panukuvalasa

2	Visakhapatnam	Dumbriguda, Hukumpeta
3	East Godavari	Y.Rayavaram, Addateegala, Rayapalli, Gangavaram
4	Khammam	Allapally, Venkatapuram and Wazeedu
5	Warangal	Laxmidevipet (v)
6	Adilabad	Shyampur, Lokari, Lingapur, Kondibaguda, Navedhari, Indhani, Allampally, Munival and Jannaram
7	Prakasam	Chintala
8	Kurnool	Kottalacheruvu
9	Guntur	Loyapally

**LDMs are advised to take up the issue in the DCC meetings and initiate necessary steps for opening of bank branches in those needy centers.**

- b) Reserve Bank of India, Hyderabad vide letter No. RPCD(H)LBS No./287/02.03.031/2013-14 dated 29.07.2013 informed to SLBC that they have received a request from the Project Director, ITDA, Khammam district to pursue with the concerned banks to facilitate opening of new bank branches at the following locations in the district and information given by LDM is as under:

<b>Request of ITDA, Khammam</b>	<b>Information given by LDM</b>
(i) Jagadamba center, Yellandu Mandal by Andhra Pradesh Grameen Vikas Bank	Four banks are operating in the area with in a radius of One K.M.
(ii) Laxmidevpally village, Kothagudem Mandal by Andhra Pradesh Grameen Vikas Bank	APGVB is yet to take a decision.
(iii) Laxmidevpally village, Kothagudem Mandal by State Bank of Hyderabad	SBH is already existing
(iv) Wazeedu village and Mandal by State Bank of Hyderabad	SBH is yet to take a decision.

**SLBC has advised the above banks to initiate steps for opening of branches at the locations as indicated by RBI.**

### **13. LEAD BANK SCHEME**

#### **A. Implementation of High level Committee Recommendations- progress Report September, 2013**

SLBC has submitted Progress report on implementation of High Level Committee recommendations for the quarter ended September, 2013.

**In order to strengthen the system it is requested that:**

- Banking channels are to be provided in all Sub Service Areas mapped
- FLC s to be opened in the three Lead Bank Offices of Kurnool, Ananthapuramu and Kadapa
- More Financial Literacy campaigns has to be taken up by rural branches

- Relocating the branches closed/shifted due to security reasons in the past to their original places
- Opening of branches in unbanked Mandals in the state
- Extending of credit to RSETI trained candidates
- Industry Associations are being used in the entrepreneurship education programmes.
- Educational loan target set by the Ministry of Finance should be achieved
- Women SHGs promoted by Anchor NGOs in LWE districts should be assisted with Bank linkage
- State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and irrigation facilities wherever required.

#### **B. Conduct of meetings under Lead Bank Scheme:**

Based on the recommendations of the High Level Committee of RBI to review the Lead Bank Scheme, a list of relevant agenda points to be discussed by the DCC which need to be adopted commonly by all Lead Banks was placed as annexure in agenda item of 181<sup>st</sup> SLBC meeting.

#### **All LDMs are advised to:**

- 1) Conduct DCC Meetings for all four Quarters of the financial year invariably.
- 2) Communicate the schedule and agenda of the meetings to RBI & SLBC in advance.
- 3) adhere to the schedule fixed for conducting the meetings
- 4) adopt uniform agenda for discussion
- 5) Include certain important subjects of current relevance in the agenda points for discussion in the meeting.
- 6) Submit minutes of the meeting to SLBC within a week of completion.

#### **C. Modified Information System under Lead Bank Scheme – Guidelines of RBI**

##### **Lead Bank Scheme – Strengthening of Management Information System (MIS)**

Reserve Bank of India Vide their Cir. No.RBI/2012-13/450, RPCD.CO.LBS.BC. No. 68/02.01.001/2012-13, dated March 19, 2013, in order to maintain consistency and integrity of data with the all India data of Scheduled commercial banks and meaningful review/analysis of data, RBI felt that the ACP and FIP data needs to be grouped separately for Scheduled Commercial Banks and other banks like State Cooperative banks & DCCBs etc., while presenting in the DCC/SLBC meetings and submitting to their Regional Offices. The data of Scheduled Commercial Banks needs to be further grouped into Public Sector Banks, Private Sector Banks and Regional Rural Banks to know the bank group wise position.

SLBC has already communicated the above guidelines of RBI vide Lr.No.666/30/213/1902, dt.20.03.2013 to the Controlling Authorities of all Banks and Lead District Managers and advised them to follow the guidelines scrupulously.



**D. Attendance in JMLBC/DLRC/DCC Meetings**

All Banks are advised to attend all JMLBC/DLRC/DCC meetings regularly and ensure 100% attendance in the meetings and participate in the deliberations.

LDMs are advised to maintain the attendance of meetings and inform the absentees to their controlling authorities and still not responded may be brought to the notice of the SLBC for taking up the matter at the appropriate level.

It is brought to the notice of SLBC that in some districts due to non participation by the controllers of banks and representatives of Banks DCC/DLRC meetings were postponed by the District Collectors. This is a very serious concern and all banks are advised to take corrective steps and ensure attendance in JMLBC/DCC/DLRC meetings.

**14. EXPORT CREDIT**

SLBC has taken up with export & Industry Associations and Banks for furnishing issues to be discussed in export subcommittee meetings. SLBC has not received any issues in this regard.

The position received from Banks as on 30.09.2013 is given in the **annexure no.11**.

**15. Overdue/NPA position****A. Overdue/NPA position as on 30.09.2013 under various sectors****(Rs. in Crores)**

Sector	Outstanding		Overdue			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	11919137	78717	2255514	20288	15448	515583	3329
Agri.Term Loans Including Agri. Allied Activities Advances	2776894	33664	614831	7088	5020	291745	2252
Agri. And Allied-Indirect	197163	15165	26138	2813	1185	10273	901
<b>Total Agriculture Advances</b>	<b>14893194</b>	<b>127546</b>	<b>2896483</b>	<b>30190</b>	<b>21654</b>	<b>817601</b>	<b>6482</b>
SSI/MSE Sector Advances	1248790	50443	349896	10222	3957	201803	2705
Others under Priority Sector	1460442	47089	292485	8657	2100	107234	1924

Advances							
Total Priority Sector Advances	<b>17602426</b>	<b>225078</b>	<b>3538864</b>	<b>49069</b>	<b>27711</b>	<b>1126638</b>	<b>11111</b>
Non-priority sector loans	5431806	270727	966185	38387	15867	697116	14549
Total Advances	<b>23034232</b>	<b>495806</b>	<b>4505049</b>	<b>87456</b>	<b>43577</b>	<b>1823754</b>	<b>25660</b>
Educational Loans Advances	229015	5055	60064	1095	361	22372	362
Housing Loans Advances	624491	32405	154936	6237	1034	55834	1053
Self Help Groups Advances	1470848	21245	216636	2195	946	89631	731

## 16. Regional Rural Banks

Regional Rural Banks` main focus of lending is to Agriculture and Allied activities in rural, semi urban and urban areas. RBI, NABARD and Sponsored Banks are reviewing the performance of RRBs at regular intervals.

### A. Performance of Regional Rural Banks on important parameters

#### Deposits:

Rs. In crores

S. No	Name of the RRB	30.09.2012	31.03.2013	30.09.2013
1	APGVB	5166.25	5863.31	5911.90
2	APGB	4607.65	5001.07	5359.78
3	CGGB	921.52	1138.95	1225.35
4	DGB	2954.96	3445.63	3442.29
5	Sapthagiri Grameena	1969.39	2134.67	2250.67
	<b>Total</b>	<b>15619.77</b>	<b>17583.63</b>	<b>18189.99</b>

#### Advances:

Rs. In crores

S. No	Name of the RRB	30.09.2012	31.03.2013	30.09.2013
1	APGVB	6291.06	6589.58	7121.36
2	APGB	6103.13	6759.22	7025.51
3	CGGB	1543.44	1792.85	2083.80
4	DGB	2668.32	2775.46	3166.10
5	S G B	2589.39	2706.37	3028.91
	<b>Total</b>	<b>19195.34</b>	<b>20623.48</b>	<b>22425.68</b>

**CD Ratio:**

S. No	Name of the RRB	30.09.2012	31.03.2013	30.09.2013
1	APGVB	121.77	112.39	120.46
2	APGB	132.46	135.16	131.08
3	CGGB	167.49	157.41	170.06
4	DGB	90.30	80.55	91.98
5	S G B	131.48	126.78	134.58
	<b>Total</b>	<b>122.89</b>	<b>117.29</b>	<b>123.29</b>

**Bank Net Work:**

S. No	Name of the RRB	No. of Branches as on 30.09.2013
1	APGVB	638
2	APGB	439
3	CGGB	130
4	DGB	269
5	S G B	157
	<b>Total</b>	<b>1633</b>

**Total Agricultural Advances:****Rs. in crores**

S. No	Name of the RRB	Crop Loans		Agrl. Term Loans	
		30.09.2012	30.09.2013	30.09.2012	30.09.2013
1	APGVB	2308.80	2763.09	1329.25	1365.33
2	APGB	3064.60	3648.87	1458.24	1330.52
3	CGGB	1060.48	1493.61	275.33	315.76
4	DGB	1020.60	1246.78	755.28	835.53
5	S G B	1301.77	1586.09	524.32	541.01
	<b>Total</b>	<b>8756.25</b>	<b>10738.44</b>	<b>4342.42</b>	<b>4388.15</b>

**Total Advances:****Rs. In crores**

S. No	Name of the RRB	Outstanding		Total Agriculture	
		30.09.2012	30.09.2013	30.09.2012	30.09.2013
1	APGVB	6291.06	7121.36	3638.05	4128.42
2	APGB	6103.13	7025.51	4522.84	4979.39
3	CGGB	1543.44	2083.80	1335.81	1809.37
4	DGB	2668.32	3166.10	1775.88	2082.31
5	S G B	2589.39	3028.91	1826.09	2127.10
	<b>Total</b>	<b>19195.34</b>	<b>22425.68</b>	<b>13098.67</b>	<b>15126.59</b>

**17. Flow of Information****A. Information to be submitted quarterly by Banks and LDMs**

All Banks and LDMs are advised 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. Hence, All banks and LDMs are advised to submit the data well on time to adhere to the time schedule of SLBC meetings smoothly.

### **B. Communicating the decisions taken at SLBC level to the branches by the Controlling Authorities**

It is brought to the notice of SLBC by GoAP and many LDMs that the decisions taken at the SLBC level are not being percolated to the branches by the respective controlling offices which creating a big vacuum in the implementation of guidelines.

All Banks are advised to percolate the decisions taken at the SLBC level immediately to their branches to enable them to implement at the field level by the branches.

All LDMs are also advised to circulate the guidelines given to them by SLBC, to the branches in their district to enable them to implement the same and also place before DCC/DLRC meetings to initiate suitable action for implementation.

## **18. Other Items**

### **A. Mis-utilisazation of benefits of reservations by the employees of State Bank of India**

It is informed by State Bank of India vide Lr.No.ABU/RRBs&LB/373dt. 22.11.2013 that instances have come to the notice of the Management of SBI that some of the employees have submitted certificates of Caste for getting employment in Bank under reservation category. It was subsequently found as bogus caste certificates after verification with the authorities concerned.

In this regard GoAP is requested to instruct the authorities concerned to take due diligence at the time of issuance of caste certificates.

## **19. Circulars issued by RBI**

RBI issued the following circulars

- a) RBI/2012-13/559,RPCD.GSSD.CO.No.81/09.01.03/2012-13 dated June 27, 2013 on Priority Sector Lending - Restructuring of SGSY as National Rural Livelihood Mission (NRLM) – Aajeevika
- b) RBI/2013-14/129,RPCD.CO.LBS.BC.No.11/02.01.001/2013-14 dated July 9, 2013 on Direct Benefit Transfer (DBT) Scheme
- c) RBI vide Lr.No.RPCD.CO.Plan.BC 15/04.09.01/2013-14 dated 24.07.2013 has advised definition of disbursement in regards to reporting in monthly and yearly reporting.

**Cash Credit/Overdraft account and running accounts of similar nature:** Debit summations minus interest and other charges or sanctioned limits, whichever is lower for the particular period under consideration (monthly/quarterly/half yearly/yearly).

**Term Loan:** Debit summations minus interest and other charges for the particular period under consideration (monthly/quarterly/half yearly/yearly).

- d) RBI/2013-14/279 RPCD. GSSD.CO. BC. No 38/ 09.01.03/2013-14 September 20, 2013 on Credit facility under National Rural Livelihood Mission (NRLM) – Aajeevika- Reporting to RBI
- e) RBI/2013-14/389, RPCD.MSME & NFS. BC. No. 61/06.02.31/2013-14, dated December 2, 2013 Revised General Credit Card (GCC) Scheme
- g) RBI/2013-14/313, RPCD.RCB.BC.No. 42 /07.51.014 /2013-14 October 7, 2013 on Unclaimed Deposits/Inoperative Accounts in banks – Treatment of certain savings Bank accounts opened for credit of Scholarship amounts and credit of Direct Benefit Transfer under Government Schemes
- h) RBI/2013-14/398, RPCD.No.PSD.BC.71/05.04.02/2013-14, DATED December 4, 2013 on Union Budget – 2013-14 – Interest Subvention Scheme
- i) **RBI Cir No.RPCD. GSSD. CO.BC.No 57/09.01.03/2013-14 November 19, 2013- Restructuring of SGSY as National Rural Livelihoods Mission (NRLM) – Aajeevika- Interest Subvention Scheme**

Please refer to our Circular RPCD. GSSD. CO. No.81/09.01.03/2012-13 dated June 27, 2013 on restructuring of Swarnajayanti Gram Swarozgar Yojana (SGSY) as National Rural Livelihoods Mission (NRLM).

As indicated in paragraph 7 of the above circular, detailed guidelines for operationalisation of the Interest Subvention Scheme under NRLM for the SHG credit during the year 2013-14, as received from the Ministry of Rural Development, Government of India are annexed. Banks are advised to follow the instructions for operationalisation of the Scheme.

NABARD will issue separate guidelines to Regional Rural Banks and Cooperative Banks in the matter.

- j) **RBI/2013-14/379 Cir.No. RPCD.CO.Plan. BC 59/04.09.01/ 2013-14 November 25, 2013 - Priority Sector Lending – Classification**

The incremental bank loans to medium service enterprises extended after November 13, 2013, up to the credit limit of Rs.10 crores, would qualify as priority sector advances. In line with the above, similar incremental loans to micro and small service enterprises up to the credit limit of Rs.10 crores, (as against the present ceiling of Rs.5 crores), shall also be treated as priority sector advances.

The above dispensation will remain in force up to March 31, 2014.

## **20. Proceedings of the meetings conducted after 181<sup>st</sup> SLBC meeting**

### **I. SLIC Subcommittee Meeting- 22.06.2013**

Proceedings of the SLIC Sub-Committee Meeting held on 26.03.2013 in the Conference Hall, Office of the Commissioner of Industries, GoAP, Hyderabad.. The meeting was chaired by Sri Rajat Kumar, IAS, Commissioner of Industries, Sri V.B. Bhagavathi, DGM, SLBC, Sri K. Uma Maheswara Rao, AGM, SLBC, Sri Prasanna Kumar, JD, Industries, representatives from SIDBI, AFSFC, Banks, Industry Associations and Industrialists are present.

#### **NEW UNITS**

<b>Sl. No.</b>	<b>UNIT</b>	<b>Financing Banks/FIs</b>	<b>Reference made</b>	<b>Discussions</b>	<b>Resolution</b>
1	M/s.Virupaksha Aluminium Pvt. Ltd.	State Bank of India, Commercial Branch, Ongole	Party is requesting for reduction of rate of interest and Reschedule the repayment of Interest and Installments and to arrange further working capital for surviving of the unit.	Party informed that he is a Chartered account basically and started the industry in rural area. The Unit is facing problems due to power crises. The unit could get 300	The forum felt that the party should convince the Banker about the repayment by giving how they propose to overcome the situation and meet the commitments to the Bank. Commissioner of

				<p>hours per month as against the targeted 720 hours per month.</p> <p>The Industry associations felt that Banks should consider the request of the party before they go for Legal proceedings keeping in view the real problems being faced by the industry.</p> <p>Bank representative informed that the unit is not repaying the dues from October, 2012 and bank has initiated steps for recovery as party has not repaid the dues</p>	<p>Industries advised the representative of SBI to arrange for a meeting of party with Local Head Office on Monday and take a view on the issue on discussion.</p> <p>The forum felt that the Party has suffered duet to power crisis and it is beyond his control, the bank may take a sympathetic view and work out a solution based on discussion with the party on 24.06.2013.</p>
2	M/s. Sharada Mechanical Engineering, Cherlapally	Syndicate Bank	Party is requesting to defer the proceedings under SARFAESI and help with Rehabilitation package to bring back unit to normal position.	<p>Borrower was not present at the meeting.</p> <p>Bank informed that as requested by the party they have allowed time up to 31<sup>st</sup> May 2013.</p> <p>Bank also informed that the party was advised to submit the proposal for</p>	Forum advised that the party should meet the Banker and submit proposal for restructuring and based on viability study, bank may take a view.

				restructuring.  Party has not yet responded to the same.	
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#### Units discussed in earlier meeting

Sl. No.	UNIT	Financing Banks/FIs	Reference made	Discussions	Resolution
1	M/s. Swathi Pushpam Pvt. Ltd. Turkayamjal, Hayat- Nagar (M)	SIDBI and BOI	The party is requesting India SME Reconstruction Company Ltd. (ISARAC) to withdraw the Recall Notice issued and to cede pari passu in favour of Bank of India to enable them to grant us additional working capital.	SIDBI representative informed that ISARC is conducting enterprise valuation study. If the valuation report is satisfactory, they are ready to clear Pari Pasu on fixed assets in favour of BoI subject to the following:  Bank of India ceding pari passu charge	Forum advised SIDBI/MOI not to initiate any recovery proceedings pending rehabilitation.  Forum advised the party to be in touch with SIDBI and BOI and resolve the issue..



				on current assets and all transactions should be routed through Escrow account.	
2	M/s. SKM Technologies Private Limited	State Bank of India, Balanagar Branch	Party is requesting for restructuring of loan and at least one year time may be given to the unit for repayment.	<p>CEO of M/s. SKM Technologies requested the forum and Banker to give one year time for repayment as they have brought the overdue from Rs.32 lakhs to Rs.23 lakhs.</p> <p>Bank representative informed that the party has not fulfilled the promises made earlier to Bank and also failed to meet orders given by HAL.</p> <p>Bank informed that the case is referred to DRT as such they cannot take up any restructuring proposal at present.</p> <p>The CEO of the company informed that the Principal Secretary, Industries &amp; Commerce, GoAP has</p>	<p>Forum advised the representative of SBI to facilitate a meeting of the party with the General Manager of SBI and take a view before the SLIIC meeting to be held on 25.06.2013 and inform the position in SLIIC meeting.</p> <p>The Commissioner of Industries has also advised the representative of SLBC to talk to SBI officials for a meeting of Company representatives with Senior Bank officials..</p>

				<p>written to Chairman of SBI for rehabilitating the unit.</p> <p>He requested the representative of the Bank to visit the unit and informed that the present functioning of units is good and there are sufficient orders on hand.</p>	
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#### Other Issues:

##### g) **Andhra Pradesh Small Scale Industries Revival Scheme,2006:**

The Chairman of the SLIIC Subcommittee & Commissioner of Industries informed the Bankers and Industry Associations to popularize the Andhra Pradesh Small Scale Industries Revival Scheme, 2006 (**APSSIRS**) and ensure that Industries are make use of the benefit of the scheme.

Industry Associations may place the scheme details in their magazines and popularize the scheme. Commissioner of Industries also requested the SLBC to once again circulate the scheme guidelines to all Banks and ensure that the benefit of the scheme goes to Industries in distress. Banks are advised to refer the cases eligible under the scheme guidelines to the Commissioner of Industries for claiming the benefits.

Commissioner of Industries also felt that the SLIIC Subcommittee is to be conducted on 3<sup>rd</sup> Wednesday of every month to have more interaction and resolving the industry problems. If the 3<sup>rd</sup> Wednesday happens to be a holiday the meeting will be conducted on the succeeding day

##### h) **Broad basing the invitees from Industry Associations to SLIIC/Sub-Committee Meetings:**

The Commissioner of Industries opined that the present invitees to SLIIC/Sub-Committee Meetings from Industry Associations are to be broad based to reflect overall industries in the State. He informed that the matter will be studied and a fresh list will be sent to RBI and SLBC by his office.

## II. **Subcommittee meeting on Common Due date structure– 03.07.2013**

**Proceedings of the Sub-Committee Meeting of SLBC of Andhra Pradesh on Common due Date Structure**

A Sub-committee Meeting of SLBC of AP on Common due date structure was conducted at Andhra Bank, Head Office, Hyderabad on 03.07.2013 at 3.30 PM. Sri N. Gireesan, AGM, Reserve Bank of India, Sri S. Subba Rao, AGM, NABARD, Sri K. Madhusudana Rao, Commissioner of Agriculture, GoAP, Sri S.V. Hanumantha Rao, OSD, Finance, GoAP, Sri JVSS Sastry, AGM, Indian Bank, Sri D.V. Krishna Kumar, AGM, Syndicate Bank, Dr.N. Muralidhar, General Manager, APCOB, representatives from Government Departments and Banks were present.

Sri C. Doraswamy, Deputy General Manager, SLBC has chaired the meeting and he extended a warm welcome to all the participants who attended the subcommittee meeting.

In his welcome address, he informed that Reserve Bank of India has introduced revised Kisan Credit Card (KCC) scheme and issued guidelines vide their letter dated May 11, 2012. As per guidelines each withdrawal under the short term sub-limit has to be liquidated in 12 months without the need to bring the debit balance in the account to Zero at any point of time. RBI has further modified the instructions vide their letter dated August 7, 2012, that the repayment period may be fixed by banks as per anticipated harvesting and marketing period for the crops for which a loans has been granted.

DGM, SLBC has informed that State Bank of India, State Bank of Hyderabad and some other Banks are following the due date of 6 months + 2 months for marketing time from the date of loan subject to June whichever is later. Cooperative Banks are following March for Khariff loans and June for Rabi loans as due date since long time. Some Banks like Andhra Bank, Indian Bank, Syndicate Bank, etc., are following due date as one year from the date of first drawal of KCC limit.

In view of the Interest subvention scheme of Government of India and Pavala vaddi and Vaddi Leni Runalu scheme announced by Government of Andhra Pradesh, to avoid confusion among the farmer community it is felt necessary that all Banks to arrive at a common due date for short term production crop loans.

He informed that against the above back drop, the subcommittee of SLBC was formed and the meeting was convened to deliberate on the above. He requested the Commissioner of Agriculture to initiate the discussion.

Sri K. Madhusudana Rao, Commissioner of Agriculture, GoAP, has informed that this issue was discussed earlier also and there is an increasing demand for uniformity of due date. From East Godavari and West Godavari districts, they are receiving many requests from the farmers as well as from the People`s representatives, to take steps for adopting common due date by Banks.

He opined that as the Government of AP is giving one year time for extending the VLR benefit to the farmers in tune with the Interest subvention guidelines of GoI, as a matter of policy all Banks may adopt a common due date unless there are any specific difficulties in adopting the same. He advised the representatives of subcommittee to deliberate on this and come out with their views.

During the deliberations the Representative of Syndicate Bank informed that their Bank is adopting one year due date concept and the guidelines were already issued to the branches for adoption.

Representatives of Andhra bank and Indian Bank also informed that they have already adopted one year due date concept.

Representative of SBI informed that as of now they are adopting March as due date and their Head Office is fixing only one due date for the entire country. But he informed that since the GoAP is implementing the VLR scheme in the State of Andhra Pradesh and if a view is taken by the Subcommittee with regard to common due date by all Banks, they will recommend to their Head Office accordingly basing on the resolution passed at the Subcommittee of SLBC.

Sri N. Gireesen, AGM, RBI informed that though the RBI has stated that 'the repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which a loan has been granted', they will also take up with their Central Office whether there is any problem in fixing a common due date by all banks in the state of Andhra Pradesh.

He asked the member banks present whether there are any technological problems. All Banks' representatives present replied that there may not be any problems and the representative of Indian bank informed that there may be soft ware issues that can be resolved without any difficulty.

General Manager, APCOB, informed that they are already adopting March/June due date concept for Khariff and Rabi loans and they can adopt the revised system.

Sri S. Subba Rao, AGM, NABARD has informed that fixing of common due date up to 12 months is not an issue to NABARD, but Banks to take into consideration of Long duration crops and short duration crops while fixing the same. He opined that for long duration crops beyond one year, this due date may not be suitable.

Sri S.V. Hanumantha Rao, OSD, Finance, GoAP informed that whatever guidelines given by the Government of Andhra Pradesh are in tune with the interest subvention guidelines issued by Government of India.

#### **VLR Scheme:**

Commissioner of Agriculture informed that they have sanctioned an amount of Rs.178 crores and while processing the claims under VLR scheme they have come accrossed some issues/problems which may be taken note by all Banks.

- Some Banks (APGVB) have made a mistake in decimals which amounts to huge difference in claim.
- 1% and 4% totals are not tallying
- In some cases Rabi season claims received
- Some Banks have made double claims i.e., twice claimed for the same accounts.

He informed that as agreed upon Banks are requested to submit category wise break-up details for the claims made so far and from 1st July, 2013 onwards as decided in the earlier meeting. He advised the Banks to activate the IT Departments and give the details of payments.

All Banks requested the Commissioner of Agriculture, that since they are still in the process of designing the software, they requested for extension of time up to 31<sup>st</sup> July, 2013 to submit the category wise details for the claims submitted and also for claiming fresh claims in the earlier procedure (i.e., consolidated position).

Commissioner of Agriculture has agreed to the request made by the Bankers. However he requested all banks to submit at the earliest since as their office will be made responsible to submit the details to the Government for the amount released.

Commissioner of Agriculture replied to the request made by the General Manager, APCOB with regard to their claim pending for Rs.61.49 crores, will be released in a week`s time.

Representatives of Banks requested the Commissioner of Agriculture to clarify whether Vaddi Leni Runalu is also being extended to Rabi 2012-13 since farmers are coming for repayment of loans disbursed during RABI 2012.

Commissioner of Agriculture informed that Banks can go ahead for Rabi 2012-13 loans also to cover VLR scheme and the Department of Agriculture will send written clarification immediately in this regard to SLBC.

DGM, SLBC, requested the Commissioner of Agriculture to extend helping hand to the Bankers in recovery of overdue in Agriculture sector.

### Resolution of Sub-Committee

#### Adoption of Common due date:

- It is recommended by the sub-committee to adopt common due date i.e., 12 months from the first drawal of the limit to facilitate the Government of AP in implementation of benefit schemes to the farming community and to redress the grievances of the farmers on different due dates.
- In respect of long duration crops, where the crop duration exceeds 9-10 months, individual Banks may adopt their system of fixing due dates.
- Adoption of above system may be made effective from current Khariff, 2013 crop season and if any Bank is having specific issue, it is to be brought to the notice of SLBC to enable SLBC to take up with their higher authorities.

#### VLR Scheme:

- All Banks may take steps for submission of data category-wise as stipulated in GO MS No.639, Dt. 27.04.2013 by 31.07.2013 and claims are to be submitted as per the same from 01.08.2013.
- GoAP may release guidelines immediately on applicability of VLR Scheme from Rabi 2012-13 loans.
- Department of Agriculture may extend their helping hand in recovery of overdue in

Agriculture sector for free flow of credit to Agriculture.

**(Action: All Banks, Department of Agriculture, GoAP)**

### **III. Subcommittee on RSETIs – 03.07.2013**

#### **Proceedings of the Sub-Committee Meeting of SLBC of Andhra Pradesh on RSETIs**

A Sub-committee Meeting of SLBC of AP on RSETIs was conducted at Andhra Bank, Head Office, Hyderabad on 03.07.2013 at 5.30 PM. Sri Reddy Subrahmanyam, Principal Secretary (Rural Development), GoAP, Sri M. Raghunandan Rao, CEO, EGMM, SERP, Sri M. Srinivasa Baba, Director, SHG's, SERP, Sri DVR Reddy, Specialist-Bank Linkage, MEPMA, Sri O N Bansal, Project Director, RSETIs, NIRD, Sri C. Lakshmipathi, AGM, SBI, Sri JVSS Sastry, AGM, Indian Bank, Sri D.V. Krishna Kumar, AGM, Syndicate Bank and representatives from Government Departments and Banks were present.

Sri Reddy Subrahmanyam, Principal Secretary, Rural Development has Chaired the meeting and Sri C. Doraswamy, Deputy General Manager, SLBC has conducted the proceedings of the meeting and extended a warm welcome to all the participants who attended the subcommittee meeting.

Sri C. Doraswamy, DGM SLBC has informed that at the instance of MoRD, all Lead Banks have set up RSETIs in all Districts and functioning for the last many years. In the State of Andhra Pradesh total 25 RSETIs are functioning including one State Level Institute at Hyderabad.

He informed that SLBC has constituted a Subcommittee as suggested by MoRD in order to strengthen the RSETIs implementation machinery. The Committee is meeting for the first time and meets regularly at least once in a quarter in future.

He informed that SLBC has advised the Lead Banks and Lead District Managers for Formation/revival of Local advisory Committee at District Level with Regional Head of the Sponsoring Bank acting as Chairman and Lead District Manager, District Development Manager, NABARD, GM, District Industries Centre, PD, DRDA, the Employment Exchange Officer, Heads of vocational Institutes in the district like it is, Polytechnics, KVKs etc., and two or three eminent personalities connected with rural development acting as members and the Director of the RSETI shall be the Convener.

#### **DGM, SLBC requested the members to offer their views and suggestions for strengthening of the RSETIs:**

Sri O N Bansal, Project Director, NIRD expressed happiness on formation of the Subcommittee which was long pending. He has informed that the functioning of RSETIs in the State is in the forefront when compared to other states. He informed that in the SLBC meetings held, the discussion with regard to RSETIs could not get focused attention and hence this subcommittee is formed.

He requested the committee to meet before conducting of SLBC meetings and discuss the issues and if any unresolved issues may be brought to the notice of SLBC.

Sri Reddy Subrahmanyam, Principal Secretary, Rural Development, GoAP, informed that he was regularly reviewing the functioning of RSETIs on monthly basis earlier and he expressed that the

institutes are running fairly good manner in the state of Andhra Pradesh and most of them are “A “rated and some “A+ “and only 2 are in B and 1 is in C category.

**The Principal Secretary has expressed the following concerns and suggestions:**

1. He felt that more focus needs to be paid on self employment. Banks should promote entrepreneurship among the trainees and they should in turn have to motivate more people by way of starting enterprises.
2. In most of the cases Banks are not coming forward to extend finance to the trained candidates in their service area despite the candidates are trained by the Bankers Institutes.
3. Quality of training is to be improved. Identifying the right trades and Teaching faculty also to be taken care.
4. Selection of candidates is the important step for getting good entrepreneurs and the right persons are to be trained.

He advised EGMM to support the RSETIs in selection of candidates through their JRPs and take their help for identifying good entrepreneurs from poor communities with adequate representation from SCs/STs.

Sri Subrahmanyeswara Rao, Chief Manager, Andhra Bank, earlier worked as Director, RSETI, Rajahmundry informed that the main problem is availability/selection of right candidates to RSETIs and during the last two years they could not get any applications sponsored by Government agencies.

Sri Raghunandan Rao, CEO, EGMM, SERP informed that identifying the candidates and linking the entrepreneurs to the Bank is the main problem and there are no parameters to judge the candidates.

Principal Secretary advised Raghunandan Rao and Srinivasa Baba to support in identification of candidates to RSETIs and each should help 10 candidates each.

Project Director, NIRD has suggested that for identifying the right candidates a questionnaire consisting of 10-20 questions may be prepared. This should be in Telugu language and it is suggested that NIRD will prepare the questionnaire with the help of RSETI Directors for making evaluation of the candidates to be selected for imparting training needs.

**The forum deliberated on the following and the following suggestions emerged:**

**1. Strengthening of RSETIs in Andhra Pradesh**

- Support for selection of Candidates is to be provided by Government i.e., EGMM & SERP to all RSETIs.
- Directors of RSETIs postings are to be taken up at the Head Office Level. Experienced and enthusiastic persons are to be posted as Directors.
- Encouragement to RSETIs in the form of incentives basing on the ratings as it is already implemented in State Bank of India.

**i) Need for opening of more RSETIs in Back ward districts in AP**

- More RSETIs may be established in ITDA areas with the support of Integrated Action Plan scheme under BRGF Grant or by Banks on their own.  
(Representative of NIRD informed that the funding from Government is restricted to only one RSETI for each district.)
- j) **Issues relating to Land allocation by Government, delay in reimbursement of amount from Government agencies**
  - SBI representative raised the land issues at Khammam, Visakhapatnam and Vizianagaram.
  - Andhra Bank has informed that the issue of finalization and allotment of sites at Guntur, Tirupathi and Machilipatnam is yet to be resolved.
  - Principal Secretary informed that Government is ready to clear all the issues relating to Land and other funds to be released. He has also advised the concerned to look at the Municipal Corporations centres as alternatives to the District Head Quarters for allotment of sites.
- k) **Reporting system to be followed by RSETI**
  - Uniform website for all RSETIs by MoRD is taking care of the MIS system and all RSETIs may follow the same. A copy of the progress report may be sent by Lead Banks to SLBC every month.
- l) **Steps to be taken for improving credit flow to RSETIs trained candidates**
  - Branch Managers are to be sensitized on accepting the applications of the RSETIs trained candidates for financing and RSETIs have to make special efforts.
  - The finance extended to the RSETI trained candidates also to be reviewed along with other Government sponsored Schemes at regular intervals by DCCs.
  - Marketing support is to be provided to the entrepreneurs who start the enterprises where they are facing difficulty in that area and not coming forward to establish units. The Principal Secretary (RD) has advised EGMM to look into the aspect of arranging marketing linkages.

## **7. Role clarity for APBIRED**

- It is felt that APBIRED should act as a role model and Nodal agency for all the RSETIs In the state as the committee felt that at present APBIRED is more like a bigger RSETI rather than the guiding institute.
- It is advised that APBIRED can also plan for advanced trainings to the RSEETI trained candidates for certain specific trades. All sponsors of APBIRED may take measures for improving the performance of APBIRED on the above issues.

As the representative of APBIRED was not invited to the meeting, elaborate discussions have not happened.

### **General:**

- It is resolved by the forum that the Director, APBIRED has to be invited to the Subcommittee as a member hereafter.



- It is also decided that two RSETIs Directors will be called for the meetings on rotation basis.

**(Action: All Banks, LDMs, EGGM, SERP, Rural Development Department of GoAP, APBIRED Sponsors of APBIRED and SLBC)**

#### **IV. 3rd Steering Committee Meeting of SLBC – 23.07.2013**

**Proceedings of 3rd Meeting of Steering Committee of SLBC of A.P 2013-14 held on 23.07.2013.**

3rd Meeting of Steering Committee of SLBC of A.P 2013-14 was held on 23.07.2013 in Andhra Bank, Head Office, Hyderabad. In the meeting Sri R.N. Dash, General Manager, Reserve Bank of India; Sri Samir Sarkar, Asst. General Manager, Reserve Bank of India, Sri Reddy Subrahmanayam, Principal Secretary, Rural Development, Sri S.V. Hanumantha Rao, OSD, Finance (IF) Dept, Govt. of A.P; Sri G.R. Reddy, Advisor, Finance Department, Sri S. Venkat Raman, General Manager, SBH, Sri V.B. Bhagavathi, GM, Andhra Bank, Sri S.K. Nigam, DGM, State Bank of Hyderabad, Sri P. Raja Reddy, DGM, Syndicate Bank Sri G. Guruharinadha Rao, DGM, Corporation Bank, Sri C. Doraswamy, DGM, Andhra Bank, Dr.Nethi Muralidhar, GM, APCOB, Sri D S R K Saibaba, GM, APGVB, other representatives from Government Departments and Senior Officers from Banks have attended the meeting.

Sri K.K. Misra, Executive Director, Andhra Bank, has chaired the Meeting.

#### **Agenda: 1**

**Governor, RBI direction to make Andhra Pradesh a model State in the country under DBT initiatives of Gol: – Preparation of Roadmap DBT/DBTL & Grievance Redressal Mechanism**

Sri B.Narendranatha Reddy, General Manager & Convener, SLBC of A.P has welcomed the members and informed that the meeting is convened in connection with the recent meeting of the Governor, Reserve Bank of India with the Chief Minister of Andhra Pradesh. In the meeting it was desired by the Governor, RBI to make Andhra Pradesh a model State for Direct Benefit Transfer. The important agenda of this meeting is to discuss and evolve an action plan/road map to make Andhra Pradesh a model and best practice state in the country under DBT.

Sri K.K. Misra, Executive Director, Andhra Bank, has welcomed the members and informed that the meeting is intended mainly to inform the member Banks the desire of the Governor, Reserve Bank of India expressed during the meeting with the Chief Minister of Andhra Pradesh on June 06, 2013 and to evolve a road map to achieve the same. All officers of the State Government and the banks in the State are to be sensitized to make Andhra Pradesh a model state in the country for Direct benefit Transfer Scheme. He requested all the Bankers and other stake holders to take up this challenge and let us make all out efforts in implementation of DBT Scheme.

He informed that Banks shall make sincere efforts to reach saturation in opening of accounts, seeding of Aadhaar numbers in to their Bank accounts and uploading of seeded accounts with the NPCI mapper in a time bound manner with regard to all DBT and DBTL schemes.

He requested the Government of AP and UIDAI to take necessary steps for 100% enrollment of Aadhaar since there is a gap on availability of Aadhaar numbers to the number of beneficiaries. Since the volume of LPG consumers is more, there is a need for assistance from the Government as well as from Oil Marketing Companies and Gas distributors in collecting the applications for getting their bank accounts seeded with Aadhaar numbers.

Sri K.K. Misra informed that during the Video conference held on 16<sup>th</sup> July, 2013 Ministry of Finance advised all banks to complete the seeding of Aadhaar for LPG consumers to the extent of 80% by 15<sup>th</sup> August, 2013 and the remaining can be completed at the earliest. He informed that Ministry of Finance has advised the Banks to expedite the process of Aadhaar seeding in bank accounts through alternate channels viz., ATM, Internet banking and SMS apart from written requests received either directly or through drop box facility for picking up the position very quickly. He also advised all Banks to use Remote Aadhaar Seeding Facility (RASf) to expedite the process.

He also advised the LDMs to supply the CDs collected from OMCs to all banks with a request to contact the beneficiaries either by phone or by personal contacts for opening of accounts and obtaining Aadhaar number from the existing account holders.

He also requested all Banks to put in place the Grievance Redressal Mechanism for Direct Benefit Transfer scheme.

Sri S.K. Nigam, GM, SBH informed that the process of seeding and mapping will take minimum 3 days but the actual seeding takes place within 2 minutes. The problem for bankers is that beneficiaries/consumers are not coming to the banks or requests are not being received to enable the banks to seed their Aadhaar numbers. Some customers did not know to which bank they have to approach for seeding. In addition to this OMCs are refusing to share the information with the Banks. He also observed that there is a mismatch in "Transparency port of NPCI" regarding seeding of accounts with banks and OMCs.

Sri Reddy Subrahmanyam, Principal Secretary has informed that in the state of Andhra Pradesh out of 1.35 lakh NREGS payments and 68 lakh Social security pensions, 0.86 Lakhs and 23 lakh payments are being routed through DBT respectively. He informed that mostly Aadhaar Payment Bridge (APB) through NPCI is working well in the state but Aadhaar Enabled Payment Systems (AEPS) is to be progressed. He further informed that payments are to be made through Biometric devices at village level and UIDAI is giving an amount of Rs.15000/- per device to Banks.

He requested that by 1<sup>st</sup> August, 2013, all Banks should be ready with procurement of devices along with the scanner to effect payments.

With regard to the desire of Governor, RBI to make AP as a model state, he shared the information that there are two ways of seeding i.e., Organic seeding and Inorganic seeding system. In organic seeding process, Banks have to verify in physical mode and it is a time consuming factor. In case of inorganic seeding Banks can use Technological methods for seeding and can complete the process very fast. He advised all banks to complete the process of seeding and mapping with NPCI as per the timelines for smooth implementation of DBT scheme.

**(Action: All Banks, LDMs, OMCs, UIDAI and GoAP)**

## **Agenda 2**

### **Restructuring of SGSY scheme as National Rural Livelihood Mission (NRLM) – Ajeevika - Guidelines**

Convener, SLBC informed that Reserve Bank of India has issued guidelines with regard to National Rural Livelihood Mission scheme (NRLM) vide their circular No.RBI/2012-13/559, RPCD.GSSD.CO.No.81/09.01.03/2012-13 dated June 27, 2013 and the same is communicated to all Banks for implementation.

He also informed that a subcommittee is formed and the same is communicated to all members. The committee will meet once in a month to review the progress made under the program.

Principal Secretary informed that some of the branches are not allowing draws in SHG loan accounts up to the sanctioned limits even though the outstanding liability is lesser than the sanctioned limit.

Convener informed that there is no such restriction imposed in the scheme as the loan account is operated in Cash Credit mode.

Principal Secretary requested banks to mark copy of the guidelines issued by banks in this regard.

**(Action: All Banks and All members of NRLM sub- committee)**

### **3. a) Agriculture – Latest Performance under Short Term Production Credit – Khariff - 2013-14.**

Convener informed that the progress made under Crop Loans during the current financial year is around 45%.

Banks are requested to maintain details like number of LEC holders, out of this eligible and ineligible for finance, balance for extending finance and reasons for ineligibility to have an effective review on the scheme. LECs are issued in the month of June 2013 instead of April as envisaged. It is observed that about 3.00 lakh cards were issued during the current year including renewal cards. He has requested Department of Agriculture of the state to hasten the process of issuing cards.

SLBC also requested all banks to furnish the overdue position of LEC scheme for effective review in various forums. Proforma was communicated by SLBC to all controllers of the banks.

The representative from the Department of Agriculture requested SLBC to collect interim data on performance of Agriculture loans from all Districts under term loans besides short term loans.

Convener informed that SLBC already collecting the Data on quarterly basis and placing the same in SLBC agenda for review.

### **b) Relief Measures for recent wide-spread rains in the state**

Convener informed that for the past 10 days heavy rainfall is recorded in many districts of Andhra Pradesh and it is observed that crops were reported as damaged in some of the districts.

All LDMs are advised to take necessary steps in the districts to assess the damages by convening a special DCC meeting and extend necessary support to the affected farmers observing RBI guidelines in this regard.

State Government is requested to assess the damages to the crops in the districts due to heavy rains and may take immediate steps for notification of affected areas to facilitate Banks to extend relief measures.

All Banks are advised to follow the **MASTER CIRCULAR - GUIDELINES FOR RELIEF MEASURES BY BANKS IN AREAS AFFECTED BY NATURAL CALAMITIES** and take necessary steps for providing required relief measures.

**(Action: All Banks, LDMs and Govt. of AP)**

#### **4. Claiming of Interest under Vaddileni Runalu scheme – Progress in implementation**

Convener informed that as agreed upon, Banks are requested to submit category wise break-up details for the claims made so far and also from 1st August, 2013 onwards as decided in the earlier meeting dated 03.07.2013. He advised the Banks to activate the IT Departments for providing necessary payment details in this regard.

**Hence, all Banks are requested to submit Category-wise details of claims from 1<sup>st</sup> August, 2013 onwards and also submit the same for the claims already made as agreed upon.**

**It is clarified that banks can follow the same format, system and procedure for claiming interest for Rabi loans under VLR scheme.**

**(Action: All Banks)**

#### **5. Adoption of Common approach in Lending of Agricultural Loans- Service Area Approach**

Convener, SLBC informed that SLBC is receiving complaints from farmers that they are unable to get Agricultural loans from the branches at their place of residence or from the branches where their lands are situated.

He informed that some branches are simply diverting the farmers to go to the branches where their land is situated and some banks are diverting the farmers where their residence is located for extending agriculture finance. Hence farmers are under confusion in moving around the branches and not getting timely credit/no credit in all the instances.

As per extant guidelines of Reserve bank of India, it is the choice of the beneficiary to avail agricultural loan from branch of his choice. However, after allocation of villages under FIP, this issue is repeatedly being raised in view of the actions of some of the bank branches.

GM, Reserve Bank of India informed that there was no confusion in the guidelines issued by RBI and Banks can act accordingly. He added that there is no service area concept except for Government sponsored schemes.

The guidelines of RBI issued during the year 2004 on this issue are reiterated as under:

*“The allocation of villages among the rural and semi-urban branches of banks shall not be applicable for lending, except under Government sponsored schemes. While the commercial banks and RRBs will be free to lend in any rural and semi-urban area, the borrowers will also have the choice of approaching any branch for their credit requirements”*

The forum resolved that Banks to follow the existing RBI guidelines and if any specific cases arises that particular Bank to resolve the issue or to refer SLBC for further discussion /guidance.

**(Action: All Banks)**

#### **6. Assignment/Alienation of Government land in favour of Individuals/Organizations – Violation of conditions - Restrictions**

Convener informed that SLBC has received a communication from Chief Commissioner of Land Administration & Special Chief Secretary to Government and it is mentioned that Government lands have been assigned/alienated in favor of either Individuals / Organizations etc with certain conditions for them to be used for a specific purposes.

The assignees/Alienees in violation of those conditions of Assignment/Alienation are preparing Project Reports and grounding the works and getting financial assistance from Banks.

Hence all Banks are advised not to sanction any financial assistance or loans to such assignees/alieenees that are in violation of the conditions of Assignment/Alienation or in violation of the Transfer of Assigned Lands Act, purchase the lands and submit any Project Report for their funding or for finance.

**All Banks are requested to make note of the above while sanctioning loans to such customers and send the information about the loans given to such assignees/allienees to SLBC to enable us to inform the same to GoAP.**

**(Action: All Banks)**

#### **7. Coverage of Agricultural Loans under the Provisions of Revenue Recovery Act**

Convener informed that in the State of Andhra Pradesh the lending exposure to Agriculture sector is more than Rs.1,25,000 crores and Banks are taking proactive steps for further improving the lending to Agriculture. To facilitate seamless flow of credit to Agriculture, it is also need of the hour to control/reduce the increasing trend of overdues/NPAs in Agriculture sector.

SLBC has been receiving requests from Banks that the overdue/NPAs in Agriculture sector is in increasing trend and requesting for extension of the provisions of Revenue Recovery Act to Agriculture loans to enable the Banks to reduce and control the overdues in Agriculture sector.

**SLBC requested the GoAP to take a view on the requests made by the Banks in this regard as the matter was also discussed in the meetings earlier, but no action has been initiated by the GoAP. Also requested GoAP to inform the status of “Bhoomi Project” which is aimed to view the land records of the farmer at branch level.**

**(Action: GoAP and Banks)**

#### **8. Focus on opening of Branches in identified Tribal areas, unbanked and one Banked Mandals**

Convener, SLBC informed that SLBC has been requesting time and again all Banks to focus on opening of bank branches in identified Tribal areas given by the Tribal welfare Department and the same was discussed in all meetings.

GM, RBI advised all LDMs to take up these issues at the District Level. He advised that issue of opening of branches in unbanked/one banked mandals and relocation of branches in LWE districts should be the part of agenda in DCC meetings.

**(Action: All Banks, LDMs, Tribal Welfare Department)**

### **9. Inclusion of two new generation Private Sector Banks as members of the Steering Committee**

Convener, SLBC informed that to have focussed attention of new generation private sector banks under Lead Bank Scheme, it is felt that two new generation Private sector Banks also may be included as members of the Steering committee of SLBC.

Keeping in view the Branch network ,Business strength and participation in priority sector lending the following Two Banks may be included as members of the Steering Committee:

#### **ICICI Bank and HDFC Bank**

**The forum has resolved to include these two Banks as members in the Steering Committee of SLBC of AP.**

**(Action: All Banks, ICICI Bank and HDFC Bank for information)**

### **10. Approval of Targets under following Government sponsored Schemes for the year 2013-14**

Convener informed that the following targets were given by the concerned departments for the approval of Steering committee as they were not included in the State Credit Plan 2013-14.

#### **a) Economic support Scheme pertaining to Welfare of Differently abled persons**

**Rs. In Lakhs**

Physical	50% subsidy ( subject to Maximum Rs.30000/- per beneficiary	Bank Loan portion with a unit cost of Rs.1.00 lakh i.e., 70%
993	297.90	695.10

#### **b) A.P. Viswa Brahmins co-operative Corporation Ltd**

**Rs. In Lakhs**

Target				
Physical	subsidy	Bank loan	Beneficiary contribution	Total Outlay

1965	1473.75	1179.00	294.75	2947.50
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**c) A.P. Kummari Shalivahana Co-operative societies Federation Ltd**

**Rs. In Lakhs**

Target				
Physical	subsidy	Bank loan	Beneficiary contribution	Total outlay
3298	2473.50	1978.80	494.70	4947.00

**d) Swarojgar Credit Card (SCC) Scheme**

1	Commercial Banks	20000
2	Cooperative Banks	12000
3	RRBs	8000
	<b>Total</b>	<b>40000</b>

On discussion the forum has approved the targets given under the above schemes and the same may be communicated to all LDMs to place before respective DCCs for reallocation among banks.

**(Action: SLBC, All Banks and LDMs)**

**Additional Agenda:**

**A. Representation received from Poultry Industry**

Convener, SLBC informed that MoF conducted a meeting under the Chairmanship of the Union Agriculture Minister on 06.05.2013 to, inter alia, discuss representation from Poultry Industry regarding difficulties being faced by them due to increase of prices of maize and soya.

The representation has, inter alia, sought fiscal/non fiscal measures such as grant of moratorium on repayment of interest and installments towards term loans, grant of interest subvention, rephasing of outstanding term loans and sanctioning additional working capital loans etc.,

It is mentioned that the representation has been considered in consultation with the Reserve Bank of India and after careful consideration RBI has advised as follows:

- Granting a moratorium on repayment of interest and/or installment on term loans availed by the borrowers in the poultry industry is a commercial decision to be taken by the banks. However, any alteration of repayment period/repayable amount/the amount of installments/rate of interest due to reasons other than competitive reasons would amount to restructuring of loans.
- Under RBI's extant restructuring guidelines, banks can restructure any account whether standard, sub-standard or doubtful as also more than once, provided the financial viability is established and there is a reasonable certainty of repayment as per the terms of the

restructuring package. If such restructuring is done within RBI laid down framework, certain asset classification benefits are currently available.

- Banks would be free to restructure and extend the repayment period of loans to any category of borrowers which have come under stress. However, RBI is not in favor of extending any asset classification benefits beyond what is already provided for in our extant restructuring guidelines for any particular sector or segment.

In the light of the above, Banks are requested to look into each case on merits within the prudential norms of RBI on restructuring, consider the requests, if at all, for Reschedulement, sanctioning of additional working capital limits and for holiday of one year in repayment etc., on case to case basis.

**(Action: All Banks)**

#### **B. Request to provide information on the loans given by various banks to the SEZs by mortgaging the lands allotted by Government**

SLBC has received a communication from Sri Yanamal Ramakrishnudu, the Leader of Opposition, AP Legislative Council, Government of AP requesting to furnish the detailed information in respect of loans given by various banks to SEZs (Special Economic Zones) by mortgaging the land allotted by the Government of Andhra Pradesh to these SEZs.

We have circulated the letter in the meeting to all members along with the names and addresses of some of the SEZs.

Hence, all Banks are requested to submit the information to SLBC immediately to enable us to submit the consolidated position to the Leader of Opposition.

**(Action: all Banks)**

#### **C. Other issues:**

General Manager, APCOB has raised an objection with regard to the common due date of 12 months proposed under revised Kisan credit card scheme recorded in the minutes of the subcommittee held on 03.07.2013.

#### **The convener, SLBC has clarified as follows:**

- It is recommended by the sub-committee to adopt common due date i.e., 12 months from the first drawal of the limit to facilitate the Government of AP in implementation of benefit schemes to the farming community and to redress the grievances of the farmers on different due dates.

Hence, Banks may take up the issue with their Head Office and inform the outcome to SLBC. Banks may continue the existing practice if they wish to do so.

#### **Record of appreciation:**

Sri R.N. Dash, General Manager, Reserve Bank of India has proposed to place on record the commendable services rendered and the support extended by Sri B. Narendranatha Reddy on behalf of the State Level Bankers` Committee of Andhra Pradesh to the Bankers, farming



community and in handling the issues in many meetings including SLBC meetings, on the eve of demitting office on 31<sup>st</sup> July, 2013 on reaching superannuation.

The committee resolved to place on record the services rendered by Shri B Narendranadha Reddy, General Manager, Andhra Bank & Convener, SLBC of AP.

**Action points emerged in the meeting:**

- All Banks are advised to reach saturation of opening in bank accounts to all beneficiaries of DBT and DBT LPG consumers immediately.
- All Banks are advised to seed the Aadhaar numbers for LPG consumers at least to the extent of 80% by 15<sup>th</sup> August, 2013.
- All Banks are advised to upload the seeded accounts with NPCI mapper immediately on daily basis and ensure that 100% seeded accounts are mapped.
- All Banks are advised to use all the channels for seeding of Aadhaar numbers viz., ATMs, Internet, SMS, Debit cards requests as they are secured modes as advised by Ministry of finance.
- All Banks to take up advertisements and through SMS alerts & to receive the requests from the customers for seeding of Aadhaar numbers.
- All Banks and other stake holders are requested to take all steps for making the State as Model & Best Practices State as desired by the Governor, Reserve Bank of India.
- All Stake holders to finalize the suggested Road map enclosed herewith to make the Andhra Pradesh, Best Practice and Model State in the country under DBT and DBTL.
- All LDMs are advised to supply the CDs collected from OMCs to all Banks for Aadhaar seeding
- All Banks are advised to put in place the Complaint Grievance redressal mechanism to redress the grievances relating to seeding of Aadhaar number in bank accounts.
- It is also advised to put in place similar mechanism at other two levels i.e., OMC distributors and NPCI for effective implementation of the scheme.
- All Banks are advised to follow the RBI guidelines issued with regard to National Rural Livelihood Mission (NRLM) Scheme, as the same is communicated to all Banks by SLBC and issue necessary instructions to their branches for implementation.
- All Banks are advised to improve the agriculture lending and ensure 100% coverage of farmers with revised KCC and also issue Debit cards to all customers.
- All Banks are advised to take up relief measures to the farmers in the affected areas due to heavy rains as per the master circular of RBI on Natural Calamities.
- All LDMs are advised to conduct Special DCC meetings, if necessary, in the districts where farmers are affected due to heavy rains during the recent past and take necessary

steps for relief.

- All banks are advised to follow the guidelines of Reserve bank of India, with regard to the choice of the beneficiary to avail agricultural loan from branch of his choice.
- All Banks are advised not to sanction any financial assistance or loans against the Government Assignment/Allienation lands where deviations to allotment terms are noticed.
- GoAP is requested to take up the issue of extending provisions of RR Act to the Banks for recovering the overdue under Agricultural sector.
- All Banks are advised to focus on opening of Bank branches in the identified Tribal Areas given by the Tribal Welfare Department on priority.
- All Banks are also advised to open Bank branches in unbanked and in one banked mandals. All LDMs are advised to take up the issue at the District Level in the DCC and take necessary steps for opening of bank branches.
- The forum has resolved to include two new generation Private Sector Banks viz., ICICI Bank and HDFC Bank as members in the Steering Committee of SLBC of AP.
- The forum has approved the targets given under Economic support scheme pertaining to Welfare of differently abled persons, AP Viswa Brahmins Cooperative Corporation, AP Kummari Shalivanhana Cooperative societies Federation Ltd and Swarojgar Credit Card (SCC) scheme for the year 2013-14. All LDMs are advised to place the same before DCC and allocate the targets among Banks at District Level.
- All Banks are advised to follow the communication received from MoF with regard to representation received from poultry industry and take necessary steps as advised by Reserve Bank of India.
- All Banks are advised to furnish the detailed information in respect of loans given by various banks to SEZs (Special Economic Zones) by mortgaging the lands allotted by the Government of Andhra Pradesh to these SEZs to SLBC to enable SLBC to submit the information to the Leader of Opposition Sri Yanamala Ramakrishnu.

**(Action: All Banks, LDMs, GoAP, OMCs, UIDAI and Tribal Welfare Department)**

#### **V. Meeting on DBT-LPG – 30.08.2013**

**Meeting of DBT-LPG held on 30.08.2013 at Andhra bank, Head Office, Hyderabad.**

A meeting to review the progress in implementation of Direct Benefit Transfer Scheme for LPG in Ranga Reddy and Hyderabad Districts has been reviewed on 30.08.2013, at 11.00 AM in Andhra Bank, Head Office, Hyderabad.

Dr. P.V. Ramesh, Principal Secretary, Finance (R&E) and Nodal Officer for DBT, GoAP has presided over the meeting. The representatives of Five Lead Banks, OMCs, UIDAI and LDMs of Ranga Reddy & Hyderabad Districts were present in the meeting.

In the meeting it was discussed that the area of concern is that the Aadhaar seeding with OMCs is around 67% whereas the Aadhaar seeding with Banks is around 38% in Hyderabad and 66% & 42% respectively in Ranga Reddy District.

The following Action points were emerged in the meeting after deliberations by the members:

- There is no change in the policy of Gol with regard to DBTL and the same will be continued.
- All LPG consumers in the five districts will get subsidy directly from 01.09.2013 onwards and no further extension of date for seeding of Aadhaar numbers in Phase I districts.
- All Banks and OMCs are requested to once again remind the consumers those who have not yet seeded their accounts with Aadhaar numbers through SMS messages and other source of communication.
- All Banks and other stake holders are requested to continue the advertisement campaign and conducting of camps for seeding of Aadhaar.
- All Banks are requested to be ready with the expected rush at the branches from 01.09.2013 as most of the consumers will approach bank branches for seeding of Aadhaar.
- All Banks are advised to give suitable instructions to their branches for seeding of Aadhaar without any other proofs and mandates except Aadhaar number.
- SLBC is requested to convene all Banks meeting and review the position before 10th of September, 2013.
- LDMs of Phase I and Phase II pilot districts of DBTL are advised to call for a Bankers meeting at the District level and review the progress of seeding of Aadhaar and mapping with NPCI.
- Principal Secretary informed that on 02.09.2013, Sri Sundareshan, Mission Director (DBT), Gol is visiting Hyderabad and he may visit the OMCs, Banks on random.
- Government is going to establish a robust Grievance Redressal Mechanism.
- The issues relating to the Private Banks will be discussed and resolved by conducting a separate meeting.
- Banks may adopt an integrated system for seeding of Aadhaar and mapping of Aadhaar seeded accounts with NPCI mapper.

Hence, all Banks are requested to once again give suitable instructions to their branches and ensure that seeding of Aadhaar number is done smoothly at the branch level and mapping with NPCI is done at the Bank Level. It is also advised that Banks should take all out efforts and continue the advertisement campaigns in the five pilot districts as well as in the second phase DBTL seven districts in Andhra Pradesh.

All LDMs are advised to convene Bankers meeting with other stake holders and intensify their efforts in the five pilot districts and also in the second phase seven districts of DBTL.

#### VI. SLIIC subcommittee Meeting – 04.09.2013

Proceedings of the SLIIC Sub-Committee Meeting held on 04.09.2013 in the Board Room, 1st Floor, Shakkar Bhavan in the Office of the Commissioner of Sugar & Cane Commissioner, GoAP, Hyderabad. The meeting was chaired by Sri Ben-Hur Ekka, IAS, In charge Commissioner of Industries, Sri C. Doraswamy, GM, SLBC, Sri Prasanna Kumar, JD, Industries, representatives from SIDBI, AFSFC, Banks, Industry Associations and Industrialists are present.

Sl. No.	UNIT	Financing Banks/FIs	Issue/Problem to be discussed	Discussion/Bank's views	Resolution
1	M/s.Virupaksha Aluminium Pvt. Ltd.	State Bank of India, Commercial Branch, Ongole	<p>Party has requested for reduction of rate of interest and Reschedule the repayment of Interest and Installments and to arrange further working capital for surviving of the unit.</p> <p><b>Earlier discussions held on 22.06.2013</b></p> <p>Party informed that he is a Chartered account basically and started the industry in rural area. The Unit is facing problems due to power crises. The unit could get 300 hours per month as against the targeted 720 hours per month.</p> <p>The Industry associations felt that Banks should consider the request of the party before they go for</p>	<p><b>Bank's views:</b></p> <p>State Bank of India informed that the official concerned has reviewed the matter and has advised as under:</p> <ul style="list-style-type: none"> <li>➤ The unit has diversified the funds to the tune of Rs.6.60 crores during the year 2012-13, for which proper reasons neither was not received yet from them.</li> <li>➤ The payment of interest/installment towards TL is overdue since 2012-13.</li> <li>➤ The Term Loan, which was restructured on 25.07.2012 with a condition of repayment of installment starting from September, 2012 to November, 2012, but the unit failed to honour the restructured terms. The unit has also not submitted any concrete plan to overcome the situation and meet the commitment made to the Bank.</li> </ul>	<p><b>The forum resolved that:</b></p> <p>The incentives sanctioned by the Commissioner of Industries which will be sent to the Bank directly and other benefits like power incentives and Pavala vaddi, which will be extended to the unit, if the unit is rescheduled by the Bank.</p> <p>In view of the above, State Bank of India may look into the case once again and take appropriate decision in this regard.</p>

			<p>Legal proceedings keeping in view the real problems being faced by the industry. Bank representative informed that the unit is not repaying the dues from October, 2012 and bank has initiated steps for recovery as party has not repaid the dues</p> <p><b>Resolution in the previous meeting held on 22.06.2013</b></p> <p>The forum felt that the party should convince the Banker about the repayment by giving how they propose to overcome the situation and meet the commitments to the Bank. Commissioner of Industries advised the representative of SBI to arrange for a meeting of party with Local Head Office on Monday and take a view on the issue on discussion. The forum felt that the Party has suffered due to power crisis and it is beyond his control, the bank may take a sympathetic view and work out a solution based on discussion with the</p>	<p>➤ The contention of the company that the power crisis is solely responsible for its present stage is not correct. The company has not operated at optimum capacity i.e., as per their projection, even before the onset of power crisis.</p> <p>As the loan has already been restructured recently on 25.07.2012 and the unit did not honour any of restructured terms as detailed above, the request of the unit for further restructuring is found not feasible.</p> <p>Party informed that the unit became sick due to power problem only and no diversion of funds took place. The party informed that he has repaid an amount of Rs.2.10 crores towards principal and interest so far.</p> <p>Industry associations requested the forum to consider the Reschedulement so that the party can avail the concessions like:</p> <p>➤ Incentive sanctioned by the Commissioner of Industries.  ➤ Power incentives and  ➤ Pavala vaddi scheme of the GoAP.</p> <p>It is also requested that the SERFASI proceedings may be hold for the time being.</p>	<p>The party is advised to submit a specific plan of action along with other viability reports WITHIN 15 days to the Bank for their consideration .</p> <p>It is advised that the party should meet the Banker with all papers and get the issue resolved.</p>
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			party on 24.06.2013.		
2	M/s. Desai Fabricators , Jeedimetla, Hyderabad	Bank of Baroda, MG Road, Secunderabad	<p><b>Previous reference</b></p> <p>The Party has requested for removal of sales Tax attachment and gives them six months time as the firm is seeking some relief package from the Bank. Party also requested the Bank for considering rehabilitation and converting a part of working capital into term loan without interest as per RBI guidelines. SLBC has referred the matter to Bank of Baroda and Commercial Tax department on 10.12.2012 and SLBC is yet to receive reply.</p> <p><b>It was resolved by the subcommittee held on 18.03.2013 that:</b></p> <p>The Commercial Taxes department may remove the Garnishee order given to the bank and facilitate the party to pay the amount in installments.</p> <p>Bank may look into</p>	<p>It is informed by the party that the issue was resolved in the previous meeting.</p> <p>He also informed that the request for additional term loan was also resolved.</p> <p>He requested the commissioner of Industries to release the interest subsidy for sick units which were applied for by the unit to the Commissioner's office.</p>	<p>It is resolved that the Commissioner of Industries will take care of the Interest subsidy claimed by the party.</p>

			<p>the rehabilitation measures upon removal of garnishee order.</p> <p><b>Further</b> party informed that the Garnishee order was removed by the commercial Tax department and the Banker is also very cooperative.</p> <p>The representative of commercial tax department informed that the order is removed.</p> <p><b>It is resolved in the meeting held on 18.03.2013 that:</b></p> <p>As the issue was settled the case may be treated as closed.</p> <p><b>Present request of the party:</b></p> <p>Party is requesting for a term loan of Rs.8,72,669/- at 10% margin as per RBI guidelines.</p>		
3	M/s. SKM Technologies Private Limited -	State Bank of India, Balanagar Branch	<p><b>Party's request:</b></p> <p>Party is requesting for restructuring of loan and at least one year time may be given to the unit for repayment.</p> <p><b>Resolution passed in the previous meeting held on 22.06.2013</b></p>	<p><b>Remarks of State Bank of India</b></p> <p>SBI advised their Balanagar branch for meeting with the promoters of the unit and accordingly they met the promoters on 29.07.2013 at the unit. During their visit it was observed by the branch that activity is at low key.</p>	<p>It is resolved that Since the party's exposure is around Rs.23 crores, State Bank of India is advised to take special interest and arrange for a meeting of</p>

			<p>Forum advised the representative of SBI to facilitate a meeting of the party with the General Manager of SBI and take a view before the SLIIC meeting to be held on 25.06.2013 and inform the position in SLIIC meeting.</p> <p>The Commissioner of Industries has also advised the representative of SLBC to talk to SBI officials for a meeting of Company representatives with Senior Bank officials.</p> <p><b>Present reference:</b></p> <p>Party informed that the proceedings initiated under SARFAESI Act an appeal No.42 of 2013 was filed before the Honorable Debts Recovery Appellate Tribunal, Calcutta and the Honorable Appellate Tribunal has observed that in view of the pendency of appeal the parties are expected not to take any step which may remotely destabilize the present position and the said orders are still in force.</p>	<p>During the interaction promoters requested for relaxation in repayment period and restructuring of the loan. Branch advised them to submit a concrete proposal with audited balance sheet for technical feasibility study, which is yet to be submitted. In the past, promoters met the General Manager (NW-1) twice but their promises were not fulfilled. The case is pending with the DRT court.</p> <p>The borrower is not submitting any proposal indicating their plan of actions.</p> <p>The party requested that in spite of several directions given in the SLIIC/SLIIC subcommittee meetings Conducted on 18.03.2013, 08.04.2013, 22.06.2013 and 25.06.2013 at Commissioner of Industries Office and RBI, Bank could not consider the request of the party.</p> <p>Convener has opined that the Banker should have been proactive in resolving the issue as the account is already restructured. The branch should facilitate for meeting of the borrower with GM/any other official at the top for discussion &amp; resolution.</p> <p>Representative from SBI informed that the GM is transferred recently and he will take up the issue to the notice of the top Management.</p>	<p>the party with the General Manager or Deputy General Manager of their Local Head Office and arrive at a decision and support the party as the party is with the Bank for the past 25 years and demand for the product is good.</p> <p>Bank may take initiative and discuss with the party to resolve the issue.</p> <p>The meeting of borrower with GM/concerned in the bank shall happen within 10 days</p>
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			Party is requesting to desist from taking any proposed action and to act upon the recommendations of the committee		
4	Revival of Sick Industries – M/s. Khammam Granite Slab Factory Owners Association , Khammam for certain concessions	Commissioner of Industries and Banks	SLBC received a letter from the Commissioner of Industries along with the representation received from M/s. Khammam Granite Slab Factory Owners Association and requested to place the same in the SLIIC subcommittee meeting for discussion and taking necessary action on the point No.4 of the representation i.e., providing of one year moratorium on Bank loans.	Industry Representative Sri AKP Reddy, informed that the Granite Industry in Khammam has suffered loss with the power problems.  He requested the Commissioner of Industries to extend help from the Sick Industries fund. He also informed that the units are to be restructured with one year moratorium period.	It is resolved that Banks may extend relief measures on case to case basis within the ambit of general guidelines issued by RBI on restructuring of loans/as per the policy of respective Banks.

ALEAP representative informed that a very few number of applications/proposals are put up for the SLIIC Subcommittee and wide publicity is to be given to create awareness among the entrepreneurs. She also requested the SLBC convener to take up the issues such as power supplies, imposition of taxes/charges etc., pertaining to the MSE units in the Steering Committee Meetings for resolution.

Convener informed that a special Steering Committee meeting shall be convened.

Commissioner of Industries informed that all Industry associations should publicize and try to get more number of applications/proposals to the SLIIC subcommittee meeting on receiving the reference from the organization.

He requested the Bankers to give suitable instructions to their branches to guide and identify their incipient sick units about the GO MS No.203 and refer such cases to Commissioner of Industries for availing the concessions given in the said GO.

The convener informed that any problems may be informed to SLBC to take up in the appropriate forums for discussion/resolution.

## VII. Sub Committee Meeting on Animal Husbandry & Dairy Development & Fisheries – 10.09.2013

### Proceedings of Subcommittee meeting of SLBC on Animal Husbandry, Dairy Development and Fisheries Sector held on 10.09.2013.

Sub Committee Meeting of SLBC on Animal Husbandry, Dairy Development and Fisheries Sector was held on 10.09.2013 in Andhra Bank, Head Office, Hyderabad. In the meeting Dr. Manmohan Singh, Principal Secretary, AH&DD and Fisheries Dept. GoAP, Sri S.V. Hanumantha Rao, OSD, Finance (IF) Dept, Govt. of A.P; Dr. Subhash Chandra, DGM, NABARD, Sri S.K. Nigam, DGM, State Bank of Hyderabad, Smt Jyothi, G.M. APCOB, Dr.D. Venkateswarlu, Director, Animal Husbandry Dept. representatives from Banks and Government Departments have attended the meeting.

Dr. Manmohan Singh, Principal Secretary, AH&DD & F Department has chaired the meeting.

Sri C. Doraswamy, General Manager and Convener, SLBC of A.P has welcomed the participants to the meeting and informed that at the request of the Principal Secretary, subcommittee was constituted by SLBC to review the credit flow to Animal Husbandry, Dairy Development and Fisheries Sector. He requested Dr Manmohan Singh to initiate the proceedings of the meeting.

Dr Manmohan Singh, Principal Secretary, at the outset expressed sincere thanks to the President of SLBC responding to their request and constitution of the subcommittee immediately.

He informed that about 76 lakh farmer families own livestock/poultry and about 36% of total Households depending on this sector. In the State 25 lakh households own cattle, 28.5 lakh households own buffaloes and 7 lakh Shepherd families are dependent on Sheep and Goat. He stated that this sector is contributing considerably to the economy.

Director of Animal Husbandry has made a PPT on the contribution of AH sector to Gross State Domestic Product and Agenda issues related to the meeting. He requested the subcommittee on the following.

- SLBC to allocate separate credit flow to AH (Dairy, Sheep & Goat and Poultry) and fisheries sector instead of showing the details under allied sector of agriculture.

**(Action: SLBC)**

- All Banks to increase the credit flow to AH sector especially to government sponsored programs.

**(Action all Banks)**

- In response Convener, SLBC informed that they are making sufficient allocations to AH sector. Further he informed that performance of the Banks with regard to credit flow and achieving the targets under animal husbandry programme during the year March, 2013 & quarter ended June, 2013 is moderate and needs to be improved. In order to increase further allocations, the department to study the present problems which are coming in the way of credit flow and to suggest the measures to overcome the problems. The high level of overdue & NPAs under dairy sector under Government sponsored programmes needs to be considered for improving the credit to this sector.

**(Action: All Banks &GoAP)**

- On the issue of collateral security being demanded by certain banks even for the credit below 1 lakh rupees; the Convener, SLBC has requested the Director of Animal Husbandry to bring specific instances to the notice of SLBC as there are clear guidelines from RBI not to insist on collateral security for credit limits up to Rs. 1.00 lakh under Agriculture sector.
- On the issue of interest subvention for AH sector schemes as is given in agriculture sector, the Convener, SLBC has clarified that the Scheme is applicable to short term production credit only (less than 1 year period). As all the AH sector schemes are Medium term loans, the sub-committee may recommend to Ministry of Finance, GOI to consider the issue of Interest subvention to this sector also.

**(Action: SLBC)**

- Director of AH explained the problems faced by poultry industry due to unprecedented price increase of soya and maize which contribute 75 to 80% of investment in poultry feed. The major reasons identified by the department are hoarding of stocks by traders and export policy adopted by GOI. Civil supplies department could not take up any preventive measures for illegal hoarding as it does not come under their purview. DAH suggested moratorium on payment of interest, rescheduling of loans. The convener SLBC has informed that such measures are extended as relief in case of natural calamities and endemics such as bird flu. The contents of the representation of Poultry farmers as communicated by NABARD was already addressed to all the Banks to look into as per the RBI guidelines & Banks policy guidelines. Banks will consider reliefs on case to case basis as suggested by RBI on the present issue.
- Bankers stated that they have already started restructuring / rescheduling of the loans availed by poultry farmers on case to case basis. DAH requested banks to inform such cases to SLBC so that Department can take up wide publicity among the poultry farmers on the assistance being extended by the Banks.

**(Action: All Banks)**

- Bankers have pointed out on the reluctance of insurance companies to insure the poultry birds against disease which is a major stumbling block in giving credit to poultry farming. The IBA have already raised this issue to Ministry of Finance at the instance of SLBC and response is awaited. Meanwhile the Sub-committee has requested the department / State government to take up this issue with IRDA.

**(Action: GoAP)**

- DAH requested the bankers to give priority in extending finance to calf rearing scheme as department proposes to implement the scheme for 1 lakh A.I born calves. Bankers have suggested to implement this scheme on cluster basis involving SHGs. DGM, NABARD suggested considering both milch animal induction and calf rearing scheme together for implementation to increase the viability.

**(Action: GoAP and all Banks)**

- DAH while explaining the problems of Emu industry has informed that though the industry was not promoted by the department, the farmers utilized the opportunity under poultry venture capital fund resulting in horizontal growth without planning for forward and backward linkages. The industry needs better marketing facilities for the birds and processed meat and oil. In the absence of marketing facilities, the emu farmers are requesting for concessions as in the case of poultry industry.

- Banks requested NABARD to accord permission to adjust the backend subsidy to the credit of loan account before the lock in period where the units have become defunct due to reasons beyond the control of the borrower. Since the Emu farming is a new scheme and the beneficiaries are facing problem due to non availability of both backward & forward linkages, the decision of adjustment of back end subsidy may be considered as a special case.  
**(Action: NABARD)**
- The bankers have informed that they are facing problems in recovery of loans due to glut in the market. The convener SLBC have suggested a detailed study on the issue to suggest any leverage that can come to the rescue of the industry. NABARD has offered to take up study and explore the possibility to bring changes if any in the guidelines under the scheme such as advancing of lock in period etc.,  
**(Action: NABARD)**
- MD sheep & goat federation explained about untapped potential of sheep & goat sector. She also informed about NCDC scheme was implemented in Mahaboobnagar, Chittoor and Prakasam districts. She requested bankers' support in implementing the scheme in Mahaboobnagar district on mission mode. The convener SLBC suggested for specific guidelines, involvement of field veterinary officers, list of banks operating in the area including the list of active societies to have transparent mechanism in implementation of scheme.  
**(Action: GoAP)**
- DAH explained about minisheep and goat units proposed to be implemented by the department for the benefit of destitute / young widow woman. He also explained about the involvement of SERP in identification of beneficiaries as well as financing through STREENIDHI bank. He requested bankers also to support the scheme. It is agreed in principle to implement after examining the viability of the scheme provided it is extended to the members of SHGs and to traditional Shepherds.
- The Principle Secretary stated that the bankers have been extending support to the schemes in livestock sector in the past and requested to extend continuous support the activities of livestock & fisheries sectors as the sectors offer livelihood to the poor.  
**(Action: All Banks)**
- The Principle Secretary once again thanked the SLBC for convening the subcommittee meeting where the department and banks can freely exchange their views which is not possible in regular SLBC meetings. He promised to take the views of bankers to the dairy / poultry industry people. He informed that the present meeting is only a beginning and suggested to organize many more meetings so that structured planning can happen to address the issues of live stock & Fisheries sector.

**OTHER AGENDA ITEMS:**

It is brought to the notice of SLBC that huge amounts under VLR claims are pending from the Department of Agriculture. Department of Agriculture, GoAP is requested to release the claim amounts under VLR scheme without holding with the reason that banks have not submitted category wise information as agreed upon.

Since banks have already parted with huge amounts and long pending, Dept. of Agriculture and OSD, Finance (IF) may look into the matter and resolve the same immediately.**(Action: GoAP)**

- Department of Agriculture informed that 13 Banks have customized the data part and the rest of the Banks are requested to complete the process.

**(Action: Banks)**

- Convener requested the Dept. of Agriculture that the process of customization involving time and cost factors, it is requested not to link the release of funds already parted by Banks for this reason and advised all Banks to complete the process of customization as agreed upon.

**(Action: All Banks)**

- Requested to extend the time for submission of category wise claims up to 31<sup>st</sup> October, 2013.

**(Action: Dept. of Agril. GoAP)**

- Convener requested OSD, Finance (IF) also to look into the matter for release of claims submitted by Banks without linking to submission of category wise data by Banks till 31<sup>st</sup> October, 2013.

**(Action: All Banks and GoAP)**

- In response to the discussions on non availability of Pahani/Adangal to sanction fresh/renew of existing crop loans and discrepancies in the land holding particulars issued in meeseva centers OSD Finance (IF) has agreed to organize a meeting with CCLA, Dept. of Agril. GoAP, NIC officials along with Convener, SLBC and plan for completion of the Bhoomi project at the earliest.

**(Action: GoAP)****VIII. Subcommittee Meeting on NRLM – 10.09.2013****Minutes of the Sub Committee Meeting of SLBC on NRLM held on 10.09.2013 at 4.30 PM in Andhra Bank, Head Office, Hyderabad.**

We furnish hereunder the action points emerged in the Subcommittee meeting of SLBC of AP on NRLM held on 10.09.2013 and advise the concerned to take necessary steps for implementation of the action points.

Sl. No.	Issue	Action proposed
1	Implementation of NRLM- Identification of Blocks/Districts and undertake survey for implementation of livelihood mission.	AGM, NABARD informed that they have to undertake study to implement the NRLM programme  NABARD should ensure that in such districts NRLM and WSHG operates in different blocks of a district and there is no overlap of NRLM and WSHG.  <b>(Action: NABARD)</b>
2	Banks are not allowing SHGs to draw the balance amount in OCC up to Drawing power.	Banks are advised to give suitable instructions to their branches with regard to drawal of funds in OCC accounts of SHG groups to the extent of their Drawing Power allowed.  <b>(Action: All Banks)</b>

3	Implementation of DBT/DBTL – Instructions to the Banks and LDMs.	<p>Banks are advised to give suitable instructions to their branches in DBT and DBTL Phase I and Phase II districts to complete the process of opening of accounts and seeding of Aadhaar numbers to pass on the Government Benefits to the customers directly.</p> <p>LDMs to collect the CDs given by OMC companies and contact each customer by way of SMS and phone contacts and get their Aadhaar numbers and ensure seeding of Aadhaar in to their accounts</p> <p style="text-align: right;"><b>(Action: All Banks and LDMs)</b></p>
4	Banks are not percolating the guidelines and decisions taken at the Steering Committee and SLBC level to their branches for effective implementation of the guidelines.	<p>All Banks are advised to issue instructions to their branches based on the decisions taken at steering Committee/SLBC with a copy marked to SLBC.</p> <p>OSD Finance (IF) informed that this item has to place an agenda in every steering committee meetings.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>
5	<p>SLBC yet to receive Financial Literacy material in Telugu.</p> <p>SLBC to get the material printed and supply to all Banks for onward supply to their rural branches and FLC centers as per the instructions of RBI.</p>	<p>All Banks should indent for the Financial Literacy Material in vernacular language required to their rural branches.</p> <p>SLBC will arrange to supply the Financial Literacy material after receiving from RBI according to their indent given to SLBC.</p> <p style="text-align: right;"><b>(Action: All Banks &amp; SLBC)</b></p>
6	SLBC has taken up advertisement campaign with regard to opening of accounts and seeding of Aadhaar and incurred some expenditure which is yet to be reimbursed by some of the banks.	<p>Convener, SLBC requested Banks to expedite and remit their share of expenditure incurred in connection with advertisement campaign taken up by SLBC and for running of SLBC call centre, which is long pending.</p> <p style="text-align: right;"><b>(Action: 7 Banks)</b></p>
7	CEO, SERP has requested all Banks to once again circulate the guidelines issued by NABARD with regard to financing of JLGs, as some of the	<p>All Banks are advised to circulate to their branches with regard to guidelines issued by NABARD for financing JLGs as requested by the Chief Executive Officer, SERP.</p>

	banks are asking for such circular from their controllers.	<b>(Action: All Banks)</b>
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### **IX. 4<sup>th</sup> Steering Committee Meeting of SLBC held on 10.10.2013**

#### **Proceedings of 4<sup>th</sup> Meeting of Steering Committee of SLBC of A.P 2013-14 held on 10.10.2013**

4<sup>th</sup> Meeting of Steering Committee of SLBC of A.P 2013-14 was held on 10.10.2013 in Andhra Bank, Head Office, Hyderabad. In the meeting Sri N. Gireesan, AGM, RBI and Sri Samir Sarkar, AGM, Reserve Bank of India, Smt Nivedita Tiwari, AGM, NABARD, Sri Subba Rao, AGM, NABARD, Sri K. Madhusudana Rao, IAS, Commissioner of Agriculture, Sri S.V. Hanumantha Rao, OSD, Finance (IF) Dept, Govt. of A.P, Sri S.K. Nigam, DGM, State Bank of Hyderabad, Sri Srinivas Baba, Director, SHGs, Sri Vidhyadhar, AMD, MEPMA other representatives from Government Departments and Senior Officers from Banks have attended the meeting.

Sri C. Doraswamy, General Manager & Convener, SLBC has welcomed the participants and initiated the discussion on the agenda points.

Sl. No.	Agenda	Resolution/Decisions taken in the meeting
1	<p>Confirmation of minutes of the 3<sup>rd</sup> Steering committee meeting held on 23.07.2013 &amp; Subcommittee meetings of RSETIs and NRLM held on 03.07.2013 &amp; 10.09.2013 respectively.</p> <p>Action taken report of 3<sup>rd</sup> Steering committee meeting held on 23.07.2013.</p>	<p>The forum has approved the previous minutes of the meetings as no amendments/suggestions were received from any members</p> <p>Convener read out the action points of the previous steering committee meeting held on 23.07.2013 and informed that the following points are left without action taken:</p> <p>Banks could not take relief measures in the affected areas due to heavy rains since GoAP has not declared any mandals affected by natural calamities.</p> <p>GoAP is requested to take up the issue of extension of RR act to Agricultural sector to recover the overdues/NPA.</p> <p>There are 4 mandals which are unbanked and LDMs are advised to take up the issue at DCC level and resolve before December, 2013. (Gopavaram, Munchingput, Mahamuttaram and Gagavaram).</p> <p>Information in respect of loans given to SEZs is yet to be received from some of the banks and they are advised to submit the same to</p>

		<p>SLBC immediately.</p> <p>.</p> <p><b>(Action: Banks, LDMs and GoAP)</b></p>
2	<p>Financial Literacy Material:</p> <p>Approval of the members to go ahead with printing of Financial Literacy material supplied by RBI in vernacular language on behalf of all Banks by SLBC as per RBI guidelines</p> <p>Approval of NABARD for reimbursement of expenditure from Financial Literacy Fund</p>	<p>Convener while thanking RBI for providing FLC material in vernacular language and informed that as per RBI direction SLBC is going to take up the printing process as per CVC guidelines and supply the FLC material to all Banks as per their requirements assessed.</p> <p>Convener requested NABARD to reimburse the expenditure to be incurred in this regard from their FLC fund.</p> <p>AGM, NABARD has informed that normally they will extend reimbursement to an extent of 60% to commercial banks and up to 80% to RRBs and requested SLBC to send a letter with approximate (estimated) expenditure for getting approval from NABARD.</p> <p>Convener explained the forum with regard to the quantity and quality of FLC material going to be printed and supplied as per direction of RBI, Mumbai. After an elaborative discussion the enclosed estimated FLC material for each bank was arrived.</p> <p>The estimates were arrived based on the number of Rural branches as on 30.06.2013. It is also resolved to supply as per the <b>statement enclosed</b>.</p> <p>Convener informed that banks may inform to SLBC their additional requirements if any immediately, but not later than <b>17.10.2013</b> for going ahead with the process.</p> <p>The material after printing will be supplied to all controlling offices for onward transmission to their branches. Soft copy of the material in vernacular language will also be provided to the controlling offices of banks for their use.</p> <p><b>(Action: All Banks and SLBC)</b></p>



3	Agriculture – Latest Performance under Short Term Production Credit – During Khariff- 2013-14	<p>The performance under short term loans is around 83% and term loans is around 52% as per the tentative figures received from LDMs. Banks could not give correct data on their performance due to continuous agitation going on in two regions of Andhra Pradesh.</p> <p>Commissioner of Agriculture advised all banks to report the correct figures to SLBC to enable to submit the same to GoAP.</p> <p style="text-align: center;"><b>(Action: All Banks and LDMs)</b></p>
4	Claiming of interest under Vaddileni Runalu scheme – Progress in implementation	<p>Commissioner of Agriculture expressed happiness and congratulated all banks in following the new system adopted for submission of claims under VLR scheme by and large.</p> <p>He requested all banks to take note of the following points with regard to VLR scheme.</p> <ul style="list-style-type: none"> <li>➤ Category wise information for the claims made up to 31<sup>st</sup> July, 2013 are to be furnished.</li> <li>➤ Claims from 1st August, 2013 are to be submitted in MIS format.</li> <li>➤ Avoid claiming of excess amounts &amp; duplication of claims and refunding the claims without furnishing the details.</li> <li>➤ Submission of single claim per day.</li> <li>➤ Furnishing IP address of the bank to validate login.</li> <li>➤ Submission of monthly acknowledgements.</li> </ul> <p>With regard to the issues raised by Andhra Bank on furnishing category wise information for the claims of Rabi 2011-12, release of reimbursement from 1<sup>st</sup> August, 2013 till the date of customization, Commissioner requested Convener SLBC to constitute a small committee with few banks to resolve these issues. The meeting will be convened shortly.</p> <p>RRBs requested Commissioner to examine the possibility of accepting two logins for RRBs &amp; Sponsoring bank in the same login</p>

		<p>menu.</p> <p>Commissioner informed that some of the banks in Nalgonda, Mahaboobnagar &amp; RR Districts are insisting for payment of interest from the farmers though they are eligible under VLR scheme. It is requested that Controllers of all banks should give instructions to their branches to implement VLR scheme and submit compliance to SLBC in this regard.</p> <p>It is also opined to sensitize all the Branch Managers in JMLBC meeting on the VLR facility.</p> <p>Bankers are also advised to send mails to their branches for non-insisting payment of interest under VLR. <b>(Action: All Banks, LDMs, SLBC and Dept. of Agril.)</b></p>
5	Revised KCC scheme – Progress in implementation in Rupay Kisan cards	<p>All Banks are advised to follow the revised KCC guidelines and issue Rupay Kisan cards as per RBI guidelines. The Convener has emphasized on the Bankers to sensitize the Branch Managers on the advantages to the farmers of using Rupay Cards which is inbuilt in KCC scheme.</p> <p>NABARD informed that they are supporting RRBs in implementing Rupay Kisan Cards. <b>(Action: All Banks)</b></p>
6	Financing Tenant Farmers 2013-14	<p>Commissioner of Agriculture informed that the progress under LEC finance during the current year was very low when compared to the last year.</p> <p>Banks should give specific feedback for such a low progress. Any practical issues may be brought to the notice of Department of Agriculture, GoAP for addressing.</p> <p>Banks informed that overdues are mounting up in LEC finance and farmers are expecting debt waiver.</p> <p>It is resolved that banks should come prepared with data on poor performance of lending under LECs for discussion.</p>

		<p>The issue of APGB in Prakasam district, it is advised to follow the guidelines of NABARD in extending finance to tenant farmers.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>
7	<p>Financial Inclusion Plan (FIP) Review meetings 2013 - Action Points as per RBI Letter No.RPCD.FID.No.2093/12.01.011/2013-14, dated August 22, 2013</p>	<p>Convener informed the banks based on the discussions made in the Financial Inclusion Plan review meetings 2013, action plan should be attended to immediately.</p> <p>Banks should ensure that all credit given to individuals for carrying out farm based entrepreneurial activities should fall under KCCs &amp; credit provided to individuals under priority sector for carrying out nonfarm based entrepreneurial activities should fall under GCCs.</p> <p>All Banks are also advised to use the BC channels for disbursement of credit products effectively.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>
8	<p>DBTL – Implementation</p>	<p>All banks are advised to improve the seeding of Aadhaar seeding for all the beneficiaries of DBT and consumers of DBTL in all selected districts and map the seeded accounts with NPCI without any delay on daily basis.</p> <p>It is informed by the Convener that SLBC has received some complaints from RR Dist that ICICI &amp; Axis banks are not accepting the applications received from LDMs through drop box facility though the MoF guidelines are very clear.</p> <p>Representative from ICICI bank replied that the issue was resolved.</p> <p style="text-align: right;"><b>(Action: All Banks, LDMs, ICICI and Axis Bank)</b></p>
9	<p>The Andhra Pradesh State Cooperative Bank Limited – Request for release of balance amount under PM's Relief package for Debt Stressed farmers of 16 districts of Andhra Pradesh</p>	<p>OSD, Finance and representative of NABARD clarified that the claims pending since long time cannot be considered now as the auditors were disallowed the same.</p>

10	Transportation of cash to ATMs – Issue of Canara Bank.	<p>Representative of Canara Bank informed that their CRAs have applied for armed licenses and requested for intervention of SLBC to expedite to the approval.</p> <p>OSD, Finance informed Canara Bank to give the details of the issue for taking up with the concerned copy marked to SLBC.</p> <p style="text-align: center;"><b>(Action: Canara Bank and GoAP)</b></p>
11	Representation from CGGB with regard to updating of bank details in data base of state government departments	<p>OSD, Finance advised CGGB to write a letter with details so that he will take up the matter for with IT department of GoAP for resolution marking a copy to SLBC.</p> <p style="text-align: center;"><b>(Action: CGGB, Andhra Bank &amp; GoAP)</b></p>
12	National Rural Livelihood Mission (NRLM) – Ajeevika – Progress in implementation	<p>Convener informed that the target under Rural SHG bank linkage will be the target for NRLM in our state.</p> <p>Representative of SERP informed that last year they have introduced Paala Pragathi Kendrams and during the current year also 2400 JLGs is targeted which are also eligible for interest subvention scheme of GoAP.</p> <p>Last year some banks have sanctioned five milch animals under the scheme and disbursed two animals. The remaining three animals are to be financed now. Some banks are not coming forward to disburse the remaining animals and requested banks to issue suitable instructions to their branches in this regard.</p> <p>He also informed that they have introduced new scheme i.e., Sheep rearing with Rs.2.25 lakhs for PoP and Rs.1.00 Lakh for non PoP and targeted around 600 units. The targets will be communicated to SLBC and requested to communicate the same to all districts.</p> <p>Chairman, APGVB informed that overdues are mounting up in SHG finance. It is informed that 35% of SHGs financed in Vakadu, Nellore district are NPAs to the tune of Rs.2.75 crores. SERP is requested to find a solution.</p>

		<p>OSD, Finance suggested that SERP can extend support to RRBs in particular for recovery in view of their substantial exposure to SHGs.</p> <p>AGM, RBI suggested that SERP may take a planned approach to ensure recycling of SHG finance.</p> <p>It is resolved to strengthen CBRM in the branch and Controllers of Banks need to review the progress on monthly basis in this regard.</p> <p style="text-align: right;"><b>(Action: All Banks and SERP)</b></p>
13	RSETIs – Progress and Issues	<p>Director, SHGs, SERP informed that the performance of RSETIs in Andhra Pradesh is outstanding and many RSETIs have got AA rating during the year 2012-13. He advised the 2 RSETIs who rated AB rating and 1 RSETI which rated CC rating to improve the rating during the current year.</p> <p>While discussion on the level of settlement by Bank's finance, Convener informed that banks should extend necessary bank finance to the trained candidates as they are trained in the Institutes setup by banks in their lead districts. RBI representative informed that the settlement through self finance is on high side when compared to settlement through bank finance. All banks are requested to extend finance to the trained candidates to set up self employment ventures.</p> <p>OSD finance informed that the applicants be sponsored under Govt. sponsored schemes like SC/ST/BC corporation loans may be trained in RSETIS to improve settlement rate of trained beneficiaries.</p> <p>Banks should not refuse the applications of RSETI trained candidates on flimsy grounds and refer to one level higher authority before declining the proposals.</p> <p>It is observed that Andhra Bank &amp; SBH issued similar instructions to their branches. Other banks also requested to issue instructions in this regard and confirm to SLBC.</p>

		<p>Director, SHGs, SERP informed that land alienations in respect of RSETI located in Machilipatnam, Tirupathi, Khammam &amp; Karimnagar are finalized. They are examining the issue of land with regard to Guntur RSETI.</p> <p>It is informed by SBI that approval for building plan of RSETI is pending in Vizag &amp; Vizianagaram requires the intervention of SERP for early approval.</p> <p>It is resolved to redress the above issues before December, 2013.</p> <p>Representative of sponsoring banks of RSETIs requested SERP to examine for :</p> <ul style="list-style-type: none"> <li>➤ Expedious settlement of reimbursement of expenditure claims made during the year 2011-12 &amp; 2012-13.</li> <li>➤ Sponsoring of candidates for training to RSETIs</li> </ul> <p>State coordinator is requested to follow up the RSETIs to reconstitute LACs with District Collector as Chairman as per the latest guidelines so that the issue of land, credit linkage to trainees etc., may be sorted out to some extent.</p> <p>The Director, APBIRED requested the forum that their building lease is going to be expired during August, 2014 and requested to provide a suitable place for them.</p> <p><b>(Action: All Banks, SERP, APBIRED and RSETIs)</b></p>
14	Introduction of National Urban Livelihood Mission (NULM) and Rajiv Rinn Yojana (RRY)	<p>Convener informed that Ministry of Housing &amp; Urban Poverty Alleviation, GoI has announced two new schemes viz. Rajiv Rinn Yojana (RRY) and National Urban Livelihood Mission (NULM) on September 4, 2013 with the approval of Cabinet committee on Economic Affairs (CCEA). All Banks will receive the guidelines and requested to implement the scheme in true spirit.</p>

		<p>Representative from MEPMA requested banks to explore the possibility of uniform interest rate to the finance extended to beneficiaries under NULM by all Banks.</p> <p><b>(Action: All Banks)</b></p>
15	Weavers Credit Card Scheme	<p>Convener informed that the revised Guidelines for Implementation of Modified Revival, Reform and Restructuring package for Handloom sector and Institutional Credit component of Integrated Handlooms Development Scheme (HIDS) and their merger into “National Handloom Development Programme” has been issued by Ministry of Textiles, Gol and SLBC has already circulated the guidelines to all Banks.</p> <p>The progress in extending finance to WCC scheme has been reviewed by MoF recently through video conference. Banks should focus on RRR package announced by Gol and extend relief measures to weavers and also extend further finance to the weaver sector.</p> <p>Since Gol is giving much importance to this sector and handloom weavers are the poorest and hardest workers in the community, it is banks` responsibility to support the sector and instructions may be issued in this regard to all branches.</p> <p>NABARD has clarified on exclusion of Karnataka Bank in the scheme, that as per Gol guidelines Public sector banks only are eligible under the scheme.</p> <p>The forum may recommend Ministry of Textiles for inclusion of Private sector banks in the scheme.</p> <p>RBI representative informed that in Chirala, Prakasam district applications were distributed among all banks in large number but banks are hesitating to give sanctions and advised all banks to instruct their branches in this regard.</p>

		<p>OSD, Finance informed that banks are accepting the claims from Gol for waiver of loans &amp; are not extending finance to them as per the RRR package scheme guidelines.</p> <p>The Convener, SLBC has requested all Banks to implement the RRR Package in true spirit and to extend further finance to this neglected sector where ever the Banks have taken advantage of claims from the GoAP/Gol.</p> <p style="text-align: right;"><b>(Action: All Banks and LDMs)</b></p>
16	BHOOMI PROJECT- Integration of Land Records	<p>Convener informed that the project is intended to view the land records by the branches at their end initially and then for creation of charge and release of charge by the branches. This integration of land records should take place before December, 2013 for the benefit of all Banks.</p> <p>All Banks are requested to furnish the information of designated officer in the bank for creation of Master User by NIC who in turn can create any number of Users as per their branch requirements for viewing the land records at branch level.</p> <p>This information should reach SLBC before 15<sup>th</sup> of October, 2013.</p> <p style="text-align: right;"><b>(Action: All Banks and SLBC)</b></p>
17	Scholarship Payments through Ezeepay Cards by SBI – Representation received from the Deputy Director, Social Welfare Department, GoAP	<p>Convener informed that SLBC has received a representation from LDM, Khammam that with regard to Ezeepay Card system of SBI, there are issues of Card Blocked, Non receipt of Cards, Invalid PIN etc., .</p> <p>Representative from SBI informed that they will resolve the issue at the earliest.</p> <p style="text-align: right;"><b>(Action: SBI)</b></p>

#### **X. Special Steering Committee Meeting on SME Sector – 29.10.2013**

A Special Steering Committee meeting of SLBC of AP on SME sector was held on 29.10.2013, at 3.30 P.M. at Andhra Bank, Head Office, Hyderabad. Dr Rajat Kumar, IAS, Commissioner of Industries, GoAP, Smt. Anuradha, AGM, Reserve Bank of India, Sri S.V. Hanumantha Rao, OSD, Finance (IF) Department, GoAP, Sri R. Prabhakar Rao, State Director, KVIC, Sri K. Rambabu,



General Manager, Sri Satish Karambelkar, General Manager, SIDBI, Sri K.V. Kannan, General Manager, Andhra Bank, Sri DSRK Sai Baba, General Manager, APGVB, Sri P.K. Rath, DGM-MCG, State Bank of Hyderabad, Sri K. Radha Krishnan, DGM-SME Sulabh, Canara Bank, representatives from Industry Associations, other senior officials from Banks and Govt. Departments have attended the meeting.

At the outset Convener has welcomed all the participants and informed that elaborate discussions are being held in various forums like steering committees, SLBCs on extending finance, nurturing, and rehabilitation of sick units under SME sector including the status of NPAs in general.

The issues pertaining to individual units have been discussed and resolved for redressal in SLIIC subcommittee meetings and SLIIC meetings. Convener impressed upon banks, the need to honour the resolutions of the SLIIC committees for the benefit of both for banks and SME entrepreneurs.

The Convener informed that the Special Steering Committee meeting is convened at the request of the Industry Associations and on the consent of the Principal Secretary, Industry & Commerce, GoAP to discuss the issues being faced by the Industries and to suggest various methods to resolve the same.

Convener requested the Commissioner of Industries to address the forum and inform the developments.

Commissioner of Industries, GoAP informed that the industry was buffeted by series of issues like power crisis, interest burden on bank loans, raising tariffs, lack of manpower & raw material, defective output, heavy rains and political disturbances etc.

In order to save this sector it is necessary to examine the problems closely and to resolve them in a time bound manner.

He requested all banks to extend their support to the SME sector by achieving the set targets and covering the accounts under CGTMSE coverage. He expressed his anguish as SLIIC meetings are not yielding any positive results as expected.

OSD, Finance (IF) Department expressed that the main reason for very slow progress under SME sector appears to be knowledge gap at the field level functional heads. He opined that capacity building and focused trainings need to be given to the Branch Managers in this direction.

He also mentioned that the mindset of the Branch Managers needs to be changed and they should suggest some remedial measures before the units becoming NPA or sick. Zonal level counseling centers are required to be set up to redress this issue.

Sri K.V. Kannan, General Manager, Andhra Bank informed that staff training colleges are imparting training to each officer every year with regard to financing MSE sector, rehabilitation programme and also coverage under CGTMSE. Regarding the assistance to the units where accounts were identified as NPA and recovery proceedings were initiated, he informed that the beneficiary should approach the bank before 90 days of the account becoming NPA so that another 90 days time is available for banks to attend for restructuring. However in majority of the cases the beneficiaries

are approaching the banks with inordinate delay without leaving sufficient time to banks to take a proper decision in this regard.

DGM Canara Bank expressed concern over NPAs in SME sector. He opined that viability of the unit is also to be ascertained before restructuring of any account. He further added that Banks are not interested in initiating any coercive action against any sector. In general recovery proceedings cannot withhold pending negotiations with the overdue borrowers. He also observed that the borrowers are submitting provisional balance sheets with rosy picture for approval of additional limits/restructuring packages whereas Audited Balance sheet is reflecting a different picture that lacks transparency in financials of the unit.

Sri R. Prabhakar Rao, State Director, KVIC informed that our state is the last state in implementation of PMEGP scheme and he expressed the need to follow up by all banks to reach the targets. He also informed that our State is ranked 8<sup>th</sup> position in coverage of CGTMSE scheme whereas Kerala & West Bengal stood 1<sup>st</sup> and 2<sup>nd</sup> ranks in coverage of CGTMSE scheme. He requested all Banks to take all steps to ensure that all loans given under PMEGP should be covered under CGTMSE.

### 01. Issues to be discussed – Representation of Industry Associations

Convener, SLBC informed that the meeting is intended to discuss the problems that are being faced by the SME enterprises in the state and the forum may suggest their valuable suggestions for the betterment of the sector.

Sri K.V. Kannan, General Manager, Andhra Bank taken up review on the issues proposed by the Industry associations and expressed views as detailed here under:

Sl. No.	Issue	views
1	Grant of Interest Funded Term Loan repayable in 3 years with quarterly repayments. The IFTL should carry simple interest at 12% p.a. There should be a moratorium period of one year. There shall be no penal interest.	Funding by way of IFTL is already available with the banks as a part of rehabilitation package. On case to case basis, this relief measure is being extended by all the Banks.
2	The Principal both in cash credit and installments in term loans to be packaged as a second Term loan repayable in 5 years. Interest on this blocked Term loan should be not more than 12% p.a. and it should be as per the original agreement.	It is the practice of the banks to sanction a term loan where deficit is observed in cash credits as a relief measure and basing on the viability reasonably longer repayment period is being given. With regard to interest, every bank will take decisions on case to case and as per their policy guidelines.
3	In all the cases their original limits of sanction should be restored and cash credit or demand loan released immediately.	Banks are sanctioning additional limits or restoring original limits on case to case basis based on the need based requirement and on the viability.
4	Loans should be provided to all MSMEs	Guidelines are available for extending

	for purchasing of Diesel Generator Sets with simple interest to enable the industry to survive during Power crises.	finance for purchase of Diesel Generator sets. Rate of interest rest with individual banks.
5	Those units that are on the export markets but have lost them due to recession, packing credit facilities should be provided for accessing those markets again whenever feasible.	Sanction of packing credit facilities to tap the business of export markets is a part of approved rehabilitation package.
6	Those units that would need Technology infusion should be granted separate fresh Term Loan for such period as the Technology access and its productive like demands keeping in view the cash generation capabilities.	Banks can sanction fresh term loans for Technology infusion based on cash generation capabilities.
7	All those packages should be covered under CGTMSE package for all MSE units up to Rs. One Crore limit.	All the accounts are covered under CGTMSE scheme if they are eligible under the guidelines. Banks are being advised to implement the same.
8	Since units have no cash on hand, Margin Money or their contribution should not be insisted upon.	In case of rehabilitation package 15% of sacrifice is required from the beneficiary as per extant guidelines of RBI.
9	Demand for collateral security should be highly need-based.	Banks are accepting need based collateral securities in all the cases.
10	For all units whose loan requirements are below 1 Crore, external credit rating may not be insisted upon.	Insisting upon external credit rating for the credit requirement of below 1 crore rests with individual banks.
11	All units located in clusters where common infrastructure facilities exist and where the cluster agent is active, financial institutions may examine the prospect of extending concessional interest rates after they demonstrate the cohesion in their activities with assured markets.	Provision of extending concessional rate of interest rests with the individual bankers but not below the base rate.
12	Cash Credit loans may be sanctioned based on their projected cash flows and assured work orders instead of on balance sheet ratio analysis and past performance.	As per extant guidelines doing away with analysis of balance sheets for assessing the credit limits is not possible.
13	Reschedulement of loan without effecting status of the industry  No unit should be made NPA during this period.	The borrower should approach the bank with a request for restructuring etc., well before the accounts become NPA and another 90 days is available for approval of rehabilitation measures. In all these cases of restructuring, Banks also does

		not fore see the accounts be NPAs and the existing status of account will not affect.
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Sri APK Reddy, President, Federation of Small and Medium Enterprises-AP, explained the forum that about 7 lakhs units are functioning providing employment to 40 lakh people in our state. Though there is ample scope for expansion of SME sector in the state, but due to several problems like power crisis and political disturbances no new unit is coming up. Even in case of existing units, the units are achieving production of 50% resulting in huge losses.

Further he added that due to erosion of working capital day by day financial management of the unit is slowly moving from the entrepreneurs to banks. He observed that there is no power policy existing in our state. He accused that the SERFAESI Act is being misutilised by the banks resulting in closure of many units in the state.

He requested the banks to have a mechanism to identify the willful defaulters and also keeping in view the credit history of the borrower with the bank to enforce the SERFAESI act.

In response, to the identification of willful defaulter, banks informed that a letter is being sent to the borrower before classifying as willful defaulter duly narrating the reasons. Sufficient time is also given to the borrower to defend his case before classifying him as willful defaulter. The association may refer any specific cases where banks have initiated steps under the act for re-examination.

Mr.APK Reddy, while expressing his agony on the present status of the industries in the state, he has requested all the concerned, most importantly the GoAP, to take steps for keeping the units prospering in the interest of the entrepreneurs, Banks and the people under employment

Commissioner of Industries observed that:

- Banks are not exercising the discretionary powers to overcome the problems in favour of the entrepreneurs.
- As extraordinary situations exist in the state coupled with natural calamities, he requested the bankers to extend their whole hearted support to save the industry.

Commissioner of Industries assured to take up the issues if any related to power with the respective departments.

Smt Tripuramba, Secretary, CED, ALEAP has informed that SME units in the state could not flourish due to unusual tariffs, unrectified billings, compounding of penal interest, power crisis, unusual maintenance charges, salaries to workers etc. Working capital is being eroded there by the entrepreneurs are finding it difficult to run the units on sound lines. She requested banks to offer simple rate of interest for procurement of generators. She requested intervention of RBI to frame a common rehabilitation package to all SME units existing in the state taking into account the special problems that are existing in Andhra Pradesh due to political disturbances, power crisis and frequent occurrence of natural calamities.

In response, Smt Anuradha, AGM, RBI informed that a High level committee is formed to monitor the achievement of MSME sector, Regional Director, RBI as Chairman of the Committee will be meeting shortly. She assured that all the issues discussed in the present meeting will be placed before the committee to suggest some remedies for the problems expressed by the industry associations. RBI advised the banks to place on their websites regarding the applications status of the new entrepreneurs.

She added that recently they have conducted a town hall meeting of SME units at Nizamabad where all Banks, LDM, GM DIC, Convener, SLBC and SME entrepreneurs were present and their response is encouraging.

## **02. Improving finance to MSME and coverage of CGTMSE for SME units**

While referring to the coverage of more units under CGTMSE, the Convener has expressed concern over poor performance during the current year though improvement is registered in the year 2013 over 2012.

Commissioner of Industries expressed concern that under CGTMSE, the actual achievement as on 17.08.2013 is around 10000 units as against the set a target of one lakh units for the current financial year. He expressed displeasure on the performance of Bankers in this front in achieving the targets accepted by the Banks.

It is resolved that district level sensitization camps are to be organized for improving credit flow to SME sector and coverage of CGTMSE involving DIC, LDMs and Banks operating in the districts along with industry associations. The LDMs are to be specially advised in this regard to conduct awareness camps at the earliest.

Industry associations expressed their willingness to participate and to extend necessary support for successful conduct of the camps.

## **03. MSME Sick units and out of which potentially viable and restructured accounts – Information as on 30.09.2013**

All Banks are advised to submit the information immediately as on 30.09.2013 to SLBC to enable us to submit to Reserve Bank of India and Commissioner of Industries on quarterly basis.

## **04. Issues discussed and resolutions passed in SLIIC subcommittee meetings and Empowered Committee on MSME & SLIIC meetings by RBI – Action – Compliance/Action Taken Report by Banks**

Convener requested all Banks to comply with the resolutions taken in SLIIC/SLIIC subcommittee meetings and inform the progress in this direction to SLBC.

## **05. Andhra Pradesh Small Scale Industries Revival Scheme, 2006**

It is informed by the department of industries that GO will be issued duly considering the suggestions offered by the banks for effective implementation of the scheme for the benefit of the sick industries.

**Action Points emerged:**

- All Banks should strive to achieve the set targets under SME lending and coverage of units CGTMSE.
- Sensitization on coverage of SME finance under CGTMSE on a campaign mode at the District level involving the GM, DIC, all Banks, LDM, Industry Associations etc.
- Banks are requested to open more number of branches in MSME clusters to cater the financial needs of the MSME units.
- Banks are advised to respond positively and submit compliance to the action points emerged in the SLIIC and SLIIC subcommittee meetings.
- Banks are advised to respond and submit the information on MSME sick units for the quarter ended 30.09.2013 to SLBC immediately.
- Banks are requested to exercise the discretionary powers to overcome the specific problems in the state.
- Industry associations are advised to sensitize the beneficiaries to submit their rehabilitation/restructuring proposals within the time lines stipulated.
- Banks are requested to examine the proposals on case to case basis.
- Beneficiaries are advised to maintain transparency of data furnished by them in provisional balance sheets.
- GoAP and Department of Industries to look into the issues on power etc., and resolve the same.
- Government may examine the creation of Risk fund for SME units as a part of relief measures.
- Office of the Commissioner of Industries is requested to issue the revised guidelines proposed to be amended with regard to APSSIRS scheme, 2006.

**(Action: All banks, LDMS, Industry Associations, GoAP & Office of the Commissioner of Industries)**

**XI. SLIIC Sub Committee Meeting – 23.11.2013**

Proceedings of the SLIIC Sub-Committee Meeting held on 23.11.2013 in the Board Room, 6th Floor, Parisrama Bhavanam in the Office of the APIIC Ltd. Hyderabad. The meeting was chaired by Dr Rajat Kumar, IAS, Commissioner of Industries, Sri C. Doraswamy, General Manager & Convener, SLBC of AP, Sri Prasanna Kumar, JD (Industries), representatives from SIDBI, AFSFC, KVIC, Banks, Industry Associations and Industrialists are present.

Sl. No	UNIT	Financing Banks/FIs	Issue/Problem to be discussed	Discussion/Bank's views	Resolution
1	M/s.Virupaksha Aluminium Pvt. Ltd.	State Bank of India, Commercial Branch, Ongole	<p>Party has requested for reduction of rate of interest and Reschedule the repayment of Interest and Installments and to arrange further working capital for surviving of the unit.</p> <p><b>The forum resolved that:</b></p> <p>The incentives sanctioned by the Commissioner of Industries will be sent to the Bank directly and other benefits like power incentives and Pavala vaddi, will be extended to the unit, if the ACCOUNT is rescheduled by the Bank.</p> <p>The party is advised to submit a specific plan of action along with other viability reports WITHIN 15 days to the Bank for their consideration.</p> <p>In view of the above, State Bank of India may look into the case once again and take appropriate decision in this regard</p>	<p>State Bank of India, LHO, Koti, Hyderabad informed vide their Lr. No. SMEBU/AKG/1052, dt. 21.10.2013, that the promoters have not approached the Bank, with any specific plan of action for revival of unit till date.</p> <p>Party informed that the unit was sanctioned Rs.7.50 crore limit and availed Rs.3.50 crores only. They have paid an amount of Rs.6.50 crores (Rs.4.20 crores own funds + Rs.2.30 crores sale proceeds of two assets sold by the bank) and still an amount of Rs.6.27 crores is reported outstanding.</p> <p>Borrower further informed that SBI has put 3<sup>rd</sup> property into an e-auction on 25<sup>th</sup> &amp; 26<sup>th</sup> pending OTS. Borrower offered an amount of</p>	<p>The Committee resolved that the decision making authority may be invited to the SLIIC meeting to be held on 27.11.2013 to take a decision and resolve the issue as the same has been discussing in the meetings for the last one year and still the issue was not resolved.</p> <p>The Bank representative present in the meeting should place the discussions held in the meeting before their higher authorities and come with detailed information about the unit for placing before the SLIIC on 27.11.2013 at</p>

			<p>It is advised that the party should meet the Banker with all papers and get the issue resolved.</p>	<p>Rs.3.50 crore which is not acceptable to the bank.</p> <p>Commissioner of Industries felt that the issue has come for discussion three times so far in the SLIIC subcommittee meetings and the Bank has not taken care of the resolutions passed in the earlier meetings.</p> <p>He also felt that the decision making authority is not coming to the meetings hence could not resolve the issue in spite of several meetings.</p> <p>He advised the Bank to send the decision making authority to the SLIIC meeting on 27.11.2013 to present the information in detail and for resolution.</p> <p>He advised the Bank not to conduct auction on 25<sup>th</sup> /26<sup>th</sup> and a reasonable OTS is to be arrived.</p>	<p>RBI.</p> <p>The forum resolved not to auction the property till such time and hold the process.</p>
2	M/s. Om Siva Sai Quarry Tech	APSFC and State Government	<p>Party is requesting for:</p> <ul style="list-style-type: none"> <li>➤ Revival &amp; rehabilitation of the unit.</li> <li>➤ Alienation of land</li> </ul>	<p>Party informed that APSFC has released the Term loan to the unit which was established on DK</p>	<p>It is resolved that since there is no rehabilitation package, the issue is</p>



			<p>is pending with Government and</p> <p>➤ APSFC has to consider OTS with waiver of outstanding dues since the unit is under seizure by Revenue Department since 2006.</p>	<p>Patta land. The Revenue Department has seized the unit in 2006. The alienation proceedings are pending and the unit is not functioning.</p> <p>The OTS is pending with APSFC for Rs.32.00 lakhs + interest.</p> <p><b>Party is requesting:</b></p> <ol style="list-style-type: none"> <li>1) To withdraw the criminal complaint made against the lady entrepreneur since she is attending the court for the last several years.</li> <li>2) APSFC should charge simple interest and all the penalties should be waived.</li> <li>3) Commissioner of Industries requested to consider this as a special case in the Board of APSFC and help the unit.</li> </ol>	<p>outside the purview of SLIIC Subcommittee &amp; it may be dropped.</p>
3	M/s. SKM Technologies Private Limited	State Bank of India, Balanagar	<p><b>Party's request:</b></p> <p>Party is requesting for</p>	<p><b>It is informed by State Bank of</b></p>	<p><b>The Committee</b></p>

	-	Branch	restructuring of loan with one year initial holiday to the unit for repayment.	<p><b>India Vide their Lr. No. SMEBU/AKG/1167 , dt.13.11.2013</b></p> <ul style="list-style-type: none"> <li>➤ Official of the company met with the top officials of their Bank at Corporate Centre on 11.09.2013 to discuss the feasible revival package for the unit.</li> <li>➤ Based on the discussions the account has since been migrated to the Stressed Asset Management Branch (SAMB) on 23.10.2013 for further action in rehabilitation and feasible revival package.</li> <li>➤ A meeting was lead by SAMB officials on 08.11.2013 with the promoters and appropriate decision based on Technical and economical viability of the unit will be taken.</li> </ul> <p>Borrower informed that:</p> <ul style="list-style-type: none"> <li>➤ GM SBI has not given any appointment</li> </ul>	<p><b>resolved that</b> the representative of the Bank attended the meeting should appraise the position to the decision making authority and also see that the Higher level official should attend the SLIC meeting at RBI on 27.11.2013 to represent the case and for speedy resolution.</p>
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				<ul style="list-style-type: none"> <li>➤ He met the officials at corporate office, Mumbai resulted the account transferred from Balanagar Branch to SAMB Branch.</li> <li>➤ Upon approach to SAMB, the official concerned informed that SAMB will deal recovery proceedings only &amp; no rehabilitation package will be provided. Whereas SBI representative attended the meeting informed that the branch has powers to provide rehabilitation.</li> </ul> <p>Borrower informed that the Bank has sanctioned Rs.2 crore Term Loan and taken documents two months after releasing of the limit and after 3 months they asked the unit to repay the amount saying that it is an adhoc limit and made the account as NPA.</p> <p>Borrower informed that he is in a confused stage</p>	
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				<p>whether bank is providing any rehabilitation package or filing a suit.</p> <p>He objected the Bank in classifying the account as NPA when the unit is performing well with sufficient orders on hand with reputed companies &amp; converting the TL into adhoc limit.</p> <p>Commissioner expressed his concern that the Bank is not properly dealing with the unit though the party is having 26 years of good relationship with the bank and the unit is running properly. He advised that G.M. competent of SBI should attend the SLIIC meeting at RBI on 27.11.2013 to resolve the issue.</p>	
4	M/S. VANAJA ELECTRICAL APPLIANCES	Andhra Bank, Balanagar Branch	Party is requesting for Rescheduling of overdrawn Cash Credit limit and to with draw the SARFEASI notices from Bank.	Representative from Andhra Bank informed that the case is under techno economic viability study and the request of the borrower will be examined based on the study report. Bank accepted to withhold the legal proceedings till	The Committee advised the party to be in touch with the Bank and get the issue resolved as the bank is positive in this regard.

				such time.	
5	M/S. SHARP ENGINEERING WORKS	Andhra Bank, Balanagar Branch	Party is requesting for a fair and best deal of OTS as they have incurred huge losses due to various reasons.	The representative of Andhra Bank informed that the OTS proposal is under consideration and will be finalized soon.	The committee resolved that since the issue is related to OTS and it will not come under the purview of SLIIC Subcommittee
6	M/S. SWATHI PUSHPAM	SIDBI & BOI	<p>BOI is ready to extend financial support to the unit provided SIDBI extends pari passu charge in favour of BOI on the securities held.</p> <p>Party was advised to give a written request to SIDBI requesting to extend pari passu charge.</p> <p>Basing on the request of the party SIDBI has referred the matter to ISARC, Mumbai.</p>	<p>It is informed by ISARC, vide letter dated 15<sup>th</sup> October, 2013 that the restructuring/valuation exercise of Swati Pushpam Pvt. Ltd is in progress and is expected to be completed soon since the company has sent some of the information during 1<sup>st</sup> week of October, 2013.</p> <p>Party is requesting to fix repayment as six years instead of proposed four years.</p>	<p>The Committee resolved that the party should follow up with BOI and SIDBI for resolution.</p> <p>Party is advised to seek assistance from the Commissioner of Industries in resolving subsidy related issues.</p> <p>It is also suggested to consider longer repayment period as requested by the party to have more viability of the</p>

					project.
7	M/S.GUV FOOD PRODUCTS	Andhra Bank, Sanathnaga r Branch	Party is requesting Andhra Bank not to initiate coercive action as the claim application for sanction of Investment subsidy is under Examination/verification process by the Commissioner of Industries.	The representative of Andhra Bank informed that they have made inspection of the unit and stalled the SARFAESI proceedings against the unit.  Commissioner of Industries informed that they will look into the claim application which is under process.	Committee resolved that party should be in touch with the Bank and Commissioner of Industries for resolution of the issues.

- Further it was resolved in the meeting that higher level official should represent in the ensuing SLIIC meeting to be held on 27.11.2013, to have a fruitful decisions and resolve the cases immediately.
- It was resolved that all banks may adopt go slow process in respect of initiating coercive action against SME sector at least for a period of one year in view of the hardships faced by the industry in AP state due to power crisis, frequent cyclones, political agitations and unrest etc. and Reserve Bank of India may take a view on the above and direct the Banks suitably in this regard.

## **XII. Proceedings of 5<sup>th</sup> Meeting of Steering Committee of SLBC of A.P 2013-14 held on 09.12.2013.**

5<sup>th</sup> Meeting of Steering Committee of SLBC of A.P 2013-14 was held on 09.12.2013 in Andhra Bank, Head Office, Hyderabad. In the meeting Sri N. Gireesan, AGM, RBI and Smt. K. Anuradha, AGM, RBI, Smt. Nivedita Tiwari, AGM, NABARD, Sri S. Subba Rao, AGM, NABARD, Sri K. Madhusudana Rao, IAS, Commissioner of Agriculture, Smt. Anitha Ramachandran, IAS, Mission Director, MEPMA, Sri Y.V. Raghunatha Reddy, Director, Bank Partnerships, SERP, Sri P. Nagarjun, DGM, AIC of India, Sri K. Kumara Swamy DGM, State Bank of Hyderabad, Sri G. Gouri Sankar, Director, Handlooms & Textiles, other representatives from Government Departments and Senior Officers from controlling Banks have attended the meeting.

Sri C. Doraswamy, General Manager & Convener, SLBC has welcomed the participants and initiated the discussion on the agenda points.

### **Agenda -1**

#### **Confirmation of minutes of the 4<sup>th</sup> Steering committee meeting held on 10.10.2013**

The minutes of the 4<sup>th</sup> steering committee has been approved.

### **Action Taken Report:**

1. Financial literacy material: Printing & supply of material to the controllers are expected to be completed by the end of December, 2013. SLBC has submitted the proposal to NABARD for reimbursement of expenditure towards printing of financial literacy material from Financial Inclusion Fund managed by NABARD.

The forum requested NABARD to reimburse 100% of expenditure incurred towards printing of financial literacy material.

AGM, NABARD assured to examine the proposal and requested all banks to ensure proper distribution and utilization of the material to the optimum level at Controlling offices/rural branches/FLCs.

**(Action: SLBC, NABARD and all Banks)**

2. Claiming of interest under VLR scheme: Commissioner of Agriculture interacted on the issues raised by bankers and details furnished in agenda item No.3.
3. Transportation of cash to ATMs-Issue of Canara bank: Bank representative informed that the issue was resolved.
4. Representation from CGGB with regard to updating bank details in the data base of State Govt. departments: CGGB vide Lr. No.7099/4/935, dt.07.12.2013, requested OSD (IF), GoAP to take up with the IT department for resolving the issue.

**(Action: GoAP)**

5. Integration of land records: Details of discussion furnished in agenda item No.9.

**(Action: SLBC)**

6. Scholarship payments through Ezeepay cards by SBI- Representation by Deputy Director, Social Welfare Department, GoAP:

Representative of SBI informed that the issue is yet to be resolved.

**(Action: SBI)**

## **Agenda 2**

### **a) Performance of Annual Credit Plan 2013-14 under short term production credit**

Convener informed the house that banks have achieved 90% of the targets set for Khariff, 2013-14 under short term production credit. During Rabi season an amount of Rs.2097 crores were disbursed as against the target of Rs.17993 crores. All banks are requested to step up the lending under RABI, 2013-14 and ensure achievement of target under ACP 2013-14.

Representative of APGVB requested NABARD to re-examine the issue excluding finance of APGVB under Agril Gold loans sector up to Rs.1.00 lakh for the purpose of coverage under 2% interest subvention scheme of Gol for short term production loans.

Convener requested the bankers for the end use of funds in respect of finance under Short term Agril. Loans and to ensure applicability of interest subvention scheme of Gol. All banks are advised to go through the extant guidelines issued by RBI in this regard.

All bankers have informed that renewal of short term loans under KCC is not happening and in turn overdues & NPAs are mounting progressively. Bankers also informed that major share of credit flow under short term loans is on account of agril. Loans against pledge of gold ornaments.

In this regard, the Commissioner, agril has requested the Bankers to ensure that the benefit of VLR is not passed to the loanees who have availed gold loans for agriculture. Further he requested the SLBC to quantify the gold loans out of the short term loans disbursed during Khariff.

SLBC Convener has appraised to the forum on the negative impact on the profitability of the Banks by virtue of short term/medium term agril Loans turn to be NPA.

In this context, he has referred about the assurances being offered to farmers of the state by certain political parties, which is spoiling the total repayment culture.

**(Action: All Banks)**

**b) Relief Measures – In the areas affected due to recent cyclone and Heavy rains in the state**

In response to the request of SLBC about the dire need in initiating the relief measures in the areas affected with cyclone and floods, Commissioner of Agriculture, GoAP informed that assessment of damage has been completed in all the affected districts and data base is available. He assured the forum to take up with District collectors concerned to issue a certificate in consultation with DCC to enable the banks to initiate necessary relief measures as per extant guidelines of RBI on Natural calamities.

Convener, SLBC informed the forum that SLBC has already issued instructions to all LDMs to convene special DCC meetings for discussion on extent of damage on account of cyclones and heavy rains occurred during Khariff season and sensitize the branch managers to extend necessary relief measures as per RBI guidelines. It is observed that District collector of Srikakulam has issued a certificate of crop loss to enable the bankers to initiate the necessary relief measures.

DGM, SBH has opined that it will be a great relief to the farmers if crop insurance claims are settled to the full extent of crop loss during the occurrence of natural calamities, instead of converting the crop loans into medium term loans which will lead to heavy financial burden to the farmers.

**(Action: GoAP, Banks & LDMs)**

**Agenda 3**

**Vaddi Leni Runalu and Pavala Vaddi scheme on crop loans from Khariff 2012 (Front end Interest claim) and Rabi 2011-12 (Back end Interest claim) – Request for furnishing of certain information**

Commissioner of Agriculture requested the bankers to submit the information with regard to VLR scheme detailed as under:



- Crop loans disbursed during Khariff and Rabi 2012-13 and the rate of recovery (as per GO Rt.No.639, dt.27.04.2013)
- Quarterly statement in the format as prescribed in GO Rt.No.639, dt.27.04.2013 (details of SC/ST/Women to be furnished) for the period 01.04.2013 to 30.06.2013; 01.07.2013 to 30.09.2013 is due from the bankers.
- Submission of MIS data by 30<sup>th</sup> November, 2013 for the claims already processed and amounts released up to 31<sup>st</sup> July, 2013.
- Submission of monthly Acknowledgement of claims received, by 2<sup>nd</sup> of every month along with declaration on letter head duly signed by an authorized signatory (Format in Annexure I & II)
- Submission of claims pertaining to crop loans disbursed during Rabi 2011-12 in AP Format II- Consolidated and category wise (GEN, SC, ST) duly audited in duplicate along with advance stamped receipt for the amounts claimed immediately to the Dept. of Agriculture office.

**The Commissioner of Agriculture, GoAP agreed to:**

- To approve two logins for RRBs and sponsoring bank in the same menu.
- To extend the cutoff date for submission of claims for reimbursement of interest for Khariff 2012 and also for submission of Non-MIS data up to 31<sup>st</sup> December, 2013 and no further extension will be accepted after the date.
- To provide Clearance for access to submit non MIS data immediately at the instance of SBI representative.
- With regards to submission of category wise claims for RABI 2011-12 in AP format II, Commissioner assured to examine the issue at the request of the Banks.

**(Action: GoAP & all banks)**

**Agenda 4**

**5. a) Notification of NAIS/MNAIS/WBCIS for RABI 2013-14**

SLBC has circulated the Notifications of RABI 2013 -14 to the controllers of banks as furnished here under:

NAIS - Notification of crops and Areas – G.O. Rt.No.1338, dt. 11.11.2013

MNAIS – Notification of Crops and Areas–G.O. Rt.No.1339, dt.11.11.2013 and

WBCIS –Notification of Crops – G.O. Rt.No.1340, dt.11.11.2013

**DGM, AIC of India informed the latest status on implementation of the above schemes as under:**

- Govt. of India has formulated a Central Sector Scheme of National Crop Insurance Programme (NCIP) by merging MNAIS, WBCI and Coconut palm insurance scheme.
- MNAIS and WBCIS will be extended to all the districts from RABI 2013-14 and NAIS will be **rolled back** simultaneously.
- MNAIS will be implemented in Nellore, Prakasam and Warangal districts on pilot basis during RABI 2013-14 as per the existing notification.

- WBCIS will be implemented for the notified crops of Mango, Banana and Cashew nut as per the existing notification.
- It is advised to report NAIS declarations to AIC of India after receipt of detailed guidelines.
- Detailed guidelines will also be communicated to all banks under Coconut palm Insurance scheme (CPIS)

DGM, AIC of India informed that they have released Rs.769 crores claims during July/August, 2013 out of which Rs.425 crores to East Godavari, West Godavari and Krishna districts for Nilam Cyclone. He also informed that another 54.52 crores claims will be released under NAIS- Khariff 2012, very shortly.

**(Action: AIC of India & all Banks)**

**b)Request for extension of date for submission of declarations by branches for Khariff-2013-14**

DGM, AIC of India informed that they have accepted submission of declaration forms for Khariff 2013 up to 30<sup>th</sup> November, 2013 under as requested by the banks.

## Agenda 5

### Self Help Groups – overdues and other issues

The forum discussed at length on the issues mentioned in the agenda:

Sl. No.	Issue	Resolution
1	Conversion from Term loans to Cash credit	It is resolved to implement the guidelines of NABARD communicated vide Cir No.65 (A)/MCID-04/2011-12, dt. 27.03.2012 on cash credit system to SHGs. <b>(Action: All banks)</b>
2	Handling Indiramma Loans/Bridge Loans	Representative of RBI advised to deal the beneficiaries under OTS scheme on case to case basis as per the individual Banks` Board approved policy.  Further discussions on this issue will be taken up after getting the data from all Banks. <b>(Action: all banks &amp; SLBC)</b>
3	Migration of Individual Members	Banks have expressed concern over migration of

		individual members of the groups resulting in accumulated overdues/NPAs in SHG finance.
4	Multiple finance through Streenidhi	<p>Representative of APGVB bank informed that they have undertaken a study on SHG lendings and observations are as under:</p> <ul style="list-style-type: none"> <li>a) Multiple membership (a member existing in more than one group) observed in SHGs.</li> <li>b) Migration of member resulted in heavy overdues.</li> <li>c) Financing by Streenidhi to NPA SHG groups</li> </ul> <p>Director, SHG requested APGVB official to share the study report for which bank has readily accepted. (Action: SERP &amp; APGVB)</p> <p>It is suggested that No-overdue certificate is to be insisted by Streenidhi from the respective bank where SHG loan account is maintained before allowing the loan.</p> <p style="text-align: right;"><b>(Action: Streenidhi, SERP, all Banks)</b></p>
5	Restructuring of SHG NPAs – availability of Vaddi Leni Runalu (VLR) on such loans	<p>Further clarity is required on the issue.</p> <p style="text-align: right;"><b>(Action: SBI &amp; SERP)</b></p>
6	Extension of VLR to SHG loans beyond Rs. 5 lakhs.	<p>It is already agreed by SERP to extend VLR scheme up to a credit limit of Rs.5 lakhs even the limit sanctioned is beyond Rs.5 lakhs.</p>
7	Focused attention in recovery of SHG overdues with the assistance of Government machinery	<p>Director, SERP accepted to extend necessary support / assistance to the banks in recovery of overdues/NPAs. It is requested to furnish specific cases to initiate suitable recovery proceedings.</p> <p style="text-align: right;"><b>(Action: All Banks &amp; SERP)</b></p>

#### **6. National Rural Livelihoods Mission (NRLM) – Ajeevika – Interest Subvention Scheme**

It is agreed to discuss on modalities required for implementation of VLR scheme by Govt. of AP to synchronize with the scheme guidelines of NRLM in a subcommittee which will be convened shortly.

**(Action: SLBC)**

#### **7. Revival, Restructure and Reform Package Scheme for Handloom Sector – Revised guidelines**

Director, Handlooms & Textiles has in length, impressed upon the bankers in implementation of RRR package with in time schedule.

#### **It is resolved:**

1. To furnish the details of individual weavers whose loans were waived under RRR package for Handloom sector, to NABARD under copy to Handlooms Dept. GoAP.

2. To furnish the utilization certificates having utilized the amounts for the purpose for which it was sanctioned, to NABARD under copy to Handlooms Dept. GoAP
3. To implement the RRR package before 31<sup>st</sup> December, 2013 positively
4. To sanction and disburse Weavers Credit Cards to the Handloom weavers in a big way as per the target (25,000 WCCs) set for the year 2013-14.

AGM, NABARD requested all Banks to furnish UCs where RRR package is implemented to NABARD copy marked to Dept. of Handlooms & Textiles and SLBC.

**(Action: All banks)**

### **8. Unbanked Mandals**

Representative of APGVB informed the forum that they are opening branch on 26.12.2013 at Munchingput, Visakhapatnam which is an unbanked Mandal.

It is requested the officials of DGB, SBI and Syndicate Bank to expedite the process of opening of branches in the remaining three unbanked mandals viz. Gangavaram (East Godavari), Gopavaram (YSR Kadapa) and Mahamuttaram (Karimnagar). It is advised to fix time lines for opening of branches in the above centers as the same has been long pending unresolved issue.

**(Action: DGB, SBI & Syndicate Bank)**

### **9. Implementation of Integration of land records**

While expressing gratitude to GoAP on taking initiative for integration of land records, Convener informed that NIC has created Master users for 38 banks so far who in turn can create branch users for viewing the digitalized land records of GoAP at branch level and the same was communicated by SLBC.

The remaining banks are requested to furnish the details of designated officers for creating Master users to SLBC. It is also proposed to conduct a work shop on implementation of the scheme soon after the finalization of modalities by NIC for creation of online charge by banks on the lands.

**(Action: Banks & SLBC)**

### **10. PMEGP – Revised targets for the year 2013-14 – for approval of the forum**

The forum resolved to approve the revised district wise targets along with SC/ST targets for the year 2013-14 under PMEGP in respect of KVIC/DIC/KVIB received from KVIC for implementation.

The representative of KVIC has informed that they have completed the District Level Task Force committee meetings for selection of candidates in 15 districts and balance will be completed by the end of this month.

#### **The Convener, SLBC advised:**

- Representative of KVIC to allocate District-wise and Bank-wise targets and communicate the same to LDMs marking a copy to SLBC.
- To organize district level workshops for motivating the applicants to take up schemes under PMEGP as agreed in the State Level Monitoring committee by KVIC.

- Banks to furnish Margin Money account details in respect of units financed during 2008-09 & 2009-10 to the staff members of KVIB/DIC who will visit the branches for this purpose.
- LDMs are requested to coordinate with the officials of DIC/KVIC in allocation bank-wise and district-wise targets and ensure implementation of the scheme as per the set targets.

**(Action: DIC, KVIC, KVIB, all banks and LDMs)**

#### **11. Inclusion of representative of HUDCO as a member in SLBC**

The forum ratified the action of SLBC in nominating the Regional Chief of HUDCO as member of SLBC as per the direction of Joint Secretary, Gol.

#### **12. Other Items:**

##### **Non-acceptance of accounts of RRBs by Social Welfare Department**

The item could not be discussed due to non-attendance of representative from Social Welfare Department. However SLBC has addressed a detailed letter to the Department to resolve the issue.

**(Action: Social Welfare Department, GoAP)**

##### **Union Budget – 2013-14 – Interest Subvention Scheme - RBI/2013-14/398 RPCD. No.PSD BC.71/05.04.02/2013-14, DATED December 4, 2013**

All Controllers of banks are advised to implement interest subvention scheme of Gol during 2013-14 as per the detailed guidelines communicated by RBI in the above circular.

**(Action: All banks)**

#### **Supplementary Agenda:**

##### **SERP**

It is resolved to request all banks to implement cash credit system to SHG finance as per the guidelines communicated vide NABARD Cir No.65 (A)/MCID-04/2011-12, Dt. 27.03.2012 including review and reporting.

Director, SERP informed that some of the banks are not reviewing the cash credit limits at prescribed intervals resulting in under performance and not allowing the SHG members to withdraw the unutilized limits though the accounts are regular. He also expressed concern on withholding savings of the group members from out of loan proceeds.

The convener has emphasized the need on the part of the Controllers of banks to ensure compliance/confirmations from their branches that they are not withholding group savings, not placing deposits, allowing withdrawals to the extent of drawing power and not insisting on insurance policies.

**(Action: All banks)**

##### **MEPMA**

**At the request of the Mission Director, MEPMA the forum resolved:**

- To extend cooperation by all banks in implementing VLR scheme to urban SHGs in line with rural SHGs which is being now implemented by SERP
- To open SB accounts and to extend finance to street vendors as per the guidelines communicated by Ministry of Finance, GoI.
- To advise the controllers to obtain confirmation from the branch managers that they are not with holding group savings, allowing withdrawals to the extent of drawing power and not insisting on insurance policies.

**Mission Director, MEPMA requested banks**

- To expedite sanctions and disbursements under SJSRY scheme (USEP and UWSP)
- To advise LDMs to convene Town Level Bankers' Committee meetings and utilize the forum effectively for recovery of overdues/NPAs under Urban SHGs/SJSRY.
- To take assistance of PD, MEPMA for organizing recovery camps.

**(Action: LDMs & all banks)****NABARD**

All controllers are requested to issue suitable instructions to their branches in organizing Joint Monitoring Inspections (JMI) under Agriculture marketing Infrastructure, grading and standardization scheme as per the guidelines communicated by NABARD vide Lr.No.APRO/HYD/DoR/6950/ICD/2013-14, dt.04 December, 2013.

**(Action: All banks)****XIII. Proceedings of the Sub-Committee Meeting of SLBC of Andhra Pradesh to work out modalities on implementation of Vaddi Leni Runalu (VLR) scheme of GoAP for SHGs synchronizing with interest subvention scheme of Govt. of India under NRLM**

A Sub-committee Meeting of SLBC of AP was conducted at Andhra Bank, Head Office, Hyderabad on 16.12.2013 at 3.00 PM. Sri J Raymond Peter, IAS, Principal Secretary (Rural Development), GoAP, Sri B Rajasekhar, IAS, CEO, SERP, Hyderabad ; Shri Y V Raghunatha Reddy, Director, SHG(BPs), Sri A Pulla Reddy, Manager, RBI, Hyderabad, Sri S V Hanumantha Rao, OSD(IF) GoAP Hyderabad, Sri B Uma Sankar, AGM, Andhra Bank, representatives from Government Departments and Banks were present. The detailed list of participants is enclosed.

Sri C. Doraswamy, General Manager & Convener, SLBC of AP has extended a warm welcome to all the participants who attended the subcommittee meeting.

Convener has informed that the present subcommittee meeting is convened as per the decision of 5<sup>th</sup> steering committee meeting held on 09.12.2013 to work out modalities on implementation of Interest subvention scheme of GOI for NRLM scheme and to synchronize with the existing VLR scheme of Go AP to women SHGs. He explained the guidelines in detail regarding interest subvention scheme issued by RBI vide circular RBI/2013-14/373 RPCD.GSSD.CO.BC.No.57/09.01.03/2013-14 dated November 19, 2013. He further informed that

RBI advised the states having state specific interest subvention schemes to harmonize their guidelines with the central scheme.

The forum discussed at length on the guidelines issued by RBI and existing guidelines of VLR scheme of GoAP for women SHGs in the state of Andhra Pradesh.

### **Category – I (150 districts)**

- a) Coverage of Interest subvention scheme: Scheme is applicable in **150** most backward districts including IAP districts in the country out of which the following **8** districts are covered in the state of Andhra Pradesh
  - 1) Adilabad 2) Srikakulam 3) East Godavari 4) Warangal 5) Vijayanagaram
  - 6) Viskhapatnam 7) Khamam and 8) Karimnagar
- b) Applicability: All women SHGs will be eligible for interest subvention scheme to avail the credit limit up to Rs.3.00 lakhs at 7% per annum. SERP informed that there will be no change in the existing guidelines of Vaddi Leni Runalu (VLR) scheme and it is applicable to those groups which are prompt in repayment up to a credit limit of Rs.5.00 lakhs though the groups would have availed beyond Rs.5.00 lakhs.
- c) Availability of subvention to Banks: PSBs will be subvented to the extent of difference between the Weighted Average Interest charged subject to a maximum limit of **5.50%** for the FY 2013-14. This subvention will be available to the all the PSBs on the condition that they make SHG credit available at 7% p.a. in the 150 districts.

### **SERP informed that**

- i) In respect of the groups that have promptly repaid, SERP has reimbursed the total interest to the groups under VLR scheme and requested the banks to pay back to SERP instead re-crediting the excess interest charged to them from 1<sup>st</sup> April 2013 as per new guidelines of RBI.
  - ii) SERP has agreed to share the data to individual banks from 1<sup>st</sup> April 2013 to November 2013 duly quantifying their claim in respect of promptly repaid groups.
  - iii) SERP wish to take-up issue with Government of India for getting reimbursement as they have already provided interest subvention to the promptly repaid groups instead to banks.
  - iv) It is opined by SERP that uniform/common interest rate is to be charged to SHGs by all banks for smooth implementation of the interest subvention scheme and wish to take up with banks/MOF in this regard.
- d) Applicability to RRBs & co-operative banks: Detailed guidelines will be separately issued by NABARD
  - e) Guidelines on prompt repayment: Additional 3% subvention will be given to SHGs on prompt repayment of loan. An SHG account will be considered as prompt payee , if it satisfied the following criterion as specified by RBI

### **For cash credit limit**

- i) Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days.
- ii) There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during the month
- iii) Customer induced credit should be sufficient to cover the interest debited during the month.

For the Term Loans: A term loan account where all of the interest payments and/or installments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt repayment.

SERP informed that there will not be any change in the existing procedure of identifying the prompt repayment groups for extending VLR scheme( for reimbursement of balance 4% interest ) i.e.,

- i) SERP will arrange to inform the SHG the principal amount payable by them each month on due date.
- ii) In case of cash credit system, the SHG shall repay at least 3% of the outstanding principle amount each month.
- iii) Before 10<sup>th</sup> of each month, SERP will arrange to get the data from all the banks electronically regarding repayments made by SHGs in the previous month.
- iv) From this data, all cases of prompt repayment (payment made by the end of the month in which the installment falls due) shall be identified for each month.
- v) The interest portion or the government portion of the installment in case for term loans and interest charged by the bank in case of cash credit limit will be transferred electronically directly into the loan accounts of SHGs each month (after 20<sup>th</sup> of the month).
- vi) Any SHG that fails to repay the required amount of the installment (SHG portion) or credit the stipulated amount in case of cash credit limit will forego the interest subvention receivable from the Government of AP for that particular month.

From the above, it is concluded that banks will provide additional subvention of 3% on prompt repayment as per the guidelines of RBI communicated in the above cited circular and SERP will provide Zero interest as per the extant guidelines mentioned in ( e).

- f) Periodicity for providing additional interest subvention on prompt repayment: RBI informed that all prompt payee SHG accounts as at the end of reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement. SERP will credit the zero interest on monthly intervals if the group fulfils the criteria of VLR scheme of GoAP mentioned in (e)

#### **Category –II: (other than 150 districts )**

- a) This scheme will be implemented by the State Rural Livelihood Missions (SRLMs) and will provide interest subvention to the NRLM compliant SHGs who have accessed loan from PSBs, RRBs and cooperative Banks.
- b) NRLM complaint SHGs will be eligible for interest subvention to avail the credit up to Rs.3.00 lakhs at the rate of 7% per annum **on prompt repayment**.
- c) The SHGs will be subvented with the extent of difference between the lending rate of the banks and 7% by SRLMs, directly on a monthly/quarterly basis. An e-transfer of the subvention amount will be made by SRLMs to the loan accounts of the SHGs who have repaid promptly.

In this regard, SRLM will follow the guidelines of RBI on prompt repayment for e-transfer of the subvention amount to the loan account of NRLM compliant SHGs to reimburse the difference between lending rate of the banks and 7% interest up to a credit limit of Rs.3.00 lakhs



and

Follow the guidelines on VLR scheme of GoAP for providing Zero interest for identifying the prompt repayment groups up to a credit limit of Rs.5.00 lakhs

**The above discussions may be sum-up as under:**

Category – I districts:

- a) All women SHGs will be eligible for interest subvention scheme upto a credit limit of Rs.3.00 lakhs @ 7% p.a.
- b) Banks will get interest subvention upto a maximum extent of 5.50% and eligibility of each bank was given in the RBI circular.
- c) Banks are required to submit their interest subvention claims on a half-yearly basis as at September 30, 2013 and March 31, 2014.
- d) In respect of 3% additional subvention, banks may submit their one-time consolidated claims pertaining to the disbursements made during the entire year 2013-14 latest by April 30 ,2014
- e) In the State of Andhra Pradesh, SERP has provided zero interest under VLR scheme to SHGs on prompt repayment as per the extant guidelines of GoAP and wish to takeup with GOI to get back the interest claim, instead of crediting to SHG groups by banks for the period from 01.04.2013 to 30.11.2013.
- f) In respect of those groups which are not eligible for zero interest under VLR scheme of GOAP but otherwise eligible under new guidelines of RBI, banks have to claim interest subvention ( for all groups ) and additional subvention ( on prompt repayment ) on half yearly & yearly basis respectively for the period between 01.04.2013 to 30.11.2013. (SERP has agreed to share the data to whom they have provided Zero interest )
- g) From 01.12.2013 onwards banks have to claim interest subvention and additional subvention as per the new RBI guidelines up to a credit limit of Rs.3.00 lakhs. SERP will reimburse 4% interest to those groups directly to the credit of group accounts that have fulfilled the guidelines for prompt payment of GoAP up to a credit limit of Rs.5.00 lakhs.

Category –II (other than 150 districts)

- a) NRLM compliant SHGs will be eligible for interest subvention to avail the credit limit up to Rs.3.00 lakhs @ 7% per annum on prompt repayment.
- b) SERP has been requested to revisit the group accounts on repayment record from 01.04.2013 to 30.11.2013 to e-transfer of the subvention amount with the extent of difference between the lending rate of the banks and 7% in the light of new guidelines of RBI on prompt repayment under NRLM scheme up to Rs.3.00 lakhs
- c) From 01.12.2013 an e-transfer of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly to the extent of difference between the lending rate of the banks and 7% by SRLMs, directly on monthly/quarterly basis up to a limit of Rs.3.00 lakhs as per the new RBI guidelines on prompt repayment.
- d) Reimbursement of 7% interest will be made by SERP to the credit of loan accounts to those groups who have fulfilled the prompt repayment guidelines of SERP under VLR scheme up to a limit of Rs.5.00 lakhs

**(Action: all banks and SERP)**

**II) SERP has identified the following issues for discussion and resolution:**

Issue	The forum resolved to recommend to banks and SERP as under
Several bank branches are sanctioning cash credit limits (CCL) for 3 years with same drawing power (DP), which is not correct	In this regard banks are requested to follow the guidelines of NABARD communciated vide Ref No. NB.MCID/1563/SHG-1(Policy)/2011-12 circular No.65(A)/MCID-04/2011-12 dated 27.03.2012 where in it is advised banks in 3.2.2 (c) as under : The loan limit may be sanctioned for a period of three to five years based on the projected savings of the SHGs up to the end of 3 to 5 years, thus avoiding repeated documentation. Drawable limits for each year can, however, be fixed within this aggregate ceiling as a multiple of actual pooled savings reached.
Majority of the branches are not reviewing cash credit limits to SHGs even after a year.	Banks may adopt the procedure of review/renewal of the limits as per the extant guidelines
There is confusion in recognizing SHG bank linkage performance under CCL, particularly regarding target and achievement. As of now, for achievement, we are considering the DPs of new as well as reviewed CC limits. But, CCLs are not being reviewed/ renewed by all banks. Alternatively, we may agree on considering only the amount withdrawn from these limits as achievement - as that's what matters to SHGs.	Forum suggested SERP to take Revised Drawing power/renewal of limits as target for reviewing the performance.
The gap between cumulative cash credit limits (only DPs taken into account) and loan outstanding under cash credit limits is widening every month, which signifies SHGs are not utilizing their limits properly. It has come to our knowledge that some banks are not allowing SHGs to withdraw from their CCL accounts though these accounts are regular (particularly in case of APGVB).	Banks are requested to allow the drawals to the extent of drawing power as per the CC guidelines if the account is otherwise in order.
Existing guidelines of SLBC are useful to sanction term loans based on number of times SHG has availed loans from banks, whereas there are no state specific guidelines for arriving at CCL. We have been asking banks to adapt existing SLBC guidelines to arrive at CCL which is broadly as follows: after 6 months of formation,	In this context recommendation of steering committee of SLBC regarding dose of assistance to SHGs for sanction of term loans may be translated for sanctioning cash credit limits (regular limit) as under.  1. The CC limit may be sanctioned for a period of 3/ 5 years, basing on the projected group savings for 5 years subject to annual review. 2. The eligible amount of drawal (Drawing power) will

<p>the SHG may be considered for a CCL of Rs 2 lakhs with a DP of Rs 50,000 for year one, Rs 1 lakh for year 2 and Rs 2 lakhs for year 3. The next CCL would be Rs 5 lakhs with a DP of Rs 3 lakhs in the 1st year, Rs 4 lakhs in the 2nd year and Rs 5 lakhs in the 3rd year.</p>	<p>be fixed on yearly basis.</p> <ol style="list-style-type: none"> <li>3. The first year Drawing power will be allowed after 6 months of formation of the group and the quantum of finance would be four times the savings of the group with a minimum of Rs.50,000/-</li> <li>4. The second year drawing power will be allowed after 12 months of the 1<sup>st</sup> dose of finance and DP would be 10 times of savings of the group, with a minimum of Rs.1.00 lakh</li> <li>5. MCP is the basis for fixing the drawing power from 3<sup>rd</sup> year onwards.</li> </ol> <p>Banks may consider higher limits according to their bank's internal guidelines.</p>
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**(Action: all banks and**

**SERP)**

### III) Non-acceptance of accounts of RRBs by Social Welfare Department

It is brought to the notice of SLBC by LDM, Khammam that the Social Welfare Commission rate is not accepting the accounts of Andhra Pradesh Grameena Vikas Bank (APGVB) for disbursement of student scholarship amounts.

Principal Secretary, Rural Development, GoAP informed as under:

- a) At present the Social Welfare Department is finding difficult to get response file from PSBs even after 3 to 4 days, inspite series of meetings had with controllers and IT staff of different banks.
- b) Banks are not furnishing acknowledgement having transferred the scholarship amounts to the credit of student accounts.
- c) In respect of RRBs, obtention of branch wise IFSC codes is under process, which is required for affecting online transfer of scholarships to the students' accounts at branch level.
- d) The issue of accepting the accounts of RRBs will be examined after the existing system with PSBs is totally stabilized.

**(Action: All banks and RRBs)**

### List of Participants – Meeting of Sub Committee of SLBC to Workout Modalities of VLR scheme for SHGs held on 16.12.2013

S No.	Name of the Official Shri/ Smt	Designation	Organisation
1	C Doraswamy	General Manager & Convenor, SLBC of AP	Andhra Bank
2	A Pulla Reddy	Manager	RBI
3	J Raymond Peter, IAS	Principal Secretary,	GoAP

		Rural Development & Social Welfare Dept.(FAC)	
4	B Rajasekhar, IAS	CEO, SERP	GoAP
5	S V Hanumantha Rao	OSD (Finance)	GoAP
6	Y V Raghunatha Reddy	Director (BPs), SERP	GoAP
7	Jayanthi	Project Executive, SERP	GoAP
8	M Kesava Kumar	Asst. Project Manager, SERP	GoAP
9	D Venkata Ramana Reddy	State Mission Coordinator, MEPMA	GoAP
10	Syed Rasool	State Mission Coordinator, MEPMA	GoAP
11	B Uma Sankar	A G M	Andhra Bank
12	M Bala Bhaskar	Chief Manager, SLBC	Andhra Bank
13	Y Bhanu Murthy	Chief Manager, ABU	State Bank of India
14	A Sitaramaiah	Chief Manager (Agri)	State Bank of Hyderabad
15	BH. S H V Rama Raju	Chief Manager	Syndicate Bank
16	U Subba Rao	Chief Manager	Indian Bank
17	N Jhansi Lakshmi	Chief Manager	Deccan Grameena Bank
18	D Balraj	Asst. Manager	State Bank of Hyderabad