**184th Meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**(1st SLBC Meeting of Reorganized AP State)**

**Agenda & Background Notes**

**Date: 30.06.2014 - Time: 03.00 pm**

**Venue: Hyderabad**

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

**CONVENER ANDHRA BANK**

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| **Agenda 1** |

**Adoption of the minutes of 183rd SLBC meeting held on 29.05.2014**

The minutes of **183rd SLBC meeting** held on **May 29, 2014** and minutes of the meeting held on **21st May, 2014** on Revisiting of Documentation – SHG Bank Linkage- Cash Credit System were circulated to the members of SLBC, LDMs and Government Departments concerned.

These minutes may be taken as approved by the house as no amendments/changes were received by SLBC of Andhra Pradesh.

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| **Agenda 2** |

**Banking Statistics**

1. **BANKING AT A GLANCE IN ANDHRA PRADESH - As on 31.03.2014**

**Amount in Crores**

|  |  |  |
| --- | --- | --- |
| Total Number of bank branches  Rural  Semi Urban  Urban  Metro | **United AP**  **10533**  **3885**  **2841**  **2250**  **1557** | **Reorganized AP**  **5980**  2301  1785  1655  239 |

|  |  |  |
| --- | --- | --- |
| Total **Deposits** in the State | 4,51,121 | 1,65,242 |
| Total **Advances**  in the State | 5,26,165 | 2,01,201 |
| Credit Deposit Ratio (RBI norm -60%) | 116.64% | 121.76**%** |

|  |  |  |
| --- | --- | --- |
| **Total Priority Sector Advances** | 2,39,867 | 1,37,250 |
| % of Priority Sector Advances to ANBC of 31st March of previous year (RBI Norm 40%)  **of which** | **50.86%** | **80.87%** |
| Agricultural Advances  % of Agrl. Adv. to ANBC (RBI norm - 18%) | 1,37,176  (29.09%) | 87,612  (51.62 %) |
| Non-farm sector/Micro & Small Enterprises  (% to Net Bank Credit) | 55,603  (10.57%) | 26,302  (13.07%) |
| Others’ under Priority Sector Advances  (% to Net Bank Credit) | 47,088  (8.95%) | 23,336  (8.95%) |
| **of which**  Education Loans  Housing Loans  SHGs | 5,519  33,808  22,773 | 3,393  15,621  14,204 |

1. **BANKING KEY INDICATORS OF ANDHRA PRADESH**

**Amount in crores**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No | PARTICULARS | As on 31.03.2011 | As on 31.03.2012 | As on 31.03.2013 | As on 31.03.2014 |
| 1 | Number of Branches |  |  |  |  |
|  | Rural | 1803 | 1949 | 2105 | 2301 |
|  | Semi Urban | 1340 | 1488 | 1627 | 1785 |
|  | Urban | 1435 | 1448 | 1527 | 1655 |
|  | Metro | 91 | 166 | 198 | 239 |
|  | **Total** | **4669** | **5051** | **5457** | **5980** |
| 2 | Deposits | 1,03,453 | 1,22,392 | 1,45,480 | 1,65,242 |
| 3 | Incremental Deposits (% of increase) | 9,419  (10.02%) | 18,939  (18.31%) | 23,088  (18.86%) | 19,762  (13.58%) |
| 4 | Advances | 1,13,069 | 1,40,901 | 1,69,710 | 2,01,201 |
| 5 | Incremental advances  (% of increase) | 15,513  (15.90%) | 27,832  (24.62%) | 28,809  (20.45%) | 31,491  (18.56%) |
| 6 | C.D. Ratio (RBI norm - 60%) | 109.30% | 115.12% | 116.66% | 121.76% |
| 7 | Incremental CD Ratio | 164.70% | 146.96% | 124.78% | 159.35% |

**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 31.03.14 |
| 1 | Short Term Production loans | 29,284 | 38,583 | 50,343 | 59,105 |
| 2 | Agrl.Term Loans including allied activities | 19,161 | 26,634 | 28,573 | 28,507 |
| 3 | Total Agrl.Advances | 48,445 | 65,217 | 78,916 | 87,612 |
|  | % of Agrl.advances to ANBC (RBI norm- 18%) | 49.66% | 57.68% | 56.01% | 51.62% |
| 4 | Non Farm Sector / Micro & Small Entps. (% to Net Bank Credit ) | 11,831  (10.46%) | 14,179  (10.06%) | 13,780  (8.12%) | 26,302  (13.07%) |
| 5 | Others’ under Priority Sector Advances (% to Net Bank Credit) | 20,115  (17.79%) | 23,126  (16.41%) | 25,713  (15.15%) | 23,336  (11.60%) |
| Total Priority Sector Advances | | **80,391** | **1,02,522** | **1,18,409** | **1,37,250** |
| % of Priority Sector Advances to ANBC (RBI norm - 40%) | | 82.40% | 90.67% | 84.04% | 80.87% |

|  |
| --- |
| **Agenda -3** |

**Achievement of Annual Credit Plan 2013 – 14**

**A Achievement as on 31.03.2014**

**(Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No | Item | Target  2013-14 | Achievement  2013-14 | % of  Achievement |
| 1 | Agriculture | 47,017 | 49,774 | 105.86 |
| 2 | Micro & Small Enterprises | 7,000 | 9,427 | 134.68 |
| 3 | Others under Priority Sector | 12,939 | 5,527 | 42.71 |
| 4 | **Total Priority Sector** | **66,956** | **64,728** | **96.67** |

**B Annual Credit Plan Achievement – Last Three years: (Amount in crores)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **2011-12** | | **2012-13** | | **2013-14** | |
| Target | Achvmt | Target | Achvmt | Target | Achvmt |
| 1 | Short Term Production Loans | 20753 | 24664 | 25504 | 36093 | 35549 | 37058 |
| 2 | Agrl. Term Loans incl. allied activities | 11124 | 10947 | 10150 | 13967 | 11468 | 12716 |
| 3 | Total Agriculture | 31877 | 35611 | 35654 | 50060 | 47017 | 49774 |
| 4 | Non Farm Sector / Micro & Small Entps | 5069 | 4245 | 5593 | 6312 | 7000 | 9427 |
| 5 | Others’ under Priority Sector | 10165 | 7108 | 12205 | 9198 | 12939 | 5527 |
| **Total Priority sector** | | **47111** | **46964** | **53452** | **65570** | **66956** | **64728** |

|  |
| --- |
| **Agenda 4** |

**Pending issues for resolution with Government of Andhra Pradesh**

1. **Revisiting of LEC**: In the state of Andhra Pradesh, banks have been extending short term production credit to tenant farmers with the introduction of AP Land Licensed Cultivators Act, 2011 as against the Loan Eligibility Cards issued by Government of Andhra Pradesh apart from Rythu Mithra Groups/Joint Liability Groups.

Banks are also covering these tenant farmers under interest subvention & additional interest subvention for prompt payment of GoI upto Rs.3.00 lakhs and VLR & Pavala Vaddi scheme of GoAP.

Inspite of many efforts being made by the bankers & GoAP the number of LECs & bank finance has not been increased for the following reasons:

* The owner farmers have already availed the crop loans on the same piece of land where the charge on the crop is existing towards the loan amount outstanding from the Bank.
* Tenant farmers have availed crop loans with the banks either in RMG/JLG mode.
* The earlier crop loans availed by tenants are not repaid
* District administration has not taken sufficient interest in identifying the eligible tenant farmers

and issuance of cards before onset of monsoon/at the early days of Khariff season as envisaged

in the guidelines of GoAP.

In view of the slow progress or rather not increasing trend in financing LEC farmers, during the 182nd SLBC meeting the then Hon`ble Chief Minister of Andhra Pradesh has expressed anguish and suggested the concerned to revisit the scheme guidelines, analyze the reasons for slow progress and suggest remedial measures for improving the credit off take to LEC holders by banks.

Hence, SLBC has requested GoAP to take necessary steps for revisiting the LEC scheme guidelines by involving all the stake holders and study the reasons for low progress to suggest remedial measures for better implementation of the scheme.

1. **Integration of Land records** :

In the state of Andhra Pradesh, with the initiation of GoAP in coordination with NIC, banks were provided with the facility of online viewing the digitalized land records from their branches and NIC has provided user IDs and passwords for 38 banks in this regard.

Though the banks are able to avoid the cumbersome process of obtaining updated land records from the local revenue authorities by being able to view the digitalized land records at the branches, the facility of on line creation of charge on crop and land needs to be extended to take the project forward as envisaged. Further, it was agreed during a Steering Committee meeting of SLBC of AP that a small committee will be set up to work out modalities in this regard. But we are yet to receive any communication in this aspect.

NABARD, Head Office vide letter no. NB.DEAR/Eva-137/170/2014-15 dated 23.04.2014 addressed to the Chief Secretary of the state, has desired that the project be implemented in our state on the lines of “Bhoomi” Project implemented in the state of Karnataka and has requested for the action proposed in the matter.

1. **Establishment of 2nd DRT in the State:**

SLBC has requested the Govt. of AP to look into the possibilities of setting up of second DRT in the state by which the huge pendency of cases can be much reduced and recovery process in high volume loans can hastened.

1. **Central Registry by GoAP for MSME sector**

Creation of a Central Registry by the State Governments for registration of charges of all banks and other lending institutions in respect of all moveable and immovable properties of borrowers incorporated as proprietorship, partnership, cooperative society, trust, company or in any other form as per the directions of RBI vide circular No. RBI/2008-09/467,RPCD.SME&NFS. BC.No.**102**/06.04.01/2008-09 May 4, 2009.

1. **Preparation of model projects under MSME at district level by General Manager, District Industries Centre:**

General Managers, District Industries Centers (DICs) are advised to take immediate steps on the matter involving KVIC/KVIB and Lead District Managers to prepare the model projects and place on the district websites for the benefit of banks & 1st generation entrepreneurs.

1. **AP VAT Act – Revision:**

The Andhra Pradesh VAT Act, 2005 has been amended to provide for attachment of the debit

Balance also in the overdraft accounts allowed to the traders by the banks. IBA has also clarified that debit balances in overdraft cannot be attached. This matter needs immediate resolution by way of amendment to the Act.

SLBC requested the Government to examine the above issues to mitigate the problems faced by the banks in this aspect.

1. **Current Issue**:
2. **Disbursement of Agril. loans during Khariff, 2014-15 – Issues to be addressed:**

The State of Andhra Pradesh has been one of the leading states in terms of lending to Agriculture sector and banks in the state have always surpassed the targets. Bankers in the state have always been proactive in meeting the timely and adequate credit needs of the farming community and have taken adequate measures to mitigate the problems of the community when the state was hit by natural calamities by providing the necessary support and in extending relief measures within the ambit of RBI guidelines.

But during the last couple of years the scenario has changed, affecting both the farmer and bankers in the state.

**Issues on behalf of farmers**:

* The farmers are reluctant to repay / renew the crop loans and other agricultural loans anticipating debt waiver. The reluctance has been observed even in case of high value loan accounts.
* Bankers have been extending investment credit in a big way, but there have been defaults in repayment of installments even in term loans. It becomes very difficult to regularize these accounts once the installments are kept pending for a long period of time.
* As the loans have not been renewed, the farmers cannot be covered under the crop insurance schemes.
* The farmers are also loosing the benefit of Interest Subvention Schemes owing to non repayment as subvention is linked to prompt repayment.

**Problems faced by Banks**:

* Bankers have been facing protests by way of dharna / bundh whenever they approach the farmers for educating them on the benefits of repayment / renewal of agricultural loans.
* The banks are unable to recycle the funds owing to non repayment of loans and mounting overdues are badly affecting the morale of the field staff.
* The slippage of Agril. Loans into NPAs are on a very high side resulting in higher provisioning ultimately affecting the credit rating of the banks.

The South west monsoon is active in most parts of the state and Khariff season is the most important season with 60-75% of lending under crop loans. The current imbroglio on repayments is likely to hamper the performance under Agricultural lending during the current year as Crop loan disbursements during the current Khariff season has almost come to a halt. It is very essential to advise the farmers to repay the earlier loans and avail the eligible credit during the current season so that the envisaged targets under Annual Action Plan could be achieved.

The need of the hour is to bring clarity on the proposed Debt waiver with due publicity. The District Administrations need to support the branches in recovery and renewal process by educating the farmers on timely repayment and renewal of farm loans duly explaining the benefits of Crop Insurance and Interest Subvention schemes. These steps have to be immediately initiated for continued agriculture operations and for development of the economy of the state.

SLBC requested GoAP to address the issue on priority to mitigate the problems of the farmers and the bankers and usher in a new era of development and growth.

1. **VLR/Pavala Vaddi scheme of GoAP**

SLBC had requested GoAP office vide our Lr. No**.** 666/30/317/139, dt.27.05.2014 to clarify on the following two points:

1. Continuation of VLR and Pavala Vaddi Schemes after 2nd June, 2014 in both the states and
2. Commitment of the Governments of both the states for prompt reimbursement of claims to the banks under the schemes.

But, SLBC has not received any communication in this regard so far. As the Khariff lending season has started and many banks have been expressing their anxiety on clarity on continuation of the VLR/Pavala Vaddi scheme on crop loans.

Most of the banks have expressed that a written communication is required for them to continue the scheme to get approval from their controlling authorities.

Further it is observed that Web portal designed for the purpose of online claiming of reimbursement of interest on VLR/Pavala Vaddi scheme is not available as on date and banks are unable to claim as per the discussion held in the steering committee meeting held on 06.05.2014.

SLBC has requested GoAP to issue instructions on the status of implementation of VLR/Pavala Vaddi Scheme on crop loans and to restore web portal to enable the banks to claim reimbursement.

|  |
| --- |
| **Agenda 5** |

**Agriculture Sector**

**1) Progress in lending Agricultural credit: (Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target**  **2013-14** | **Achievement**  **2013-14** | **% of**  **Achievement** |
| 1 | Short Term Production Loans  Khariff  Rabi  **Total** | 22,264  13,285  **35,549** | 20,530  16,528  **37,058** | 92.21  124.41  **104.24** |
| 2 | Agrl.Term Loans  Khariff  Rabi  **Total** | 2,201  2,200  **4,401** | 3,691  1,931  **5,622** | 167.70  87.77  **127.74** |
| 3 | Allied to Agriculture  Khariff  Rabi  **Total** | 3,534  3,533  **7,067** | 2,265  4,829  **7,094** | 64.09  136.68  **100.38** |
| 4 | Khariff  Rabi  **Total Agriculture** | 27,999  19,018  **47,017** | 26,486  23,288  **49,774** | 94.60  122.45  **105.86** |

The performance under ACP under agriculture sector is **105.86%** of the target for the year 2013-14.

**2) Progress in lending to LEC holders**

As per the information available with SLBC, the position of LECs as **on 31.03.2014** is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Target | 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) |
| **6 lakhs** | **2,58,721** | **1,25,880** | **3,84,619** | **1,56,377** | **318.13** |

(District-wise position is enclosed as annexure)

1. **Ground Level Credit Target for Agriculture for the FY 2014-15**

In the Interim Budget, Govt. of India has announced an amount of Rs.8,00,000 crores as the all India Ground Level Credit Target for the year 2014-15.

AP State Credit Plan 2014-15 projected ground level credit disbursements at Rs. 56,019 crores as against the target of Rs.54,500 crores were allocated by NABARD.

NABARD has suggested banks to ensure that 25% of total GLC may be distributed to Agril Term Loans (including allied activities)

1. **Dairy Entrepreneurship Development Scheme (DEDS) – Continuation of the Scheme for the financial year 2014-15**

NABARD vide their Lr. No. NB. DoR. GSS/853/DEDS1/2014-15, dated 30 May 2014 and Cir.No.92/DoR 30/2014 communicated the detailed guidelines on the Dairy Entrepreneurship Development Scheme (DEDS). It is informed that the Department of Animal Husbandry, Dairying & Fisheries (DAHD&F), Ministry of Agriculture, GoI has conveyed the Administrative approvals vide their letter No.1-1/2009-DP dated 08 May 2014 for continuation of the captioned scheme for the year 2014-15.

**5) Capital Investment Subsidy Scheme for Commercial Production Units of Organic Inputs under National Project on Organic Farming**

As per existing operational guidelines vide letter No.3005 & 3006 dated 24 March 2011, each unit of Bio-fertilizers – Bio-pesticides will be provided with a subsidy @ 25% of the capital cost of the project subject to a ceiling of Rs.40 lakh and each unit of fruit and vegetable waste compost production unit will be provided with a subsidy @33% of the capital cost of the project subject to a ceiling of Rs.63 lakh (The ceiling is enhanced from Rs.60 lakh to Rs.63 lakh w.e.f. 1 April 2014). The remaining cost will be met through term loan from banks and margin money. The subsidy will be credit linked and back ended. All other terms/conditions and procedure for submission of claims remain unchanged.

NABARD vide their Lr.No.NB.DoR/GSS/868/NPOF-1/2014-15, dated 30 May 2014 informed that the above scheme has since been extended by Government of India for the year 2014-15 in the existing pattern and hence such projects financed by banks during 01 April 2014 to 31 March 2015 are eligible for subsidy subject to the terms and conditions of the scheme.

SLBC has already communicated to all banks and advised them to be guided accordingly and instruct their branches for implementation of the scheme. Communication received from NABARD is enclosed.

1. **Emu farming**

NABARD has prepared the project reports on Emu farming and extended back end subsidy support to the scheme for implementation by all Banks. Many banks have extended finance and the Emu industry is facing a lot of problems due to various reasons like marketing of oil, eggs, meat and occurrence of natural calamities etc. Many Emu farmers have represented these problems to NABARD and also to SLBC to take some remedial or suggestive steps and come to their rescue.

In view of the above, SLBC requested NABARD to take up study on the problems facing by the Emu industry in the state since NABARD is having Technical expertise and support team for taking up study and for better implementation of the scheme and to suggest remedial measures which helps both the emu farmers and banks to a large extent.

It will also helps NABARD to evaluate the assumptions made at the time of preparation of the scheme and to promote the scheme in a better way in the above prevailing circumstances.

Hence, SLBC once again requested NABARD to take lead in conducting the study by involving some of the banks who have more exposure in financing to Emu industry along with SLBC to protect the Emu industry and farmers in the state.

1. **Monitoring of Venture Capital Assistance Scheme implemented by Small Farmers’ Agribusiness Consortium (SFAC)**

It is advised by the Small Farmers’ Agribusiness Consortium, sponsored by Dept. of Agriculture and Cooperation, GoI that the progress of the Venture Capital Assistance scheme may be included as a standing item in the agenda of the State Level Bankers’ Committee which meets from time to time to take stock of the performance of the various government schemes.

1. **National Crop Insurance Programme (NCIP)**

Department of Agriculture & Cooperation, Ministry of Agriculture, GoI vide their Lr.No.13015/02/2012-Credit-II, dated 1st November, 2013, issued administrative instructions for implementation of National Crop Insurance Programme (NCIP) during XII th Plan.

In order to serve farmers in a better way, a Central Sector Scheme of National Crop Insurance Programme (NCIP)/Rashtriya Fasal Bima Karyakram (RFBK) has been formulated by merging MNAIS, WBCIS and CPIS. Based on the recommendations of evaluation, experience gained through the implementation of various crop insurance schemes and the views of the stakeholders, States and appraisal agencies, various improvements/changes have been incorporated in the component-schemes to make them more farmers friendly.

SLBC requested the AIC of India, Hyderabad to issue guidelines and notification with regard to National Crop Insurance Programme to enable branches to go ahead with coverage of farmers as the Khariff season has already started.

1. **Agril. Loans – End utilization**

RBI Cir No/2012-13/290, RPCD.FSD.BC.No.45/05.02.02/2012-13, dated November 9, 2012 on Interest subvention scheme – Monitoring of end-use of Crop Loans

“GoI has introduced Interest subvention scheme on short term loans up to Rs.3.00 lakh at a reduced rate of 7% p.a. since 2006-07. The scheme has continued ever since with minor variations. Currently, with 3% additional subvention for timely repayment, the effective cost of short-term crop loan comes to 4% for farmers.

It has, however, come to our notice that the banks, in various regions, have failed to ensure end-use of funds disbursed ostensibly as crop loans. As a consequence, the expenditure incurred by Government of India with an intention to help small and marginal farmers has not, to a significant extent, reached the intended beneficiaries. There have been some reports that the borrowers of these crop loans have diverted the funds and are, to some extent, using the scheme as an arbitrage opportunity by borrowing at a lower rate of interest owing to the subvention available and investing them in fixed deposits and/or in other investment avenues at higher rate(s) of interest.”

Hence, RBI therefore advised all banks to ensure that all crop loans against which they are claiming interest subvention should satisfy, inter alia, the following criteria:

1. The borrower should be an agriculturist
2. The rate of interest charged should not exceed the rate stipulated by the Govt. of India.
3. The amount of loans is fixed according to the prescribed scale of finance for agricultural loans and the loan is used for state purpose.
4. Seasonality is observed in regard to both disbursement and recovery.

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| **Agenda 6** |

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

1. **Position of lending to MSME sector** ( Amt Rs In Crores)

|  |  |
| --- | --- |
| **Particulars** | **Outstanding as on 31.03.2014** |
| Micro Enterprises | 11,929 |
| Small Enterprises | 14,373 |
| **Total MSE** | **26,302** |
| **%of Micro enterprises to total MSE** | **45.35%** |
| Medium Enterprises | 5,432 |
| **Total MSME** | **31,734** |

1. **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme- Progress made by banks for the year 2013-14**

|  |  |  |
| --- | --- | --- |
| **Year** | **Proposals covered during the year** | |
| **No. of A/cs.** | **Amount (in Crs.)** |
| March, 2014 | **10245** | **291.97** |

Banks are advised to:

* Sensitize the branch Managers to extend coverage under the scheme
* Display at bank branches on the availability of Collateral free loans
* All loan applications are to be acknowledged
* Explore the possibility of opening of Special branches in SME clusters.

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| **Agenda 7** |

**Education Loans**

1. **Position of Education Loans**

**(Rs in Crores)**

|  |  |
| --- | --- |
| **Year** | **Total Outstanding** |
| **Amount** |
| March, 14 | 3,393 |

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

**New Interest Subsidy Scheme for Education Loans announced by Hon’ble Finance Minister in the Budget 2014-15**

The Hon`ble Union Finance Minister in the Interim Budget speech made an announcement regarding new CSIS Scheme to provide interest subsidy relief in respect of students belonging to EWS who have availed education loans on or before 31.03.2009 and which are outstanding as on 31.12.2013.

The scheme guidelines are circulated to all banks with an advice to instruct the branches suitably in this regard.

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| **Agenda 8** |

**Housing Loans**

1. **Position of Housing Loans as on 31.03.2014 :**

**(Rs in Crores)**

|  |  |
| --- | --- |
| **Year** | **Total Outstanding** |
| **Amount** |
| March,14 | 15,621 |

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| **Agenda 9** |

**Credit Flow to Weaker Sections**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 47,074 |

Weaker Section advances **as on 31.03.2014** is **Rs.47,074 Crores** which constitutes 27.73% as against the RBI stipulation of 10% of ANBC.

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| **Agenda 10** |

**Credit Flow to Women**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 34,736 |

**As on 31.03.2014 advances to Women are at Rs.34, 736 Crores** which constitutes 17.26**%** as against the RBI norms of 5% of Net Bank credit.

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| **Agenda 11** |

**Credit Flow to Scheduled Castes / Scheduled Tribes**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 9,365 |

**As on 31.03.2014, the lending to SC/STs is Rs.9,365 Crores**, comprising of **6.82%** 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.

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| **Agenda 12** |

**Credit to Minority Communities**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 8,372 |

In Andhra Pradesh, the amount lent to minority communities is **Rs.8,372 Crores which constitutes 6.10%** of Priority Sector Lending as against the stipulated target of 15% as on **31.03.2014**

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.

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| **Agenda 13** |

**Financial Inclusion**

1. **Providing banking channels/services**

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

**31.03.2014**

Banks have completed process of providing Banking services in respect of all 3911 identified villages having population of above 2000. 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 31.03.2014**

SLBC has submitted the Road Map for 10731 identified villages as advised by Reserve Bank of India in respect of below 2000 population for 3 years period from April 2013 to March 2016.

10,197 villages have been provided with banking channels out of which banking channels are deployed through BCAs in 9,931 villages, Brick & Mortar Branches in 238 villages and through other modes in 28 villages.

Quarterly Progress report District-wise and Bank-wise as on **31.03.2014** is enclosed as annexure no.13

**3) Branch Expansion – Progress in opening of bank branches**

All banks are advised to open bank branches as per their Branch Expansion Plan (BEP) approved by their Boards positively.

**4) Installation of ATMs**

GoI has advised all Banks including Regional Rural banks to establish onsite ATMs at their branches to enable the beneficiaries to draw the benefits as per their convenience.

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 under Direct Benefit Transfer Scheme.

Onsite ATM means ATM installed at the branch or within 500 meters vicinity of the branch and in case of SBI, ATM of any SBI group of banks located within 500 meters vicinity will be considered as onsite ATM.

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

**5) Issuance of Debit Cards:**

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

**6**) **Sub Service Area Approach**

**a) Mapping of Gram Panchayats into Sub Service Areas for coverage through Branch/ BCA/ CSC**

GoI, vide communication dated 20th 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 each sub-service area and banking channels are to be deployed.

Accordingly, the exercise was completed in all districts and all 13,100 Gram Panchayats in the state are mapped into 9,247 sub service areas as on 31.03.2014 of which banking channels were provided for 8,493 SSAs and 754 yet to be provided.

**MoF has advised all banks to provide 100% banking channels in all SSAs in 13 DBT implementing districts by 15th December, 2013.**

**b)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 **31st December, 2013.**

The on line MIS statement showing mapping of GPs into SSAs as on 31.05.2014 is enclosed as Annexure-15

1. **Unbanked Mandal/Mandals in which there is no bank branch in Mandal Head Quarters and**

**Relocation of branches**

As per the information collected from all the LDMs by SLBC that there are 4 mandals in the state where there is no bank branch available in Mandal Head quarters though there were branches in the mandal.

All controllers are requested to explore the possibility of opening of branches in 4mandal head quarters on priority, details are furnished hereunder.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No | Name of the District | Total Number of Mandal Head quarters without Bank branch | Name of the Mandal | Name of Mandal Head Quarters |
| 1 | Visakhapatnam | 1 | Dumbriguda | Dumbriguda |
| 2 | Guntur | 1 | Bollapalli | Bollapalli |
| 3 | Prakasam | 1 | Hanumanthunipadu | Hanumanthunipadu |
| 4 | YSR -kadapa | 1 | Gopavaram\* | Gopavaram |
|  | **Total** | **4** |  |  |

\* **Gopavaram is also an unbanked mandal**.

**Relocation of branches and opening of bank branches in unbanked areas**

A review meeting was conducted by RBI with the officials of SLBC of Andhra Pradesh on 10.06.2014 at Hyderabad, to review the present position of opening bank branches in unbanked mandals in the state and relocation of branches shifted earlier due to security reasons.

With regard to Gopavaram mandal, APGB is willing to provide banking services in the mandal and it has been directed by RBI that LDO concerned to take up the issue with the District Collector and ensure that the banking facilities are provided by the end of June, 2014 since a mandal cannot be left as unbanked mandal.

With regard to relocation of shifted branches to their original places, RBI advised SLBC conveners of both the states of Andhra Pradesh and Telangana to review the latest position of relocation/shifting of branches. LDMs are advised to take up the issue in the DCC meetings and ensure that banking services are provided in those areas.

**8) Opening of branches in Tribal Areas**

The Tribal welfare Department has requested Banks to open bank branches in the following identified centers where banking services are required:

|  |  |  |
| --- | --- | --- |
| **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 |
| 4 | Prakasam | Chintala |
| 5 | Kurnool | Kottalacheruvu |
| 6 | Guntur | Loyapally |

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

1. **Direct Benefit Transfer Scheme:**
2. **DBT- Phase I: Districts covered: 1.** Ananthapuram 2.Chittoor 3.East Godavari - 26 centrally sponsored schemes
3. **DBT-Phase II: Districts Covered: 1.**Srikakulam 2.Guntur 3.Vizianagaram 4.YSR Kadapa 5.Kurnool 6.Krishna,

**DBT position as on 20.06.2014 in the state of Andhra Pradesh is enclosed as annexure**

1. **Credit Plus activities**
2. **Financial Literary Centers (FLCs)**

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

All Lead banks have to open 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 as on 30.04.2014:**

|  |  |
| --- | --- |
| **Particulars** | **No. of FLCs** |
| Number of FLCCs operating in the District Head Quarters | 13 |
| Number of FLCCs operating in Lead District Offices | 10 |
| Number of FLCCs operating in Divisional Head Quarters | 9 |
| **Total** | **32** |

(Detailed statement enclosed

**SLBC advised Syndicate Bank to open FLCs at their Lead Bank offices located at** Kurnool, Ananthapuramu, and Kadapa.

SLBC has completed the job of Printing & supplying of Financial Literacy Material to all controllers for onward submission to rural branches & FLCs. NABARD has reimbursed the total expenditure incurred in this regard.

1. **Rural Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh Bankers**

**Institute of Rural Entrepreneurship Development**

1. SLBC has constituted a Subcommittee for strengthening the RSETI implementation machinery and the committee will meet once in a quarter to review the progress of RSETIs.

Statement of performance of RSETIs as on 31.03.2014 is enclosed as annexure 9

1. **Status of allotment of Lands for RSETIs**

|  |  |
| --- | --- |
| RSETI - Guntur | Land yet to be allotted |
| RSETI – Machilipatnam (Krishna) | Land yet to be allotted |
| RSETI – Tirupathi (Chittoor ) | Land has been identified and yet to be allotted |
| RSETI - Chittoor | Land yet to be allotted |

1. **Accreditation of RSETIs for conducting EDP trainings to PMEGP beneficiaries:**

State Director, KVIC, AP vide letter no. AP/SOH/PMEGP-Linkages/General/2013-14 dated 23.04.2014 informed that all RESTIs sponsored by Public Sector banks in Andhra Pradesh accredited as EDP centers for imparting training to PMEGP beneficiaries. Hence, all RSETI Directors and LDMs in the district are advised to have a regular coordination with the Nodal Officers in charge of PMEGP in the districts so as to conduct EDPs to PMEGP beneficiaries in the districts.

**3) APSLBC Call Centre**

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.**

The call centre is attending the queries from the public related to opening of bank accounts, KYC compliance, seeding of Aadhaar numbers, Education Loans, agricultural loans and many other general issues/problems of banking for which call centre is giving guidance.

It is agreed by all public sector banks to share the expenditure in proportion of their branch network in the state.

**During the steering committee meeting held on 22.01.2014, on deliberations, the forum has agreed to continue the Call centre for a further period of one year from 09.03.2014, on existing outsourced model.**

1. **Others**

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

MoF vide their communication dated 23rd October, 2012 informed that the GIS module of Banking Amenities Data for Financial Inclusion is 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.

.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.

All LDMs are advised to confirm immediately to SLBC that the data on GIS module is error free and it is updated.

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| **Agenda 14** |

**LEAD BANK SCHEME**

1. **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 181st SLBC meeting.

**All LDMs are advised to:**

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

**B. Modified Information System under 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.

**C. 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.

**D. 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 with 15 days from the end 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.