Minutes of 186th meeting of

STATE LEVEL BANKERS` COMMITTEE OF

ANDHRA PRADESH

(3rd SLBC meeting of Reorganized Andhra Pradesh State)

Date: 30.09.2014 - Time: 11.00 AM

Venue: Pattabhi Bhavanalaya (Auditorium) Ground floor, Andhra Bank, Head Office,

Saifabad, HYDERABAD – 500 004

STATE LEVEL BANKERS` COMMITTEE OF A.P

CONVENOR ANDHRA BANK

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**The 186th Meeting of SLBC of Andhra Pradesh (3rd SLBC meeting of reorganized A.P State) was conducted on 30.09.2014 at Andhra Bank, Head Office, Hyderabad at 11.00 A.M.**

Sri Yanamala Ramakrishnudu, Hon`ble Minister for Finance & Planning, GoAP, Sri Prattipati Pulla Rao, Hon`ble Minister for Agriculture& Animal Husbandry,GoAP, Sri I.Y.R. Krishna Rao, IAS, Chief Secretary, Govt of AP, Sri N.Srinivasa Rao, Director, DFS,MOF, New Delhi, Sri K.R. Das, Regional Director, Reserve Bank of India,Hyderabad , Sri R.N. Dash, General Manager, Reserve Bank of India, Hyderabad,Sri JijiMammen, Chief General Manager, NABARD, Hyderabad, Sri Ashwin Mehta, GM, State Bank of India, Senior Officials from Government of Andhra Pradesh, Executives from Banks , Chairmen- RRBs, Lead District Managers have participated in the meeting. The detailed list of participants is given as annexure.

**Address by Sri S.K. Kalra, Executive Director , Andhra Bank :** On behalf of SLBC of Andhra Pradesh, he extended a hearty and warm welcome to Shri Y Ramakrishnudu, Hon’ble Finance Minister of A.P, Council of Ministers, Chief Secretary, Principal Secretaries and Officials of State Administration, co-bankers, Members and Invitees to 186th Meeting of SLBC.

He informed that 184th SLBC meeting was convened on 30th of June, 2014 to launch the State Credit Plan (Banking) 2014-15 and the performance of the banks during the year 2013-14 in the state was reviewed. Subsequently, the 185th SLBC meeting was convened on 05.08.2014 – with Special Focus on Pradhan Mantri Jan Dhan Yojana to discuss the preparedness of the banks and to work out modalities for launch of the progamme.

The intervening period has been a kind of mixed bag and it has not been ‘*Business as Usual*’ as far as banks in the state are concerned. While on one side, banks received accolades for successful launch of PMJDY by exceeding the target set for opening of BSBD accounts, on the other side the banks are at the receiving end as the lending under the agriculture sector, which forms a major share of lending by the banks in the state, being adversely affected owing to the farmers reluctance to repay / renew the loans in view of the debt waiver announced by the Government. The above factor has had its impact on the business turnover of the branches which has not been at expected levels.

He placed before the House, performance of AP State under various banking parameters as on 30th June, 2014.

**Branch Network:** There are a total of 6059 bank branches in the state as on 30.06.2014, with more than 68% of the branches being situated in rural and Semi-urban areas. The number of unbanked mandals in the State has come down to only one and all efforts are being made to provide banking outlets in 100% of the mandals of the State.

**Deposits and Advances & CD Ratio:** The total deposits outstanding as at the end of June, 2014 is Rs. 1,70,877 crores and the total advances outstanding is Rs. 2,04,850 crores with a marginal growth of 3.41% and 1.68% respectively over the outstandings as on 31.03.2014. As explained above, there is marked slowdown in resource mobilization and credit expansion during the current quarter when compared to previous years. The CD Ratio of Banks in the State is 119.72 % which is one among the highest in the country.

**Priority Sector Advances:** The Priority Sector advances as at the end of June, 2014 stood at Rs.1, 46,380 crores, constituting 72.75 % of ANBC as against the regulatory norm of 40%.Total agricultural advances outstanding are at Rs.94,937 crores, constituting 47.19 % of total credit against regulatory norm of 18%. The agricultural credit of the State is one of the highest in the country. Total credit outstanding under MSE sector is Rs.27, 317 crores, under Educational Loans is Rs. 3,267 crores and Housing loans is Rs. 15,484 crores as on June 30, 2014,

**Performance under Annual Credit Plan 2014 -15 as on 30th June, 2014:**

**Credit Flow to Priority Sector:** As against the annual disbursement target of Rs.77, 894 crores for the year 2014-15 under Priority Sector, credit flow during the quarter under review has been only to the tune of Rs.11, 205 crores, with an achievement of 14.39% of the annual target as against the achievement of 31% during the corresponding quarter of the previous year.

The credit flow to agriculture has been Rs. 7,263 Crores as against the target of Rs.56,019 crores, i.e., an achievement of 12.97%. This is largely owing to the factors beyond the control of the banks as the farming community is not coming forward for repayment / renewal of loans despite the efforts made by the banks to convince them to get their loans renewed pending credit of debt Waiver amount announced by the Government.

It may be noted that the credit off-take under any sector especially agriculture is directly linked to repayment and recycling of funds which has mostly not happened during the last two quarters in our state.

**MSE SECTOR:** The total outstanding under this head is Rs. 2,484 crores as at the end of 30 June, 2014 against the target of Rs. 10,850 crores with an achievement of 22.89%. Flow of credit for Micro and Small enterprises is being closely monitored at all levels as the sector provides large scale self employment and hence, he made an appeal to the Government to set up a Central Registry for MSME for a planned growth of the sector. Banks also have to make efforts to channelize the credit to these sectors and put in place an effective mechanism to monitor the same. He requested the Government to look into the infrastructural facilities including power supply to the sector to improve credit off take and also to arrest causes of sickness of the industry.

Another area of concern is the coverage of these loans under CGTMSE. This is being highlighted in every meeting of SLBC but still the performance is not up to the expected level and it should be the endeavour of all banks to provide collateral free loans to MSE sector. The field staff needs to be properly sensitized in this aspect and implementable action plan should be chalked out by all banks in this regard.

**Welfare Schemes & Implementation Of Government Sponsored Programmes:**The targets under the Government sponsored schemes have been communicated by the Departments concerned at the end of the previous month.SLBC has communicated the same to all LDMs for allocation among all banks in the districts. Though there has been a delay in communicating the targets, he advised all banks to ensure that the set targets are achieved as the performance of banks under this parameter has not been encouraging during the previous year also. He requestded the Government departments to play a proactive role in scheduling beneficiary selection campaigns and imparting training to the prospective entrepreneurs for successful implementation of the Govt. sponsored schemes by utilizing the resources of Rural Development institutes of all banks in the state. Banks need to step up efforts to achieve the desired results in respect of lending to PMEGP and minority communities with due coordination and cooperation from Govt.

The share of advances to minority community stood at 7.86% against the stipulated norm of 15%. Banks and the Government should coordinate for the improved performance under this parameter.

**Implementation of F.I. - PMJDY:**The hitherto Financial Inclusion Plan which has been rechristened as “Pradhan Mantri Jan Dhan Yojana” (PMJDY), has been launched by our Hon’ble Prime Minister on 28.08.2014 with simultaneous launch at all State capitals, District Head Quarters and branches of all banks. The progarmme was launched in the state by the Hon’ble Chief Minister, Sri N Chandrababu Naidu at Rajahmundry on 28.08.2014 and the banks in the state have once again proved their excellence by surpassing the set targets for opening of BSBD accounts on the day of launch of the programme. The task of opening of accounts of all uncovered households has been provided to the banks which have to be accomplished by the end of this year i.e. by 26th January, 2015. The banks have to conduct the house hold survey for identification of the hitherto uncovered families and open BSBD accounts. The connectivity issues at SSAs and branches have to be sorted out by the banks for successful implementation of the programme.

He expressed that while the banks have been active in opening of BSBD accounts, from the reports available it is observed that there is some delay in providing the Pass book and Ru-Pay Cards to the beneficiaries. The banks have to work in this direction and ensure that the passbooks and Ru-Pay cards are provided to the beneficiaries immediately on opening of accounts.

Another important factor that is envisaged in the present plan is preparing the people for financial planning and availing credit. It is important that the people are made aware of the advantages of the access to formal financial system, savings, credit, importance of timely repayments and building up a good credit history. This has to be achieved by setting up FLCs at the block level as at present there are only 36 Financial Literacy Centres functioning in the state. There is every need to expand the scope of financial literacy with focus on people availing credit from the formal financial system and coming out of the exploitation by informal financial system. All rural branches are also mandated to conduct Financial Literacy camps in the villages as per the directive of MoF and RBI. The controllers are required to closely monitor the progress in this aspect as per the guidelines of RBI.

The proactive role of State Mission Director in eliciting the co-operation of District administration in ensuring the survey of Households will facilitate in accomplishing the task ahead of the schedule.

**Disbursement of agricultural loans during Kharif, 2014:** 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 but the scenario has changed during the last couple of years affecting both the farmers and the bankers in the state. The farmers are continuing to demonstrate their reluctance in repayment / renewal of crop loans and other agricultural term loans owing to debt waiver announced by the Government, with the reluctance being observed even in case of high value loan accounts and from term loan borrowers.The banks are unable to recycle the funds owing to the slippage of Agri loans into NPAs which are on a very high side. This aspect, apart from badly affecting the morale of the field staff is also resulting in higher provisioning and ultimately affecting the credit rating of the banks.

The Government of AP has advised all banks to submit the data on farm loans for considering extension of certain relief to the farming community. Owing to certain technical difficulties in uploading the data as per proforma prescribed by the Government, there was a delay beyond the stipulated date for submission by banks. The banks have committed to furnish the data as per the requirements of the Govt. It is expected that the entire exercise of submission of data by banks will be completed by October 10, 2014.

The need of the hour is to educate the farmers on timely repayment and renewal of loans duly explaining the benefits of Crop Insurance and Interest Subvention schemes as the Government is contemplating to provide 20% of the eligible amount as immediate relief.

The bankers being partners in the development of the state, especially under agrarian sectors, strongly believe that agriculture should be a profitable business and farmers should not be made to look at waivers, instead, may be provided with the necessary inputs, forward and backward linkages to make the agriculture a profitable one.

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

The banks have been and will continue to play a proactive role to carry forward the vision of the state Government to usher in a new era of development and in fulfilling the aspirations of the people of the state. He assured the Government of the total support and involvement of SLBC and all banks in implementing the welfare measures of the Government.

**Pending issues for resolution with Government of Andhra Pradesh:** Sri C.Doraswamy, General Manager & Convenor, SLBC of A.P presented the issues for resolution which are long pending.

1. **Revisiting of LEC scheme**: GoAP may examine the recommendations of the committee constituted for revisiting the LEC scheme held on 12.08.2014
2. **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. CCLA to enable the facility of on line creation of charge on crop and land at the earliest. The Convenor informed that the Govt. has assured to operationalize charge creation from 1st November, 2014.

1. **Establishment of 2nd DRT in the State:** SLBC has requested the Govt. of AP for 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.
2. **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.
3. **Amendment to AP VAT Act 2005:** 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. This is also a long pending issue, GoAP has requested for early decision.
4. **Allotment of site to RSETIs:** Convenor requested GoAP to provide land for construction of own building to RSETIs located in Guntur, Chittoor and Tirupathi.
5. **Notified places for creation of equitable mortgage by branches:** SLBC had requested the GoAP to notify the places for creation of equitable mortgage where brick & mortar branch is available for the benefit of the customers to create charge on the property at branch level where loan is sanctioned.
6. **Non-availability of interest subvention benefit on crop loans to the farmers of PACS/FSCS financed by SBI:** RBI informed that the issue had been referred to RBI Central Office and they have already taken up with the Govt. of India.
7. **Create machinery for the recovery of chronic overdues in Agriculture sector:** SLBC had requested GoAP to examine the issue of extension of provisions of Revenue Recovery Act, 1864 to deal with chronic overdues under agriculture sector or to create a machinery to help the banks in recovery of chronic dues under agriculture advances.
8. **Emu Farming:** SLBC requested NABARD to permit the banks to adjust the backend subsidy to the credit of loan accounts before lock in period where the units have become defunct owing to reasons beyond the control of the farmer and to conduct evaluation study to suggest remedial measures to overcome the problems in emu farming. CGM also reiterated that NABARD is a pass through agency of Government of India for the subsidy under Emu farming and the request of SLBC to permit the banks to adjust the bank ended subsidy to the credit of loan accounts before lock-in period shall be decided by the Ministry of Agriculture, Govt. of India. Accordingly, the Director, Ministry of Finance, GoI who is present in SLBC meeting was requested to take up the matter with Ministry of Agriculture, Govt of India. Convener, SLBC requested NABARD to closely follow up the issue with GoI.
9. **Opening of branch in Gopavaram mandal which is an unbanked mandal in YSR Kadapa district:** SLBC advised LDM, YSR Kadapa district, APGB and Andhra Bank to take initiative in discussing the issue in DCC/DLRC meetings for opening a bank branch in the unbanked mandal at the earliest.
10. **Opening of FLCs at LDM office:** SLBC advised LDMs of Kurnool, Anantapuram and YSR Kadapa districts to open FLCs at Lead Bank Office immediately as per the directions of RBI.
11. **VLR/Pavala Vaddi scheme of GoAP:** SLBC has requested GoAP to clarify on the issue of continuation of VLR and Pavala Vaddi Schemes from Rabi 2013-14.

**Address by Sri Yanamala Ramakrishnudu, Hon’ble Minister for finance & Planning, GoAP:** He congratulated the banking sector for their memorable services to the Society. Since the last meeting of SLBC held on 30-06-2014, it was a testing time for every one - the Government, Bankers, the farmers and other sections of the society.

The Government came out with its policy of implementing the debt-relief scheme for the farmers and the women groups. Operational guidelines were issued in August 2014 for implementing the scheme. A very comprehensive data was called for from banks, about the individual farmers.

The concern of the Government is to ensure that no deserving farmer is deprived of the benefit and it should reach the farmers in distress. At the same time, those who borrowed unethically should not be rewarded. This process delayed extending the benefit to the farmers, which he believed that, the farming community will understand the situation. The Convenor, SLBC informed that bankers are working hard in collecting the data and the collection process is nearing completion. Within a short time, they will be handing over the details to the Government. Hon’ble Chief Minister has held a high level meeting with the Chief Executives of major banks on 29.09.2014 to discuss the issue. The same would come to a conclusion to extend economic support to the farming community which is in distress.

Government has made it a policy to link every benefit with Aadhaar Number. Since this is the requirement for passing on the debt-benefit also, the district administration has been instructed to ensure that Aadhaar enrolment takes place on a campaign mode to ensure that each and every farmer gets Aadhaar Number. He informed that over 95% of population in the State has Aadhaar and the remaining 5% also would be covered soon. It is also observed that in many rural households, those having Aadhaar also not given the details to the bank to be linked to the individual Saving Bank account or loan account. Bringing this awareness among the rural population takes some time and it could be a challenge to the district administration to achieve 100% saturation in this regard.

**Women Self Help Groups (SHGs):** He informed to the forum that the Government believed that women are a force to reckon with and their strength should be harnessed to build a new society.Keeping this in view, the Government has decided to strengthen the Groups with additional capital.Therefore, instead of any waiver, it has been decided to infuse additional capital under the debt-relief scheme introduced by the Government.The modalities to extend the proposed infusion of fresh capital upto Rs.1.00 lakh per each Self Help Group, are being working out.

**Empowerment of Youth:** He reiterated that theGovernment has been working on several models to empower the youth in improving their skills and enhancing the employment opportunities. Hon’ble Chief Minister’s vision is to develop and upgrade skills as per the local needs. He has proposed to start a Skill Development Institute for the youth in all trades.

**Promotion of Micro, Small and Medium Enterprise (MSME):** Touching upon MSME Sector, he informed that, it provides ample opportunities for self employment of educated/skilled personnel. The State Government will be coming up with the friendliest Industrial Policy shortly to encourage investment in a big way in the state. The Policy will create scope for large scale employment to the educated youth. Industrial development will also enable occupation to the skilled as well as unskilled labour.

**Review of the State Credit Plan:** The first quarter ended with a dull note. Performance of banks against the targets, particularly under agriculture sector, is the lowest ever.As per the latest data, disbursal of kharif loans is just about 38% of the target since the farmers could not repay the existing dues to get the loans renewed.The season has almost ended and all further disbursals would be for Rabi Season only. He hoped, the disbursals would improve in the Rabi season and banks would compensate the low-performance, by the end of the season.

**Priority Sector Advances:** The State has done extremely well in financing the Priority Sector. Advances to Priority Sector in the net bank credit of the State are at 72.75% as at the end of June, 2014 against the RBI norm of 40%. In the combined State, the percentage was much less (50.86) since Hyderabad was also included.

Since AP is an agrarian state, about 65% of the total credit disbursal to the Priority Sector has gone to the agriculture sector, against 29% in the combined state. Data on the debt- relief scheme collected from the banks is revealing certain aberrations in the credit dispensation as also in the classification of loans. Necessary corrections shall be effected in the data-base on completion of this exercise, which would disclose the factual position. The intention of the Government being only to ensure that all the benefits being passed on by the Government should go to the genuine and deserving persons and hence the vigorous data screening has been taken up.

**Credit Deposit Ratio:** Credit Deposit (CD) Ratio of banks in the State has always been above 100%, against the RBI norm of 60%. It indicates that banks have been lending more than the resources mobilised, in the State. While CD Ratio is 132.43% at the end of March 2014, the Ratio stands at 107% for the June quarter. Low CD Ratio for June 2014 shall be attributed to the poor credit off take during the quarter due to various factors including non- renewal of loans by the farmers. The position is expected to improve in the ensuing quarters.

With regards to the issues raised by the Convenor of SLBC, he informed that certain items are since resolved and the directions of GoAP will follow at the earliest.

He hoped that banks will extend full cooperation for all the initiatives being taken by the State Government in the development of the new State.

The Convenor, SLBC has assured the Government that Banks in the state have been proactive in development of the state that is revealed by the figures of the previous years. Banks continue to do the best with due creation of conducive investment climate in the state. Further he advised the banks to take up reshedulement of crop loans disbursed from 01.04.2013 to 27.10.2013 as per RBI guidelines and banks’ extant guidelines to enable farmers to avail fresh finance.

**Sri N. Srinivasa Rao, Director, DFS** expressed that GoI has taken up National Mission on Financial Inclusion in mission mode under PMJDY. He observed that banks have issued 5 lakh rupay debit cards as against 19 lakh BSBD accounts opened upto 20.09.2014. He opined that rupay cards are to be issued immediately so as to extend the benefit of one lakh accidental insurance coverage to the account holders who have opened the accounts under the scheme. He requested all financial institutions to propagate to the customers to avail the benefits of Micro Insurance. He opined that 60-70% of the people have deposited money in BSBD accounts. He advised banks to target the coverage of all uncovered households with banking facilities well before the 26th January, 2015.

He emphasized on the following aspects for successful implementation of PMJDY scheme.

1. Targetting SSAs by deploying banking facilities.
2. Connectivity issues are to be resolved.
3. Reconciliation of data between banks and SLBCs of respective states.
4. Seeding of Aadhaar numbers in all SB accounts.
5. To complete the House hold survey to identify the uncovered families.
6. Utilize the facility of e-KYC more effectively for customer friendly.
7. Grievance Redressal mechanism to be set up to redress the grievances of the customers in opening and operating the accounts.
8. Geographical Information System (GIS)
9. Deploying Bank Mitras in all the identified SSAs.

Convener, SLBC informed that 21.39 lakhs accounts were opened and 5.72 lakhs Rupay cards were issued up to 27.09.2014. He acknowledged the cooperation of Dr. P.V. Ramesh, IAS Mission Director, PMJDY, District Administration, LDMs and Banks in opening of bank accounts. He informed that household survey has been started and aimed to complete the task by 15.10.2014.

**Sri K.R.Das, Regional Director, Reserve Bank of India** referred to the following important guidelines issued by RBI for the benefit of the public:

**Free ATM Transactions:** Keeping in view the increased number of ATMs,recently RBI advised the banks to reduce number of free transactions from 5 to 3. However, he informed that discretion was given to individual banks for implementation.

**Depositors’ Education and Awareness Fund (DEAF):** The fund was created for the purpose of creating and promoting awareness among the depositors, and for any other such purpose as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank his/ her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund.

**Inoperative accounts:** RDclarified that since dividend on shares is credited to Savings Bank accounts as per the mandate of the customer, the same should be treated as a customer induced transaction. As such, the account should be treated as operative account as long as the dividend is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the dividend, provided there is no other customer induced transaction.

The Regional Director explained that RBI has been pursuing the financial inclusion and financial literacy measures by advising the banks to provide banking facilities in all villages. Basic Savings Bank Deposit Accounts (BSBDA) are being opened by the banks for the persons hitherto uncovered. He opined that apart from providing banking facility to the financially excluded persons, it is also required to ensure their economic progress. Banks have to closely monitor these accounts and sensitise the field level functionaries including BCAs so that these accounts may not slip in to dormant accounts.

He observed that FLCs were not opened in 3 LDMs’ offices in Andhra Pradesh in spite of the guidelines of RBI. He advised the controlling offices of these lead banks and LDMs to initiate immediate steps for opening of FLCs at LDM offices. Standardised financial literacy material was supplied to all the rural branches & FLCs in the State. As per the RBI guidelines, every rural branch should conduct minimum one Financial Literacy camp every month and report to their controlling offices / SLBC at quarterly intervals.

He congratulated NABARD for displaying the Financial Literacy material in 34 passenger trains to create awareness among the public on financial matters. He said RBI, Hyderabad was also planning to start similar financial literacy campaign shortly.

He observed that while there has been considerable increase in quantum of finance extended to MSE sector during last financial year, the number of accounts have not increased proportionately thereby leading to a conclusion that existing entrepreneurs have availed more finance and new entrepreneurs were not much benefited.

He expressed his wish that the all stake holders would work together to make Lead Bank Scheme successful in the state.

Convener, SLBC informed that banks have completed process of providing banking facilities in respect of all 3911 identified villages having population of above 2000. In respect of below 2000 population villages, 10242 villages have been provided with banking channels out of 10731 identified villages. He advised banks to ensure that the number of transactions in the FI villages is to be improved and the services of BCs are to be made effective. He advised LDMs and controlling banks of Lead Districts to open FLCs at Lead District Offices where FLCs are not yet opened. He also advised LDMs to decide on FLCs at block level in the ensuing DCCs to comply with the directives of DFS, MoF, GoI.

**Shri Jiji Mammen, CGM, NABARD, T & AP RO** informed that NABARD has completed Credit Planning at District Level and the total credit requirement for 2015-16 for the State of Andhra Pradesh is about Rs.98,000 crore.  He stressed the need for capital formation in agriculture and requested all banks to lend more for investment activities like Animal Husbandry, Horticulture, Minor Irrigation, Post Harvest Infrastructure etc.  He informed that NABARD in this regard has been preparing District Specific Area Development Schemes and Banking Plan to facilitate banks to lend in Long Term Finance in agriculture.  During the programme an Area Development Scheme and Banking Plan for cultivation of Roses in Polyhouses in Kuppam Region of Chittoor District has been released through the hands of Hon'ble Finance Minister.  Further, CGM informed that the GoI has earmarked Rs.200 crore for promotion of Producer Organisations and requested all banks to finance FPOs as the target for Andhra Pradesh State is kept at financing 100 POs.  He also indicated that the GoI has given a target of lending to 5 lakh JLGs during the current year and a target of 18500 JLGs to be supported during current year.  Although District Specific targets were finalised, CGM requested that the bank-wise targets may be fixed at each bank level.  He requested banks to improve Bhoomiheen Kisans in JLG mode and requested banks to furnish the data of new JLGs financed during the current year and fresh sanctions made to existing JLGs. CGM informed that refinance from NABARD is available with Interest Subvention benefit for crop loans extended to farmers of PACS / FSCS seeded to Commercial Banks.  As on date, only Andhra Bank and SBH are availing the benefit and advised SBI also to avail the benefit to enable farmers to get Interest Subvention benefit for their lending to seeded PACS / FSCS.

At this juncture, Convenor of SLBC has congratulated NABARD in reviving the unit cost committee and bringing out a book on “unit Cost” which is a guide to the field level functionaries in enhancing investment credit under Agriculture - a thrust area under the credit for 2014-15.

**Request for extending cut off date for enrollment of loanee farmers for all crops during Kharif season 2014:**

Principal Secretary, Department of Agriculture, GoAP vide letter No.Rc 6893/Agri (1)/2014 dated 29.09.2014 requested SLBC to place the above issue as an additional agenda item for discussion.

The forum opined that farmers in the state have not availed crop loans during Khariff season as it was done in the earlier years owing to delay in monsoon and in anticipation of debt relief scheme proposed by GoAP. Now the situation has been improved and Govt. is also coming with clarity on debt relief scheme. Hence, there are likely renewals of crop loans during Oct, 2014.

Hence it is resolved that SLBC should make a request to AIC of India to consider extension of coverage of crop insurance in MNAIS & WBCIS schemes under Khariff 2014 season for the loans sanctioned / renewed upto 31.10.2014 for loanee farmers.

**Ms. Rajeswari Singh, AIC of India** informed to the house that under NCIP the original cut-off date for coverage of crop insurance is 31.07.2014. It was extended upto 15.09.2014 at the request of the bankers in the state. She clarified that it is difficult to consider further extension of cut off date.

Convenor, SLBC apprised that due to delayed monsoon, the harvesting period is extended by more than a month. Hence there is a need to cover the finance to be made upto October 2014 for the crops raised during Kharif.

However, it is resolved to make a request to AIC of India to examine the representation of GoAP and Banks to consider the extension of cut off date upto 31.10.2014 to all crops to the loanee farmers.

**Confirmation of the minutes of the earlier meetings:** The minutes of **184th SLBC meeting** held on **June 30, 2014** and **185th special SLBC meeting held on August 5, 2014** and other meetings conducted up to 16.09.2014 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.

**Discussion on Agenda items:** Sri C. Doraswamy, Convener, SLBC of AP has taken up the agenda items for discussion and the following **action points were emerged** for implementation by all the stake holders.

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| ***AGRICULTURE*** * GoAP may examine the recommendations of the committee constituted for revisiting

 the LEC scheme held on 12.08.2014* Government of A.P has to provide the facility of online creation of charge on crop and land to webland portal by the bank branches.
* Govt of AP has to issue instructions on continuation of VLR/Pavalavaddi Scheme on Rabi crop loans for the year 2013-14
* AIC of India has to examine the extension of cut off date for coverage of crop insurance for all crops to loanee farmers during kharif 2014 upto 31.10.2014.
* Allocation of bank wise targets at district level by LDMs under JLGs of Bhoomiheen Kisan
* GoAP to create a machinery to help the banks in recovery of chronic dues under agriculture advances
* NABARD to take up the issue with GoI to adjust the back end subsidy to the credit of loans account not linking to lock in period in case of Emu farming as a special case.
* NABARD to conduct evaluation study on emu farming to suggest remedial measures to overcome the issues.

 **(Action: All banks, LDMs,NABARD, CCLA and Govt. of AP)*****MSME**** All banks are requested to increase the Credit flow to MSME sector
* All Banks are requested to sensitize their branch managers to extend collateral free loans and to cover under CGTMSE scheme.
* Banks to take sympathetic attitude and strive for rehabilitation, wherever the sickness is on account of beyond the control of the entrepreneurs.
* Go AP to expedite the formation of Central Registry for MSME sector.

**(Action: All Banks, LDMs and Industries Department)*****HOUSING LOANS**** All Banks are advised to submit the list to APSHCL/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.
* Housing Department to re-allocate a few cases for demonstration purpose where the houses were sold/ letout to have a positive impact on recovery in respect of all Govt. Housing programs.
* Delay in reimbursement of eligible EMI for the promptly repaid cases, denying the benefits to beneficiaries is leading to active accounts becoming NPAs with banks.

 **(Action: All Banks,LDMs and APSHCL/ NHB)*****EDUCATION LOANS**** Banks are requested to issue suitable instructions to their branches and ensure that applications are not rejected on flimsy grounds.
* Banks not to insisit on collateral security upto a credit limit of Rs.4.00 lakhs as per the extant RBI guidelines.
* All banks to extend CSIS to all eligible students who have been sanctioned education loan after March 31, 2009.
* Padho Pardesh – scheme for interest subsidy on Education loans for overseas studies for the Minority communities to be implemented by all banks
* Banks were also advised to put in place an effective Grievance Redressal Mechanism

**(Action: All Banks & LDMs)** ***SHGs**** The overdues are mounting up in this sector year by year. SERP & MEPMA are

 requested to extend support to the banks to reduce the OD/NPAs in this sector.* To activate the dormant and disintegrated groups and make SHG product as needed

 tool for banks credit off take as banks have decided to improve the credit flow upto  Rs. 10.00 lakhs per group **(Action: SERP , MEPMA, all Banks and LDMs)*****GOVT. SPONSORED SCHEMES**** Banks to liberally finance to Minorities and reach the target of 15% on Priority sector

 advances as against the performance of 7.26% as on 30.06.2014. The line departments  in coordination with banks should conduct campaigns for identification and financing  to Minorities. * Banks are advised to step up the lending under DRI as the performance is very low.
* Banks are advised to clear all the pending projects under ACABC scheme.
* LDMs are advised to allocate district wise targets under various Govt. programs approved by SLBC (both Central and State Govt) and monitor the progress at regular intervals during JMLBC/DCC/DLRC meetings.

 ***(Action: All banks, LDMs and GoAP)******NATIONAL MISSION ON FINANCIAL INCLUSION:**** Deploy banking channels in all identifed SSAs
* Banks have to complete house hold survey to identify the uncovered families without bank accounts.
* Opening of bank branches in 4 mandal head quarters where there are no bank branches, on priority.
* Opening of bank branch in unbanked mandal ie. Gopavaram in YSR Kadapa district.
* Extension of banking facilities by opening of branches at identified centres as requested by Tribal Welfare Department, GoAP.
* Opening of FLCs at block level by the banks.
* LDMs of Kurnool, Ananthapuram and YSR Kadapa districts to open FLCs at Lead Bank office.
* Relocate the branches closed/shifted due to security reasons in the past with specific

 Focus on Tribal areas.* LDMs are advised to update the data on GIS module on monthly basis.
* GoAP to expedite allotment of site to RSETIs located at Guntur, Chittoor and Tirupathi and also reimbursement of training expenditure to all RSETIs as per the MORD guidelines.
* BCs and CSPs shall be activated by utilizing their services leveraging ICT and to ensure minimum remuneration of Rs.5000/- is paid by banks duly entrusting the job of financial services to them.

 ***(Action: All Banks LDMs and GoAP)******LEAD BANK SCHEME**** All LDMs are advised to follow the structured agenda in DCC/DLRC/JMLBC meetings

 for effective review* LDMs are advised to ensure that all banks to adopt uniform guidelines stipulated by

 RBI for Government sponsored programmes.* All banks are advised to percolate the decisions taken at SLBC level immediately to their branches to enable them to implement at field level.
* All controllers are requested to instruct their Branch Managers/District Coordinators to attend the JMLBC/DCC meetings without fail for fruitful deliberations and resolutions.

 ***(Action: All LDMs & Banks )******OTHERS**** GoAP shall look into the 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 hasten.* At present the AP VAT Act 2005 is having a provision for attachment of the debit

 balance in the overdraft accounts allowed to the traders by the banks.In this regard, IBA has also clarified that the debit balances in overdraft cannot be attached. This  matter needs immediate resolution by way of amendment to the Act. GoAP is  requested to examine the above issue to mitigate the problems faced by the banks in  this regard and to take up the amendment to AP VAT Act, 2005* Notified places for creation of equitable mortgage by branches where Brick & Mortar

 branch is available **(Action: GoAP )** |

The meeting was concluded by the vote of thanks proposed by Sri V Brahmananda Reddy, Chairman, Chaitanya Godavari Grameena Bank.

**LIST OF PARTICIPANTS**

**Hon'ble Ministers**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.No.** | **Name of the official****Shri/Smt.** | **Designation** | **Organisation/****Department** |
| 1 | Yanamala Ramakrishnudu | Hon’ble Minister for Finance & Planning, Commercial Taxes, Legislative Affairs | Govt. of Andhra Pradesh |
| 2 | Prattipati Pulla Rao | Hon’ble Minister for Agriculture, Agri-Processing, Marketing & Warehousing, Animal Husbandry, Dairy Development & Fisheries  | Govt. of Andhra Pradesh |

**Government of India**

|  |  |  |  |
| --- | --- | --- | --- |
| 3 | Dr. N.Srinivasa Rao | Director, Ministry of Finance | Govt. of India |

**CHIEF SECRETARY**

|  |  |  |  |
| --- | --- | --- | --- |
| 4 | I Y R Krishna Rao, IAS | Chief Secretary  | Govt. of A.P |

**SLBC OF A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | S K Kalra | Executive Director | Andhra Bank |
| 6 | C. Doraswamy | General Manager & Convenor, SLBC of A.P | Andhra Bank |
|  |  |  |  |

**RESERVE BANK OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 7 | K R Das | Regional Director | Reserve Bank of India |
| 8 | R N Dash | General Manager | Reserve Bank of India |
| 9 | A S V Kameswar Rao | Asst. General Manager | Reserve Bank of India |

**NABARD**

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | Jiji Mammen | Chief General Manager | NABARD |
| 11 | Dr. Y Hara Gopal | Asst. General Manager | NABARD |

**SIDBI**

|  |  |  |  |
| --- | --- | --- | --- |
| 12 |  Y Venugopal Rao  | Dy. General Manager | SIDBI |

**GOVERNMENT OFFICIALS**

|  |  |  |  |
| --- | --- | --- | --- |
| 13 | Ajeya Kallam, IAS | Principal Secretary, Finance Dept. | Govt. of AP |
| 14 | Dr. P V Ramesh, IAS | Principal secretary, Finance (R&E) & Mission Director, PMJDY | Govt. of AP |
| 15 | L Premachandra Reddy, IAS |  Secretary, Finance (IF) Dept. | Govt. of A.P |
| 16 | Dr Manmohan Singh, IAS | Principal Secretary, Animal Husbandry Department | Govt. of A.P |
| 17 | R Karikal Valaven, IAS | Principal Secretary,Housing Department | Govt. of A.P |
| 18 | K Madhusudana Rao, IAS | Commissioner of Agriculture | Govt. of A.P |
| 19 | Shamsher Singh Rawat, IAS | Secretary, Social Welfare Department | Govt. of A.P |
| 20 | Dr. P lakshmi Narasimham, IAS | Joint Secretary, O/o CCLA | Govt. of A.P. |
| 21 | K V Satyanarayana, IAS | Commissioner, Handlooms & Textiles | Govt. of A.P |
| 22 | S K Sultania, IAS | RCS, Dept. of Cooperation | Govt. of A.P |
| 23 | Shaik Mohammed Iqbal, IPS | Commissioner, Minority Welfare | Govt. of A.P |
| 24 | Ch. Nageswara Rao | Executive Director, HUDCO | Govt. of India |
| 25 | S A Shukoor | VC & MD, AP State Minorities Finance Corporation Ltd. | Govt. of A.P |
| 26 | C Kutumba Rao | Vice-Chairman, AP State Planning Board | Govt. of A.P |
| 27 | K Devarathna Kumar | Asst. Director General, UIDAI | Govt. of India |
| 28 | K Mallikarjuna | MD, AP BC Welfare Federations | Govt. of A.P |
| 29 | Mallaiah Battu | MD, AP BC Federations | Govt. of A.P |
| 30 | B K N Rao | -- | Govt. of A.P |
| 31 | Parvati Subramanian | Joint Commissioner, CCLA | Govt. of A.P |
| 32 | P Ranjit Basha | PD, O/o CCLA | Govt. of A.P |
| 33 | C Naga Rani | Addl. Commissioner, Rural Development | Govt. of A.P |
| 34 | C Srivenkateswara Rao | Addl. Director, Horticulture | Govt. of A.P |
| 35 | Dr. P Ramalinga Reddy | Addl. Director, Sericulture | Govt. of A.P |
| 36 | M Srinivasa Rao | Dy. Director,Dept. of Industries & Commerce | Govt. of A.P |
| 37 | V V Vijayalaxmi | Addl. DA Department of Agriculture | Govt. of A.P. |
| 38 | Dr. M A Khuddus | State Director, KVIC | Govt. of India |
| 39 | R K Agrawal | Dy. Director,National Horticulture Board | Govt. of India |
| 40 | B Adinarayana Rao | Dy. General Manager, TRICOR | Govt. of A.P |
| 41 | E Ravindra Babu | Joint Director, Tribal Welfare | Govt. of A.P |
| 42 | B V L K S Sarma | Dy. Director (AO),AP State Minorities Finance Corpn. | Govt. of A.P |
| 43 | P Arjuna Rao | Addl. RCS, Dept. of Cooperation | Govt. of A.P |
| 44 | P Sankara Rao | F.A & C.A.O, AP KVIB | Govt. of A.P. |
| 45 | M Basava Raju | Joint Director, Fisheries | Govt. of A.P |
| 46 | K Shankar Rao | Dy. General Manager, AP ST Corporation | Govt. of A.P |
| 47 | B S A Murthy | Dy. General Manager, HUDCO | Govt. of India |
| 48 | M Rajeshwari Singh | Chief Regional Manager | AIC of India |
| 49 | K Jagan Mohan Rao | Regional Representative, National Housing Bank | Govt. of India |
| 50 | Bh. S Satyanarayana | Nodal Officer, PMEGP, KVIC | Govt. of India |
| 51 | S V Hanumantha Rao | OSD, Finance (IF) Dept | Govt. of A.P |
| 52 | P Krishna Rao | Consultant, Finance (IF) Dept. | Govt. of A.P |
| 53 | B K Nagaraja Rao | O/o Mission Director, PMJDY | Govt. of A.P |
| 55 | K Veerabrahma Chary | OSD, APSCMFC | Govt. of A.P |
| 55 | S S H Subrahmanyam | Asst. General Manager, APSFC | Govt. of A.P |
| 56 | P Subba Rao | Manager | Govt. of A.P |
| 57 | K Anji Reddy | Superintendent, APBCCFC Ltd. | Govt. of A.P |
| 58 | M Rasheed Ahmed | Superintendent, O/o Commissioner, Minorities Welfare | Govt. of A.P |
| 59 | P Sanyasi Raju | Addl. Asst. Commissioner,Office of CCLA | Govt. of A.P |
| 60 | C Suresh Babu | Senior Manager, UIDAI | Govt. of India |
| 61 | Syed Rasool | State Mission Coordinator, MEPMA | Govt. of A.P |
| 62 | T Krishna Rao | Consultant, SERP | Govt. of A.P |
| 63 | Harichandana D | EA to CS | Govt. of A.P |
| 64 | M Vijay Kumar | Asst. Manager | AIC of India |
| 65 | A V Suresh | Sr. Assistant, APSCMFC | Govt. of A.P |

**SPECIAL INVITEES**

|  |  |  |  |
| --- | --- | --- | --- |
| 66 | D Hanumantharaya | Director, National Commission for Scheduled Castes | Govt. of India |

**INSURANCE COMPANIES**

|  |  |  |  |
| --- | --- | --- | --- |
| 67 | U K Navani | Regional Manager | LIC of India |
| 68 | K Prakasha Rao | Regional Manager | United India Insurance Co. |
| 69 | K S John | Regional Manager | Oriental Insurance Co. Ltd. |
| 70 | Dr. M Shankar | Regional Manager | The New India Assurance Co. Ltd. |
| 71 | T Raghavendra Rao | Manager | National Insurance Co. Ltd. |
| 72 | Dr. S Sivananda Prasad | Manager | United India Insurance Co.  |
| 73 | K V Phaneesh Babu | Asst. Manager | Oriental Insurance Co. Ltd. |
| 74 | V Sathyanarayana | AS (MI), ZO | LIC of India |

**NATIONALIZED BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 75 | Ashwin Mehta | General Manager | State Bank of India |
| 76 | P Ramana Murthy | General Manager | Allahabad Bank |
| 77 | K Eswar | General Manager | Central Bank of India |
| 78 | Pawan Kumar Garg | General Manager | Indian Overseas Bank |
| 79 | N Ram Babu | Zonal Manager | Bank of Maharashtra |
| 80 | B Sambi Reddy | Dy. General Manager | Canara Bank |
| 81 | Arvind Kambar | Zonal Manager | Dena Bank |
| 82 | J P Shah | Dy. General Manager | Indian Bank |
| 83 | R K Chatterjee | Dy. General Manager | Punjab National Bank |
| 84 | C Palaniappan | Zonal Manager | UCO Bank, Vijayawada |
| 85 | T V Reddy | Dy. General Manager  | State Bank of India |
| 86 | U A Krishna Murty | Dy. General Manager | State Bank of Hyderabad |
| 87 | S V Rajendra Prasad | Dy. Zonal Manager | Bank of India |
| 88 | P Muralidhar Joseph | Asst. General Manager | IDBI Bank |
| 89 | B Uma Sankar | Asst. General Manager | Andhra Bank |
| 90 | C Ram Bhoopal | Asst. General Manager | Oriental Bank of Commerce |
| 91 | P Adinarayana Reddy | Asst. General Manager | Syndicate Bank |
| 92 | V Vijay Kumar | Asst. General Manager | Vijaya Bank |
| 93 | K Ram Mohan Rao | Divisional Manager | Canara Bank |
| 94 | O Manogaran | Chief Manager | Central Bank of India |
| 95 | Kolla Venkateswarlu | Chief Manager | Corporation Bank |
| 96 | M Subramanyeswara Rao | Chief Manager | Andhra Bank |
| 97 | K Radhakrishna | Chief Manager | Indian Bank |
| 98 | P C Das | Chief Manager | State Bank of Hyderabad |
| 99 | N Krishna Kumar | Chief Manager | State Bank of Mysore |
| 100 | D K Maheshwari | Chief Manager | State Bank of Patiala |
| 101 | Y Sanjeeva Reddy | Senior Manager | Andhra Bank |
| 102 | K Venkat Ramana | Senior Manager | Andhra Bank |
| 103 | PECV Sagar | Senior Manager | Andhra Bank |
| 104 | Pydi Raja | Senior Manager | Andhra Bank |
| 105 | S Anantha Ramulu | Senior Manager | Andhra Bank |
| 106 | M Sudarshana Rao | Senior Manager | Andhra Bank |
| 107 | K Saida Rao | Senior Manager | Andhra Bank |
| 108 | L Rajkiran | Senior Manager | Bank of Maharashtra |
| 109 | S Usha | Senior Manager | Punjab National Bank |
| 110 | D Muthu Kumar | Senior Manager | Punjab National Bank |
| 111 | N Amarnath Reddy | Senior Manager | Union Bank of India |
| 112 | K Siva Krishna | Manager | Andhra Bank |
| 113 | Goutham Kumar | Manager | Andhra Bank |
| 114 | Md. Musheer Ahmed | Manager | Andhra Bank |
| 115 | V Chandrasekhar | Manager | Corporation Bank |
| 116 | Priti Poonia | Manager | Dena Bank |
| 117 | B Prakash Rao | Branch Manager | State Bank of Travancore |
| 118 | CH. Nageswari | Agricultural Officer | Bank of India |
| 119 | V Venkatesham | Officer | Punjab & Sind Bank |

**REGIONAL RURAL BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 120 | D Sampath Kumar Chary | Chairman | APGB, Kadapa |
| 121 | K S Sudhakara Rao | Chairman | SGB, Chittoor |
| 122 | V Narasi Reddy | Chairman | APGVB, Warangal |
| 123 | V Brahmananda Reddy | Chairman | CGGB, Guntur |

**APCOB**

|  |  |  |  |
| --- | --- | --- | --- |
| 124 | K Naga Malleswara Rao | Chief General Manager | APCOB |

**PRIVATE SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 125 | Sreedhar Dharmapuri | Dy. General Manager |  ICICI Bank |
| 126 | Madhusudan Hegde | Exe VP & Regional Head | HDFC Bank |
| 127 | A Mukundan |  Vice President | HDFC Bank |
| 128 | Madan Mohan | Vice President  | Axis Bank |
| 129 | B V Prasad | Regional Head-ARB | ING Vysya Bank |
| 130 | P Chandra Sekhar Reddy | Regional Head | Dhanlaxmi Bank |
| 131 | N S Rao | General Manager | Coastal Local Area Bank |
| 132 | Mathew K.V | Chief Manager | ICICI Bank |
| 133 | Murali Krishna Chattu | Senior Manager | Kotak Mahindra Bank |
| 134 | Rajshekhar M G | Manager | Karur Vysya Bank |
| 135 | Udaya Shankar B | Branch Manager | RBL Bank |
| 136 | Deekshit Ravi Chandra | Asst. Manager | Federal Bank |
| 137 | Gururaj Ainapur | Officer (AFO) | Karnataka Bank |
| 138 | Pasam Venkat Giridhar | Agriculture Officer | Tamilnad Mercantile Bank |

**LEAD DISTRICT MANAGERS**

|  |  |  |  |
| --- | --- | --- | --- |
| 139 | M. Ram Reddy | L.D.M, Srikakulam | Andhra Bank |
| 140 | S Lakshmi Narayana | L.D.M, West Godavari | Andhra Bank |
| 141 | CH. Sreenivasa Sastry | L.D.M, Guntur | Andhra Bank |
| 142 | B Jaya Babu | L.D.M, Visakhapatnam | SBI |
| 143 | G Venkateswara Reddy | L.D.M, Chittoor | Indian Bank |
| 144 | R V Narasimha Rao | L.D.M, Krishna | Indian Bank |
| 145 | M Narasimha Rao | L.D.M, Prakasam | Syndicate Bank |
| 146 | P Narasimha Rao | L.D.M, Kurnool | Syndicate Bank |
| 147 | T Venkateswara Rao | L.D.M, Sri Potti Sriramulu Nellore | Syndicate Bank |
| 148 | A Srinivasa Rao | Officer, LDM Office, Vizianagaram | SBI |

**OFFICERS FROM SLBC**

|  |  |  |  |
| --- | --- | --- | --- |
| 149 | M Bala Bhaskar | Chief Manager | Andhra Bank |
| 150 | C Mohan Rami Reddy | Senior Manager | Andhra Bank |
| 151 | Vunnam Rajesh | Senior Manager | Andhra Bank |
| 152 | T Paavani | Manager | Andhra Bank |
| 153 | Ashok B Adur | Asst. Manager  | Andhra Bank |
| 154 | M Yogini Devi | Asst. Manager  | Andhra Bank |