**188th Meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**(5th Meeting of Reorganized AP State)**

**Agenda & Background Notes**

**Date: 30.12.2014 - Time: 11.00 am**

 **HYDERABAD**

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

 **CONVENER ANDHRA BANK**

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|  |  |  |
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| **3** | To establish second DRT in A.P State. | **16** |
| **4** | Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. | **16** |
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| **AGENDA- 1** |

1. **Adoption of the minutes of 186th SLBC meeting held on 30.09.2014, 187th SLBC meeting of AP on Special focus on relief measures in the districts affected by ‘Hudhud’ Cyclone held on 07.11.2014 & other meetings of SLBC held after 30.09.2014**

The minutes of **186th SLBC meeting** held on **September 30, 2014 & 187th SLBC meeting** held on **07.11.2014 were** circulated to the members of SLBC, LDMs and Government Departments concerned.

The minutes of Sub-committee meetings and Steering Committee meetings held after **30.09.2014** and up to **28.11.2014** were circulated to the members of SLBC, LDMs and Government Departments concerned. Details of the meetings held are furnished hereunder.

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Name of the Meeting** | **Date of Meeting held** |
| 1 | 1st State Level Implementation Committee of PMJDY of Andhra Pradesh | 05.11.2014 |
| 2 | 187th SLBC of AP – Special focus on relief measures in the districts affected by ‘Hudhud’ Cyclone | 07.11.2014 |
| 3 | Small Group Meeting on Writ Petition No.29247 filed by M/s R.K EMU farm | 19.11.2014 |
| 4 | SLIIC sub-committee Meeting | 28.11.2014 |
| 5 | 5th Steering Committee Meeting including review of performance of RSETIs | 28.11.2014 |

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

|  |
| --- |
| **AGENDA- 2** |

**Banking Statistics**

1. **BANKING AT A GLANCE IN ANDHRA PRADESH**

**As on 30.09.2014**

**Amount in Crores**

|  |  |
| --- | --- |
| Total Number of bank branches Rural - 2354 Semi Urban - 1877Urban - 1694 Metro - 275 |   **6200** |

|  |  |
| --- | --- |
| Total **Deposits** in the State  | **173379** |
| Total **Advances**  in the State | **208008** |
| Credit Deposit Ratio (RBI norm -60%) | **119.97** |

|  |  |
| --- | --- |
| **Total Priority Sector Advances**  | **150245** |
| % of Priority Sector Advances to ANBC (RBI Norm 40%)**of which** | **74.67%** |
| Agricultural Advances % of Agrl. Adv. to ANBC (RBI norm - 18%)  | **99555****(49.48%)** |
| Non-farm sector/Micro & Small Enterprises (% to ANBC) | **27834****(13.83%)** |
| Others’ under Priority Sector Advances (% to ANBC) | **22856****(11.36%)** |
| **of which**Education LoansHousing LoansSHGs | **2960** **15572** **13919** |
| Advances to Weaker Sections(10% of ANBC)Advances to Women(RBI norm -5% on NBC)Advances to SC/STAdvances to Minorities (RBI norm 15%on priority sector) | **48361****(24.04%)****35948****(17.87%)** **9498** **10629****(7.07%)** |

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

**Amount in crores**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No** | **PARTICULARS** | **As on 31.03.2012** | **As on 31.03.2013**  | **As on 31.03.2014**  | **As on 30.09.2014** |
| 1. | Number of Branches: |  |  |  |  |
|  | Rural | 1949 | 2105 | 2301 | 2354 |
|  | Semi Urban | 1488 | 1627 | 1785 | 1877 |
|  | Urban | 1448 | 1527 | 1655 | 1694 |
|  | Metro | 166 | 198 | 239 | 275 |
|  | Total | 5051 | 5457 | 5980 | 6200 |
| 2. | Deposits  | 1,22,392 | 1,45,480 | 1,65,242 | 1,73,379 |
| 3. | Incremental Deposits (% of increase) | 18,939(18.31%) | 23,088(18.86%) | 19,762(13.58%) | 8,137(4.92%) |
| 4. | Advances  | 1,40,901 | 1,69,710 | 2,01,201 | 2,08,008 |
| 5. | Incremental advances(% of increase) | 27,832(24.62%) | 28,809(20.45%) | 31,491(18.56%) | 6,807(3.38%) |
| 6. | C.D.Ratio (RBI norm - 60%) | 115.12% | 116.66% | 121.76% | 119.97 |
| 7 | Incremental CD Ratio | 146.96% | 124.78% | 159.35% | 83.65% |

1. **Statement of Priority Sector Advances (Outstanding)**

 **Amount in crores**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No.** | **Particulars** | **As on 31.03.12** | **As on 31.03.13** | **As on 31.03.14** | **As on 30.09.14** |
| 1 | Short Term Production loans | 38,583 | 50,343 | 59,105 | 72,407 |
| 2 | Agrl. Term Loans including allied activities | 26,634 | 28,573 |  28,507 | 27,148 |
| 3. | Total Agrl. Advances | 65,217 | 78,916 | 87,612 | 99,555 |
|  | % of Agrl. advances to ANBC (RBI norm- 18%) | 57.68% | 56.01% | 51.62% | 49.48% |
| 4. | Non Farm Sector / Micro & Small Entps. (% to ANBC ) | 14,179(12.54%) | 13,780(9.78%) | 26,302(15.50%) | 27,834(13.83%) |
| 5. | Others’ under Priority Sector Advances (% to ANBC) | 23,126(20.45%) | 25,713(18.25%) | 23,336(13.75%) | 22,856(11.36%) |
| Total Priority Sector Advances | **1,02,522** | **1,18,409** | **1,37,250** | **1,50,245** |
| % of Priority Sector Advances to ANBC (RBI norm -40%) | 90.67% | 84.04% | 80.87% | 74.67% |

|  |
| --- |
| **AGENDA- 3** |

**Achievement of Annual Credit Plan 2014 – 15**

1. **Achievement as on 30.09.2014**

 **(Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target****2014-15** | **Achievement (Disbursements****during 01.04.14 to 30.09.2014)** | **% of** **Achievement** |
| 1 | Short Term Crop Production LoansKhariffRabi**Total** | 25,88816,090**41,978** | 10,108**10,108** | 39.05**24.08** |
| 2 | Agrl.Term LoansKhariffRabi**Total** | 31783178**6,356** | 1,606**1,606** | 50.53**25.27** |
| 3 | Allied to AgricultureKhariffRabi**Total** | 38433842**7,685** | 2,075**2,075** | 53.99**27.00** |
| 4 | KhariffRabiTotal Agriculture | 32,90923,110**56,019** | 13,789**13,789** | 41.90**24.61** |
| 5 | Micro & Small Enterprises | **10,850** | **7,645** | **70.46** |
| 6 | Others under Priority Sector | **11,025** | **2,449** | **22.21** |
| 7 | **Total Priority Sector** | **77,894** | **23,883** | **30.66** |
| 8 | **Non Priority Sector** | **13,565** | **13,638** | **100.54** |
| 9 | **Total Credit Plan** | **91,459** | **37,521** | **41.02** |

1. **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** |

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

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Action Point | Action by | Action initiated/Status |
| **1** | GoAP may examine the recommendations of the committee constituted for revisiting the LEC scheme held on 12.08.20141. The validity period of loan eligibility cards may be enhanced to 3 years from the existing one year – appropriate proposals may be submitted to Government for necessary orders.
2. Submission of proposal to Government for creation of “Credit Guarantee Fund” as a confidence building measure to enable bankers to extend crop loans liberally to all the LEC holders. For this purpose the bankers shall deduct premium from crop loan amount sanctioned to the LEC holders and convey the same to the State Government after which the State Government shall contribute matching grant for the Corpus Fund to be created. The modalities for utilizing the fund by the bankers will be worked out after a decision from the Government regarding creation of CGF is received.
3. High overdues under crop loans sanctioned to LEC holders is one of the reasons for poor progress in sanction of loans, the bankers suggested that a recovery mechanism must be put in place by the Government by constituting joint teams of Revenue, Agriculture & SHG members to assist the bankers in recovery of loans from LEC holders.
4. To have a fixed Calendar schedule for issue of loan eligibility cards in all districts uniformly.
 | GoAP | GoAP is yet to take a decision on the subject |
| **2** | Government of A.P to provide the facility of online creation of charge on crop and land in AP web land portal by the bank branches  | CCLA &GoAP | CCLA has convened meeting of major banks on 10.10.2014 and sought suggestions for providing facility of online creation of charge. It is given to understand that the software is under testing stage.  |
| **3** | To establish second DRT in A.P State. | GoAP | SLBC has again requested the Govt. of AP vide Lr.No.666/30/334/518 dated 31.10.2014, 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. |
| **4** | Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. | Commissionerof Industries,GoAP | 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.SLBC again taken up the issue with GoAP vide Lr.No.666/30/308/548 dated 11.11.2014, to expedite the matter. |
| **5** | Amendment to AP VAT ACT 2005 - not to attach debit balance in the overdraft account of the traders towards recovery of tax.  | GoAP | SLBC has again taken up the issue with GoAP vide Lr.No.666/30/319/517 dated 31.10.2014 and action awaited. |
| **6** | Allotment of site to RSETIs located at Machilipatnam, Guntur, Chittoor and Tirupathi. | GoAP | Site allotted but alienation is yet to be done at Machilipatnam. In respect of Guntur, Chittoor and Tirupathi no progress in site allotment.SLBC has again requested the SERP vide Lr.No.666/30/312/557 dated 14.11.2014, to initiate steps for resolution of the long pending issue |
| **7** | Notified places for creation of equitable mortgage by branches | GoAP | SLBC has again requested GoAP vide Lr.No.666/30/58/519 dated 01.11.2014, 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.  |
| **8** | Govt of AP to issue instructions on continuation of VLR/ Pavalavaddi Scheme on Rabi crop loans for the year 2013-14 | GoAP | SLBC has requested GoAP vide Lr.No.666/30/317/574 dated 17.11.2014 regarding continuation of the schemes for Rabi-2013-14.GoAP is yet to take a decision on the subject. |
| **9** | GoAP is requested to examine the issue of extension of provisions of Revenue Recovery Act, 1864 to deal with chronic overdues under agricultural sector or to create a machinery to help the banks in recovery of chronic dues under agriculture advances – a long outstanding requirement to Banks. | GoAP | GoAP is yet to take a decision on the subject. |
| **10** | GoI is requested to examine the issue of insurance cover to poultry birds | GoI | Reply awaited from the Government of India |
| **11** | Emu farming: NABARD is requested 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 SLBC also requested NABARD to conduct evaluation study to suggest remedial measures to overcome the problems in emu farming.  | NABARD | NABARD vide Lr.No. DoR/3797/SLBC/2014-15 dated 25.08.2014 informed that they have already referred the issue raised by SLBC, to their Head Office for taking up with the GoI.  |
| **12** | Uniform documentation for SHG cash credit system | NABARD / IBA | IBA vide Letter dated 15.12.2014 informed that they have developed the standard common application form and loan documentation for SHGs across the banks and streamlining SHG bank linkage in the country. Draft set of documentation was sent to banks for the feedback which is expected by 17.12.2014. |
| **13** | Non – availability of interest subvention benefit on crop loans to the farmers of PACS/FSCS financed by State Bank of India.SBI informed that since they are lending PACS/FSCS with their own funds and hence they cannot lend below the base rate as per the extant guidelines of RBI  | Issue Dropped | SBI vide Lr.No. LB&RRB/KAB/159 dated 03.11.2014 informed that the decision of availing refinance from NABARD for the finance provided to PACS has been taken up with their Corporate Centre and the reply is awaited.SBI requested SLBC to drop the issue in the future meetings.  |

|  |
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| **AGENDA- 5** |

**Agriculture Sector**

1. **Progress in lending to Agriculture Sector (Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target****2014-15** | **Achievement (Disbursements****during 01.04.14 to 30.09.2014)** | **% of** **Achievement** |
| 1 | Short Term Crop Production LoansKhariffRabi**Total** | 25,88816,090**41,978** | 10,108**10,108** | 39.05**24.08** |
| 2 | Agrl. Term LoansKhariffRabi**Total** | 31783178**6,356** | 1,606**1,606** | 50.53**25.27** |
| 3 | Allied to AgricultureKhariffRabi**Total** | 38433842**7,685** | 2,075**2,075** | 53.99**27.00** |
| 4 | KhariffRabi**Total Agriculture** | 32,90923,110**56,019** | 13,789**13,789** | 41.90**24.61** |

The performance of agriculture sector under ACP is 24.61% of the target for the year 2014-15 as against 57.26% of the achievement for the corresponding quarter for the year 2013-14

1. **Credit Flow to Agriculture and KCCs during 2014-15:**

During video conference (VC) with Public Sector Banks(PSBs) held on 18.11.2014 under the Chairmanship of Joint Secretary (FI) to review the Credit Flow to Agriculture and KCCs during 2014-15 , the following suggestions came forth for improvement in agriculture credit:

* Need for separate guidelines by RBI on restructuring of agricultural loans.
* Uploading of all loan data including agricultural loan data on CIBIL is mandatory by law. However, some banks are not doing so. It should be ensured by all banks including Central Co-operative Banks and Regional Rural Banks.
* Posting of agricultural officers in all branches extending agricultural credit. In this regard, a benchmark may also be prepared. NABARD may consider taking this study.
* Procurement Payment / crop proceeds to be routed through KCC accounts.
* Area specific schemes / banking plans based on the potential of the region should be prepared by banks to boost investment credit in agriculture.
* Benefit of interest subvention should also be extended to investment credit in agriculture or at least to small and marginal farmers.
* Reason for regional disparity in agriculture credit is attributable to infrastructure bottleneck and lack of forward and backward linkages.
* Digitization of lands records needs to be pursued with State Governments.
* **Many States have not passed Model Agricultural Credit Bill which was proposed by Talwar Committee. By passing of this Bill, charge creation of lands becomes easy.**
* Subsidy may be transferred directly to bank accounts through some banks.
1. **Progress in lending to LEC holders**

Department of Agriculture, GoAP, proposed target of financing 9.5 lakhs LEC holders during the current financial year 2014-15.

As per the information available with SLBC, the position of LECs as on **04.12.2014** is as follows:

(Rs. in crores)

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.No** | **District** | **No. of LECs issued** | **No. of Licensed Cultivators Sanctioned Crop Loans** |
| **Renewal of old LECs** | **Fresh** | **Total** | **Number** | **Amount** |
| 1 | Srikakulam | 10341 | 7168 | 17509 | 25 | 0.01 |
| 2 | Vizianagaram | 13007 | 5459 | 18466 | 180 | 0.11 |
| 3 | Visakhapatnam | 4834 | 5581 | 10415 | 0 | 0.00 |
| 4 | East Godavari | 45201 | 65588 | 110789 | 32840 | 55.02 |
| 5 | West Godavari | 51726 | 12487 | 64213 | 316 | 0.52 |
| 6 | Krishna | 8647 | 16736 | 25383 | 39 | 0.08 |
| 7 | Guntur | 5281 | 22083 | 27364 | 344 | 1.28 |
| 8 | Prakasam | 4606 | 4369 | 8975 | 109 | 1.66 |
| 9 | Nellore | 3384 | 0 | 3384 | 0 | 0.00 |
| 10 | Kurnool | 14479 | 26346 | 40825 | 126 | 0.19 |
| 11 | Anantapur | 321 | 268 | 589 | 0 | 0.00 |
| 12 | Kadapa | 4362 | 1314 | 5676 | 0 | 0.00 |
| 13 | Chittoor | 2430 | 3196 | 5626 | 0 | 0.00 |
|  | **Total** | **168619** | **170595** | **339214** | **33979** | **58.87** |

As per the information given by the banks the overdues are mounting up in LEC portfolio. GoAP is requested to implement the recommendations of the committee on LEC mentioned in the action taken report of this agenda.

1. **Vaddi Leni Runalu and Pavala Vaddi scheme on crop loans from Rabi 2013-14 – Request to GoAP on continuation of scheme.**

SLBC of AP vide Lr.No.666/30/317/574 dated 17.11.2014 has requested GoAP to issue G.O. for continuation of these schemes for Rabi 2013-14 as the borrowers are coming forward for closure / renewal of loans availed during Rabi 2013-14.

Banks have uploaded VLR / Pavala Vaddi claims through online to the Department of Agriculture inrespect of Khariff, 2013 loans on prompt repayment. Banks informed that they have not received any reimbursement claims so far. Banks are under confusion that the reason for not receiving the reimbursement is having any relation to the proposed debt relief scheme. Since the banks have parted their own funds under the scheme; GoAP is requested to reimburse the claims immediately.

1. **Relief measures in the districts affected by ‘Hudhud’ Cyclone**

GoAP has issued G.O.Ms.No.16, dated 06.11.2014 received from Revenue (Disaster Management) Department, GoAP, wherein it is informed that Government of AP has declared **120** mandals in Srikakulam, Vizianagaram, Visakhapatnam & East Godavari districts as affected due to recent ‘Hudhud’ cyclone and heavy rains in the state. We have conducted special SLBC meeting on 07.11.2014 to discuss on the relief measures proposed in these districts.

The district collectors of these 4 districts have notified the villages affected by cyclone to enable the banks to extend relief measures.

|  |  |
| --- | --- |
| **Name of the District** | **Details of District Gazette Notification**  |
| Srikakulam | Issue No.357 dated 10.11.2014 |
| Vizianagaram | Issue No. 294/2014A8 dated 08.11.2014 |
| Visakhapatnam | Issue No. 101 dated 24.11.2014 |
| East Godavari | Issue No. 3879/2014 dated 25.11.2014 |

It is observed that extending relief measures in these districts by the banks is yet to take momentum. It is advised that banks should give suitable instructions to branches located in these districts for taking up immediate measures as per extant guidelines of Reserve Bank of India on Natural calamities communicated vide master circular dated 01.07.2014 as the entire process to be completed before 3 months from date of natural calamity i.e. 12.01.2015.

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

SLBC has communicated guidelines received from Department of Agriculture to all banks for implementation of following crop insurance schemes for Rabi 2014-15 season.

|  |  |  |
| --- | --- | --- |
| Name of the Crop Insurance Scheme | Details of G.O | Letter from SLBC |
| WBCIS | G.O.Rt.No.631 dated 19.11.2014 of Agriculture & Co-operation (Agri.II) Dept. | Lr.No. 666/30/46/589 dated 21.11.2014 |
| MNAIS | G.O.Rt.No.665 dated 29.11.2014 of Agriculture & Co-operation (Agri.II.) | Lr.No. 666/30/46/598 dated 01.12.2014 |
| NAIS | Dept. G.O.Rt.No.664 dated 29.11.2014 of Agriculture & Co-operation (Agri.II.1) Dept. | Lr.No. 666/30/46/598 dated 01.12.2014 |

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

1. **Reallocation of target for financing JLGs during the year 2014-15**

NABARD vide Ref No**.** NB.APRO/MCID-JLG/2014-15 dated 13 October 2014informed that keeping in view the Union Budget announcement of provision of finance to 5.00 lakhs Joint Farming Groups of “Bhoomiheen Kisaan”, it has been decided that at least 5.00 lakh Joint Farming Groups will be financed through JLG mode of financing during the current year 2014-15, on all India basis.

Keeping in view of GoI objectives, the allocation of target for financing Joint farming Groups (JLGs) district wise, bank wise and rural branch wise for the year 2014-15 has been worked out for the rural branches in Andhra Pradesh State by NABARD.

NABARD requested SLBC to furnish the performance at monthly intervals within 3 days from the end of the month.

Department of Financial Services (CP Section), MoF, GoI vide Lr. No. F.No. 3/7/2014-CP dated 30.10.2014 advised SLBC should monitor the progress of the scheme and ensure that the target of the State are achieved well in time.

|  |  |  |  |
| --- | --- | --- | --- |
| **S.No** | **Name of the District** | **Target 2014-15** | **Performance as at the end of November 2014** |
| **Rural Branches** | **Branch - wise target @ 10 JLG per branch** |
|  | Anantapur | 171 | 1710 | 1 |
|  | Chittoor | 194 | 1940 | 81 |
|  | Kadapa | 141 | 1410 | 1 |
|  | East Godavari | 242 | 2420 | 122 |
|  | Guntur | 236 | 2360 | 99 |
|  | Krishna | 218 | 2180 | 133 |
|  | Kurnool | 149 | 1490 | 5 |
|  | Nellore | 150 | 1500 | 4 |
|  | Prakasam | 177 | 1770 | 3 |
|  | Srikakulam | 135 | 1350 | 34 |
|  | Visakhapatnam | 173 | 1730 | 24 |
|  | Vizianagaram | 134 | 1340 | 63 |
|  | West Godavari | 181 | 1810 | 35 |
|  | **Total** | **2301** | **23010** | 605 |

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

Bank wise target for JLG promotion for 2014-15 placed as **Annexure. No.22**

Guidelines issued by RBI on financing to JLGs is placed as **Annexure. No.23**

1. **Overdues/NPAs under Agriculture Sector as on 30.09.2014**

A/cs In lakhs & Amt. Rs In crores

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Short Term Crop Production Advances  | 98.25 | 72407 | 43.29 | 29312 | 29312 | 13.65 | 3536 |
| Agril. Term Loans Including Agril. Allied Activities Advances | 18.36 | 22053 | 5.95 | 5991 | 3146 | 2.53 | 2094 |
| Agril. And Allied-Indirect | 0.60 | 5095 | 0.20 | 709 | 344 | 0.05 | 181 |
| **Total Agriculture Advances** | **117.21** | **99555** | **49.44** | **36012** | **32802** | **16.23** | **5811** |

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

|  |
| --- |
| **Short Term Agriculture Crop Production Loans:** The total outstanding balance in overdue accounts (PNPA) is **Rs.29,312 crores** which is **40%** and NPA **is 4.88%** to total outstandings and NPA in real terms it is **Rs.3,536 crores**. **Agriculture Term Loans Including Allied Activities:**The total outstanding balance in overdue accounts (PNPA) is **Rs.5,991 crores** which is **27.17%** and NPA is **9.50%** to total outstandings and NPA in real terms it is **Rs.2,094 crores**.**Total Agriculture:** The total outstanding balance in overdue accounts (PNPA) is **Rs.36,012 crores** which is **36.17%** and NPA is **5.84 %** to total outstandings and in real terms it is **Rs.5,811 crores.** |

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

**Impact of Agricultural Debt Relief Scheme of GoAP on mounting overdues and NPAs under agricultural sector:**

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 in extending credit to the farming community. The bankers in the state have always been proactive in meeting the needs of the farming community but in the last couple of years the scenario has been different with regards to agricultural lending in the state owing to the continued disturbances which has collectively affected both the farmers and the bankers in the state.

Due to the Debt Relief scheme announced by GoAP, farmers haved not come forward to repay/renew the loans resulted in mounting of overdues and NPAs on high side. This has directly reflected on the recycling of funds & profitability of banks. Repayments are hampered and the performance under Agricultural lending during the current year was affected. 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.

Debt relief amount was released to Phase-I list of eligible farmers by GoAP under Agricultural Debt Redemption scheme. Hence, GoAP is requested to give wide publicity on renewal of loans by the farmers by repaying the remaining dues and to maintain their loan accounts in current status to avail the associated benefits like Interest subvention, zero/pavala vaddi and crop insurance etc.

|  |
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| **AGENDA- 6** |

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

1. **Position of lending under MSME sector**

Amt. Rs. In Crores

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Outstanding as on 31.03.2013** | **Outstanding as on 31.03.2014** | **Outstanding as on 30.09.2014** |
|  | A/cs. | Amt. | A/cs. | Amt. | A/cs. | Amt. |
| Micro Enterprises | 414590 | 4834 | 430786 | 11929 | 518495 | 12559 |
| Small Enterprises | 87031 | 8946 | 129186 | 14373 | 128162 | 15275 |
| **Total MSE** | **501621** | **13780** | **559972** | **26302** | **646657** | **27834** |
| **%of Micro enterprises to total MSE** | **78.76%** | **32.33%** | **76.93%** | **45.35%** | **80.18%** | **45.12%** |
| Medium Enterprises | 82988 | 7875 | 80688 | 5432 | 77773 | 3550 |
| **Total MSME** | **584609** | **21655** | **640660** | **31734** | **724430** | **31384** |

|  |  |  |
| --- | --- | --- |
| **PM Task Force –Recommendations** | **Norm %** | **Actual %** |
| Banks are advised to achieve a **20** per cent year-on-year growth in credit to micro and small enterprises | 20 | 90.87% |
| **10** per cent annual growth in the number of micro enterprise accounts. | 10 | 3.90 |
| **40** per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises having investment in plant and machinery up to Rs. 10 lakh and micro (service) enterprises having investment in equipment up to Rs. 4 lakh; | 40 | Not available  |
| **20** per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises with investment in plant and machinery above Rs. 10 lakh and up to Rs. 25 lakh, and micro (service) enterprises with Investment in equipment above Rs. 4 lakh and up to Rs. 10 lakh.  | 20 | Not available  |
| **60** per cent of MSE advances should go to the micro enterprises.Allocation of 60% of the MSE advances to the micro enterprises is to be achieved in stages.  | 60 | 45.35 |

1. **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme- Progress made by banks for the last three years and achievement for 2014-15 in Andhra Pradesh state.**

|  |  |  |
| --- | --- | --- |
| **S. No** | **As on** | **Proposals covered during the year** |
| **No. of A/cs.** | **Amount (in Crs.)** |
| 01 | 31.03.2012 | 5618 | 273.26 |
| 02 | 31.03.2013 | 15891 | 342.30 |
| 03 | 31.03.2014 | 10245 | 291.97 |
| 04 | 01.04.2014 To 30.09.2014 | 5189 | 187.51 |

During 37th E.C and 102nd SLIIC meeting of MSME held on November 6, 2014 at RBI, Director, MSME-DI informed that while CGTMSE coverage was picking up in urban areas, the same was not picking up in rural areas and requested banks to take steps for coverage in rural areas also.

Commissioner of Industries requested E.C/SLIIC to suggest target of 12000 units to be covered under the scheme per annum. He also suggested that a sub-committee shall be formed by SLBC and major banks to improve the coverage of CGTMSE. All banks are advised to ensure that all new eligible micro & small units should be covered in the scheme.

The performance on coverage under the scheme is 5189 units as on 30.09.2014 as against the suggested target of 12000 units per annum. Performance under this head by all banks in the state continues to be low when compared to the other states which is a matter of concern.

Controllers of the banks are advised to

* Sensitize the branch Managers to extend coverage of all new eligible micro & small units 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.
* Banks shall have monitorable action plan as suggested by RBI.

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

1. **Rehabilitation of Sick Micro and Small Enterprises**

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

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

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

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

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

**D.** **Industrial Units affected by Hudhud Cyclone – Measures initiated by Industries**

 **& Commerce Department, GoAP:**

Industries & Commerce (IP & INF) Department, GoAP has issued G.O. Ms. No. 134 dated 18.11.2014; Policy for Hudhud cyclone affected Industrial Units, where in various measures initiated by the GoAP for mitigating the impact of the natural calamity in respect of Industrial units located in Visakhapatnam, Srikakulam and Vizianagaram. G.O.Ms.No.134 is placed as **Annexure No.40**

**E. Overdue/NPAs under MSE Sector as on 30.09.2014 (Rs. In crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| MSE | 646657 | 27834 | 193769 | 7216 | 3144 | 101346 | 1936 |

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

The total balance in overdue accounts to outstanding MSE is **25.93%** and the overdues in real terms are **Rs.3, 144 crores** which is **11.30%** of total outstanding. TheNPA is **6.96%** of total MSE outstanding.

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

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

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

SLBC vide letter No.666/30/22/1352 dated 08.01.2014 advised all LDMs to ensure the constitution of recovery mechanism for MSME sector in consultation with DCC.

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| **AGENDA- 7** |

**Housing Loans**

1. **Position of Housing Loans as on 30.09.2014**

 **(Rs in Crore)**

|  |  |  |
| --- | --- | --- |
| **Year** | **Total Outstanding** | **Disbursements** |
| **No. of a/cs** | **Amount** | **No. of a/cs** | **Amount** |
| **2013-14** | 336689 | 15621 | Not Available | Not Available |
| **September,2014** | 331934 | 15572 | 20163 | 1261 |

**B. Issues relating to RGK & VAMBAY claims with APSHCL:**

SLBC has taken up the matter with Housing Department, GOAP, requesting to settle the claims of the Banks as Banks were given to understand that there is inordinate delay in settling the claims by the Housing Corporation. As per GO MS No.42 dated 10.09.2012 issued by GoAP the scheme is applicable for all Weaker Section Loans irrespective of the fact whether the scheme was executed by AP Housing Board or Housing Corporation and AP State Housing Corporation is the Nodal Agency for reimbursement of claims under these schemes**.**

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

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

A.P. State Housing Corporation Limited vide Lr.No.7541/Mgr.(Fin)/08(GORt.No.185,Dt.27.07.2011) dated 01.12.2014 sought a report for the District Project Directors in regards to cancellation of Un-occupied / let out houses / flats by the beneficiaries and re-allotment of houses / flats to eligible beneficiaries under RGK, VAMBAY, and Urban permanent Housing Programme.

Accordingly SLBC requested the controlling authorities of the banks & LDMs to instruct the branches to furnish the information in this regard to the District Project Directors of APSHCL so as to take up the issue at State level.

**Pending Issues with the Government (Issue raised by SBI vide Lr.No.PBU/HL/724 dated 27.11.2014:**

* In many centres, the housing project was incomplete
* In completed projects also allotments were not done. Where allotted also, the flats were not occupied by the beneficiaries, since they are away from the town
* Subsidy is not received by the eligible branches and the requests are pending with the Housing board. Since the state was bifurcated, the issue relating to releasing of subsidy has to be sorted out with both the Governments
* The rate of interest was charged at 8% at the time of sanction. As per the tripartite agreement with the corporation, it was stipulated that the interest rate shall be reset every 3 years, and our present card rate is 10.15% p.a. But the Government authorities are objecting
* Due to delay in project completion and non-occupancy by the beneficiaries the accounts have become NPA’s
* In majority of the accounts repayment is not coming forthwith and the accounts are becoming NPAs
* The Government authorities are not extending cooperation in executing tripartite agreement
* The borrowers are not coming forward to create Equitable Mortgage
* The Government authorities are not willing to cooperate in recovering the EMIs
* The intervention of Reserve Bank of India, and also the Governor of combined states may be solicited in getting subsidy

A.P State Housing Corporation Limited vide Letter dated 04.12.2014 advised district project directors advised to furnish the following information.

* Number of notices issued to the original alloties
* Number of houses cancelled
* Number houses allotted to new beneficiaries.

**Weaker Sections Housing Programme – Waiving of interest on the loans taken by the beneficiaries for construction of houses under Rural, Urban, RGK and VAMBAY**

A.P. State Housing Corporation Limited vide Lr.No.8365/MGR/FIN/2014 dated 27.10.2014 informed that the Government vide G.O.Ms.No.42, dt.29.11.2008 directed that in the event of the Equal Monthly Installments (EMI) exceeds Rs.500/- in Urban Houses and Rs.300/- in Rural Houses (both Principal and Interest put together), the additional amount shall only be reimbursed by Government to those beneficiaries who have paid / are paying the EMIs promptly. The above benefit shall be applicable for all the Weaker Section Housing Schemes in the State i.e., **VAMBAY, RGK, INDIRAMMA Urban, Rural and Urban G+.**

Further APSHCL informed that they have received the claims under GO.Ms.No.42 dated 29.11.2008 from various banks seeking reimbursement of amounts paid by the Banks over and above Rs.500/- and Rs.300/-. **Since the State is bifurcated APSHCL requesting the Government to arrange to issue suitable orders as to whether the G.O.Ms.No.42 dated 29.11.2008 issued by the Combined State can be implemented for reimbursement of the claims submitted by various banks under the said G.O.Ms.No.42 dated 29.11.2008**

**C. Overdue /NPAs under Housing Loans as on 30.09.2014**

**(Rs. In crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/c s | Amount | No. of overdue accounts | Total balance in O.D a/cs | Actual overdue amount | No. of accounts | Amount |
| Housing loans | 331934 | 15572 | 76109 | 3494 | 690 | 35359 | 468 |

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

The percentage of total balance in overdue accounts & NPA to outstandings is **22.44% & 3.01%** respectively.

|  |
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| **AGENDA- 8** |

**Education Loans**

1. **Position of Education Loans as on 30.09.2014 :**

 **(Rs in Crore)**

|  |  |  |
| --- | --- | --- |
| **Year** | **Total Outstanding** | **Disbursements** |
| **No. of a/c s** | **Amount** | **No. of a/cs** | **Amount** |
| 2013-14 | 133820 | 3393 | Not Available | Not Available |
| September, 2014 | 137664 | 2960 | 11464 | 272 |

1. **Education Loans – Performance in the state of AP for the year 2014-15 :**

Department of Financial Services, Ministry of Finance, GoI vide letter No. F.No.1(1)/2011-CP dated June 23, 2014 advised convener, SLBC to allocate targets for 2014-15 under Education Loans keeping a minimum growth of 10% in number of accounts and 15% in loan outstanding. Further they have advised to monitor the progress in the SLBC meetings.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Bank** |  **Target for 2014-15** | **Outstanding as on 30.09.2014** | **Gap to the Target** |
| **No. of A/cs** | **Amt. (Rs. in Crores)** | **No. of A/cs** | **Amt. (Rs. in Crores)** | **No. of A/cs** | **Amt. (Rs. in Crores)** |
| **Public Sector Banks**  | 155788 | 3600 | 129499 | 2784.14 | 26289 | 815.86 |
| **Private Sector Banks**  | 1960 | 79 | 1141 | 48.31 | 819 | 30.69 |
| **RRBs**  | 8960 | 132 | 6875 | 125.13 | 2085 | 6.87 |
| **Co-operative Banks**  | 402 | 4 | 149 | 2.28 | 253 | 1.72 |
| **Grand Total** | **167110** | **3815** | **137664** | **2959.86** | **29446** | **855.14** |

It is observed from the above table that banks have to extend another Rs.855 crores to achieve the target set by the MoF. Controllers are requested to sensitise the branch managers in this regard.

Bank wise Education Loans performance details placed as **Annexure.No.13**

1. **Insisting on Collaterals and Guarantees while sanctioning the education loans :**

RBI Hyderabad vide Lr. No.RPCD(H)/LBS/326/02.03.03/2014-15, September,10 2014 informed that they are receiving frequent complaints that banks are insisting collaterals & guarantees while sanctioning education loans. Hence RBI Hyderabad advised SLBC to communicate the guidelines of RBI contained in circular RPCD.PLNFS.BC.No.83/06.12.05/2000-01, April,28 2001 regarding education loan scheme, wherein it was advised that no security may be insisted upon for loans up to Rs.4 lakhs.

SLBC circulated these guidelines to controlling authorities of all banks vide Lr.No.666/30/330/406 dated 15.09.2014 for strict compliance.

1. **Central Scheme to provide Interest Subsidy (CSIS) :**

RBI Hyderabad vide Lr. No. RPCD (H)/LBS/370/02.03.03/2014-15 dated September 17, 2014 informed that some of the banks of Andhra Pradesh are not extending the benefit of CSIS to the eligible students who have been sanctioned education loan after March 31, 2009. Some of the banks have not properly understood the CSIS guidelines and in the process have denied the benefit of interest subsidy to eligible students.

RBI advised that as per the central government as well as IBA guidelines, the CSIS is applicable to all eligible students who pursue technical and professional education studies in India beginning from the academic year 2009-10.

SLBC circulated these guidelines to controlling authorities of all banks vide Lr.No.666/30/330/427 dated 20.09.2014 for strict compliance.

1. **Padho Pardesh – Scheme for interest subsidy on Education loans for Overseas Studies for the Minority communities :**

Padho Pardesh – scheme for interest subsidy on Education loans for Overseas Studies i.e., Masters, M.Phil & Ph. D for the studies belonging to the Minority communities Viz. Muslims, Christians, Sikhs, Buddhists, Jains and Parsis (effective from 2013-14)

Government of India, Ministry of Minority Affairs has formulated a scheme for interest subsidy on education loans for overseas studies to promote educational advancement of students from minority communities’ for adoption by all banks. In order to support students from economically weaker sections of notified minority communities of the society, the scheme is introduced by Government of India.

1. **Overdue/NPAs under Education Loans as on 30.09.2014**

**(Rs. In crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Education loans | 137664 | 2960 | 23930 | 611 | 221 | 9953 | 203 |

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

The percentage of total balance in overdue accounts & NPA to outstandings is **20.64% & 6.86%**

respectively.

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| **AGENDA- 9** |

 **EXPORT CREDIT**

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

The position received from Banks as on 30.09.2014 is given in the **Annexure. No.14**

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| **AGENDA- 10** |

**Credit Flow to Minority Communities for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 6,233 |
| 2 | March, 2013 | 7,066 |
| 3 | March, 2014 | 8,372 |
| 4 | September, 2014 | 10,629 |

In Andhra Pradesh, the amount lent to minority communities is **Rs.10,629** Crores which constitutes **7.07%** of Priority Sector Lending as against the stipulated target of 15% and all Banks were advised to ensure achievement of 15% of credit to MinorityCommunities.

**RBI vide Cir No. RBI/2014-15/334 dated 03.12.2014 informed that, Ministry of Minority Affairs, Government of India, have notified the Jain Community as a minority community, vide notification No. S.O. 267(E) dated January 27, 2014. This is in addition to five communities already notified as minority communities, viz. Sikhs, Muslims, Christians, Zoroastrians and Buddhists. All banks are requested to take advantage of inclusion of additional community under minorities in achieving the stipulated targets.**

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

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

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

|  |
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| **AGENDA- 11** |

**Credit Flow to Weaker Sections for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 33,368 |
| 2 | March, 2013 | 40,554 |
| 3 | March, 2014 | 47,074 |
| 4 | Sptember, 2014 | 48,361 |

Weaker Section advances **as on 30.09.2014** is **Rs.48,361 Crores** which constitutes **24.04%** as against the RBI stipulation of 10% of ANBC.

|  |
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| **AGENDA- 12** |

**Credit Flow to Women for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 24,557 |
| 2 | March, 2013 | 30,116 |
| 3 | March, 2014 | 34,736 |
| 4 | September, 2014 | 35,948 |

**As on 30.09.2014 advances to Women are at Rs.35,948 Crores** which constitutes **17.87%**  as against the RBI norms of 5% of Net Bank credit.

|  |
| --- |
| **AGENDA- 13** |

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

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 7,114 |
| 2 | March, 2013 | 7,774 |
| 3 | March, 2014 | 9,365 |
| 4 | September, 2014 | 9,498 |

**As on 30.09.2014,** the lending to SC/STs is **Rs.9,498 Crores**, comprising of **6.32%** 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 01.07.2014 and all banks and LDMs are advised to be guided by the same.

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| **AGENDA- 14** |

**Position of implementation of Government Sponsored Schemes during the FY 2014-15**

**Government of India**

**[**

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

Target & Achievement under PMEGP for the year 2014-15 (as on 30.11.2014) **(Rs.in lakhs)**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Target - 2014-15** | **Achievement - 2014-15** |
|  |  | No. | MM | Emp | No. | MM | Emp |
| 1 | KVIC | 458 | 651.49 | 3664 | 29 | 194.16 | 776 |
| 2 | KVIB | 743 | 1056.64 | 5944 | 60 | 212.30 | 743 |
| 3 | DIC | 990 | 1408.85 | 7920 | 102 | 340.00 | 1190 |
|  |  **Total** | **2191** | **3116.98** | **17528** | **191** | **746.46** | **2709** |
| 4 | KVIC,DO, Vizag | 285 | 405.15 | 2280 | 8 | 30.68 | 55 |
|  |  **Grand Total** | **2476** | **3522.13** | **19808** | **199** | **777.14** | **2764** |

 (Source: KVIC, Hyderabad)

It is observed that the performance under the scheme is not at expected level due to delay in organising DLTFC and sponsoring of applications to the bankers.

KVIC is requested to confirm the conduct of DLTFC in all the districts to identify the eligible applicants and sufficient number of applications are sponsored to the branches for achieving the targets.

KVIC is requested to furnish the issues to place before the core committee to workout model project report & standardized processing template for processing at district level task force for PMEGP applications processed.

**PMEGP – Priority to SCs / STs, Weaker Sections – Parliamentary Committee observations:**

Department of Financial Services, Ministry of Finance, GoI vide Lr.No.F.No.3/26/2013-IF-II dated 13.11.2014 informed that the Parliamentary Committee on Industries has desired that cases of Scheduled castes, Scheduled Tribes, Weaker Sections should be given priority under PMEGP and emphasized that banks should not ask for collateral security under PMEGP scheme. The committee has directed that the achievement of targets allocated under PMEGP should be regularly monitored and the number of rejection of applications should be minimized.

RBI in its Master Circular on lending to MSME sector has mandated banks not to accept collateral security in case of loans up to Rs.10 lakhs extended to units in the MSE sector. Banks have also been advised to extend collateral free loans up to Rs.10 lakhs to all units financed under PMEGP of KVIC.

SLBC of AP requested controlling authorities of all Banks & LDMS vide Lr.No.666/30/22/587 dated 21.11.2014 to issue necessary instructions to all nodal and financing branches involved in lending under PMEGP to ensure that the RBI circular is followed in letter and spirit and the recommendations of the Parliamentary Committee on Industry are implemented.

Copy of the DFS letter dated 13.11.2014 placed as **Annexure.No.24**

**B) Implementation of Scheme of Interest Subsidy Eligibility Certificate (ISEC) Scheme**:

The scheme is the major source of funding for the Khadi programme. This was introduced in May, 1977 to mobilize funds from banking institutions to fill the gap in the actual fund requirement and its availability from budgetary sources. Under the scheme, credit at the concessional rate of interest of 4 per cent per annum for capital expenditure as well as working capital is given as per the requirement of the institutions. The difference between the lending rate and 4 per cent is paid by the Central Government through KVIC to the lending bank and funds for this purpose are provided under the Khadi grant head to KVIC.

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

RBI vide Lr.No. RBI/2014-15/342 dated 09.12.2014 issued revised guidelines for the year 2014-15 on interest Subvention Scheme for women SHGs under NRLM. The gist of the circular is furnished hereunder

1. **Interest subvention scheme on Credit to Women SHG during the year 2014-15 for all**

**Commercial Banks (only Public Sector Banks, Private Sector Banks and Regional Rural Banks) and Co-operative banks in 150 districts**

1. All women SHGs will be eligible for interest subvention on credit upto Rs. 3 lakhs at 7% per annum. SHG availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.
2. The Commercial Banks and Cooperative Banks will lend to all the women SHGs at the rate of 7% in the 150 districts
3. All Commercial Bank (excluding RRBs) will be subvented to the extent of difference between the Weighted Average Interest Charged (*WAIC as specified by Department of Financial Services, Ministry of Finance for the year 2014-15)* and 7% subject to the maximum limit of 5.5% for the year 2014-15. This subvention will be available to all the Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts.
4. RRBs and Cooperative Banks will be subvented to the extent of difference between the

maximum lending rates (as specified by NABARD) and 7% subject to the maximum limit

 of 5.5% for the year 2014-15. This subvention will be available to all RRBs and Co operative Banks on the condition that they make SHG credit available at 7% p.a. in

 150 districts.

1. Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. For the purpose of Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered prompt payee if it satisfies the following criterion as specified by Reserve Bank of India (RBI).
2. **For Cash Credit Limit:**
3. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days.
4. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month.
5. Customer induced credit should be sufficient to cover the interest debited during the month.
6. **For the Term loans:** A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment

**II. Interest subvention scheme for Category II Districts (Other than 150 districts)**.

For category II districts, comprising of districts other than the above 150 districts, all women S.H.Gs under N.R.L.M will continue to be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms). The State-wise distribution of the provision under this budget head would be determined each year. In the Category II districts, Banks will charge the SHGs as per their respective lending norms and the difference between the lending rates and 7% subjected to a maximum limit of 5.5% for the year 14-15 will be subvented in the loan accounts of the SHGs by the SRLM.

For the purpose of the interest subvention, an account will be considered as prompt payee if it is satisfies the criterion as specified by RBI.

For detailed guidelines, RBI Cir. No.RBI/2014-15/342 dated 09.12.2014 is placed as **Annexure.No.25**

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

(Rs. In crores)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Rural SHG Disbursements | Urban SHG Disbursements | Total Disbursements | Outstanding(Rural& Urban) |
| TargetAmt. | No. | Amt. | TargetAmt. | No. | Amt. | TargetAmt. | No. | Amt. | No. | Amt. |
| 2011-12 | 5122 | 209688 | 5122 | 1050 | 58979 | 1343 | 6172 | 268667 | 6465 | 819631 | 9691 |
| 2012-13 | 5761 | 155261 | 4073 | 1195 | 49913 | 1341 | 6956 | 205174 | 5414 | 807837 | 11510 |
| 2013-14 | 7066 | 265118 | 8246 | 1368 | 49718 | 1527 | 8434 | 314836 | 9773 | 772413 | 13764 |
| September, 2014 | 12275 | 54127 | 1738 | 1516 | 8921 | 290 | 13791 | 63048 | 2028 | 794728 | 13919 |

**Action Plan for Financial Inclusion in LWE affected Districts - Progress**

GoI vide their circular dated 4th January, 2012 has introduced a Scheme for WSHG development in LWE districts of the country. Against **109 districts** identified in the country, **8 districts** are located in Andhra Pradesh.

**Progress in formation of Groups, Savings Linked and credit Linked as on 30.09.2014 in the state of Andhra Pradesh**

 (Rs. In Lakhs)

|  |  |  |
| --- | --- | --- |
| Year | Savings Linked | Credit Linkage |
| No. | No. | Amount |
| 2012-13 | 8371 | 2644 | 1446 |
| 2013-14 | 6452 | 3189 | 1508 |
| 2014-15 up to Sep 14 | 5709 | 1461 | 731 |

 (Source: SERP)

**Overdue/NPAs under SHG Bank Linkage Programme as on 30.09.2014**

(Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| SHG Bank Linkage Programme | 794728 | 13919 | 185926 | 2341 | 1046 | 84056 | 880 |

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

The percentage of total balance in overdue accounts & NPA to outstanding is **16.82% & 6.32%** respectively. The overdues are mounting up in this sector year by year.

SERP and MEPMA are requested to extend support to the banks to reduce the OD/NPAs in this sector.

**3. National Urban Livelihoods Mission (NULM) Scheme:**

Govt. of India, Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has restructured the existing Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) and launched the National Urban Livelihoods Mission (NULM). The Self Employment Program (SEP) component of NULM will focus on providing financial assistance through a provision of interest subsidy on loans to support establishment of individual & group enterprises and Self-Help Groups (SHGs) of urban poor.

The existing provision of capital subsidy for USEP (Urban Self Employment Programme) and UWSP (Urban Women Self-Help Group program) components of SJSRY has been replaced by interest subsidy for loans to individual enterprise (SEP-I), group enterprise (SEP-G) and Self Help Groups (SHGs)

RBI informed that Ministry has advised that the NULM is under implementation w.e.f. September 24, 2013 in all districts headquarters (irrespective of population) and all the cities with population of one lakh or more and that SJSRY was to remain operational till March 31, 2014. Accordingly, capital subsidy as per SJSRY guidelines will also be extended on bank loans for setting up of individual and group enterprises under USEP and UWSP components of SJSRY, respectively till March 31, 2014.

RBI/2014-15/177, RPCD.CO.GSSD.BC.No.26/09.16.03/2014-15 dated August 14, 2014 communicated operational guidelines of the Self Employment Program (SEP) component of NULM.

 **Targets & Achievement -SEP (Individual) and SEP (Groups)** **for 2014-15 as on 30.09.2014**

 (Rs. in Crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No. |   Program | Target | Achievement |
| Physical | Financial | Physical | Financial |
|  1 | SEP (Individual) Programme under NULM | 9912 | 99.12 | Nil | Nil |
|  2 | SEP (Groups)Programme under NULM | 116 | 5.80 | Nil | Nil |

**MEPMA has informed that loan disbursement particulars will be accessed from the banks data by the service provider under core banking system (CBS) for calculation of interest subsidy, in view of the above MEPMA is requesting the banks, uniform Product Code has to be provided for SEP-Individuals and Group loan separately by the banks to facilitate service provider to calculate interest subsidy.**

**4. Housing Schemes - RRY**

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

Interest Subsidy Scheme for Housing the Urban Poor’ (ISHUP) was being implemented by Govt. of India as a supportive measure for expanding credit flow to housing for the Economically Weaker Sections (EWS) and Low Income Groups (LIG) up to Sept. 2013.

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

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

**ULB wise allocation of Targets under Rajiv Rinn Yojana**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sl. No | City | Total No. of House holds | Total Population | General | SC | ST | OBC | Data entry in process | No. of loans allocated |
| 1 | Anakapalle | 4007 | 0 | 757 | 667 | 155 | 2428 | 0 | 500 |
| 2 | Bheemunipatnam | 5998 | 0 | 1332 | 760 | 52 | 3845 | 9 | 500 |
| 3 | Visakhapatnam | 122591 | 454756 | 28204 | 16420 | 2972 | 0 | 74995 | 3000 |
| 4 | VMC | 81452 | 268227 | 20571 | 14752 | 4001 | 38184 | 3944 | 4000 |
| 5 | Tirupathi | 16251 | 56419 | 4988 | 2843 | 982 | 6962 | 476 | 500 |
| 6 | Kakinada | 36725 | 125878 | 6330 | 4401 | 541 | 2 | 25451 | 1000 |
| 7 | Rajahmundry | 26323 | 84679 | 4627 | 5411 | 864 | 0 | 15421 | 1000 |
| 8 | Guntur | 51766 | 176492 | 17396 | 10141 | 3340 | 16836 | 4053 | 500 |
| 9 | Nellore | 38155 | 119923 | 7316 | 7151 | 3019 | 19426 | 1243 | 500 |
| 10 | kurnool | 41492 | 149648 | 15536 | 10661 | 1306 | 12521 | 1468 | 500 |
|  | **Total** | **424760** | **1436022** | **107057** | **73207** | **17232** | **100204** | **127060** | **12000** |

SLBC has communicated the target of 12,000 units, received from APUFIDC; ULB-wise under Rajiv Rinn Yojana to LDMs to allocate the targets among banks vide Lr.No.666/30/18/1477, dt.03.02.2014.

All banks are requested to achieve the targets as communicated above

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

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

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

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

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

**Progress as on 26.11.2014**:

No. of projects sanctioned: **105** No. of projects pending : **455**

Bank wise progress on Agri Clinics and Agri Business Centers scheme as on 26.11.2014 is placed as **Annexure. No.26**

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

**6) Dairy Entrepreneurship Development Scheme (DEDS)**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |
| --- |
| **State wise Budget Allocation and Utilisation upto 05.12.2014** |
|  |  |   |  Rs. In lakh |  |  |
| Particulars  | SC Component  | ST and General  | Total  |  |  |
| Budget Allocation for 2014-15  | 875.00 | 1525.00 | 2400.00 |  |  |
| Subsidy Released during the year  | 104.70 | 1875.33 | 1980.03 |  |  |

 |
|  |  |  |  |  |

**Utilisation of Budgetary allocation of AP State:**

NABARD, Regional office, Hyderabad vide Lr. No.NB.T&APRO/DoR/3555/DEDS-142/2014-15 dated 14.08.2014 informed that the budget allocated under General & ST component for the state for the year 2014-15 has been fully utilized. However, the budget allocation for SC component is still available for utilization.

Hence, all the banks are requested to prefer subsidy claims under DEDS in respect of SC component only. NABARD informed that efforts are being made to have additional allocation for General/ST category under DEDS. Hence, banks are requested not to submit subsidy claims under General/ST component, till further instructions from NABARD.

SLBC already circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr.No. 666/30/11/337 dated 21.08.2014.

**7. Handloom Weavers:**

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

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

Under WCC scheme, the target given for the year 2014-15 is **31,339** units and SLBC advised all Banks to issue necessary instructions to their branches to improve lending under Weaver Credit Card Scheme and to reach the targets set for March, 2015.

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

As per latest information available as on 27.11.2014, **2116** weaver credit cards were disbursed to a tune of **Rs.712.43 lakhs as** against the targetof **31339** for the year 2014-15**.**

Steering Committee of SLBC opined that an effective recovery mechanism is to be placed by the Department of Handlooms & Textiles for facilitating prompt recovery from this sector. At the same time banks are advised to extend finance to this sector.

District wise progress of issuance of WCC and Disbursement of Loan to the Handloom Weavers as on 27.11.2014 is enclosed as **Annexure. No.27**

 **8**. **Credit under DRI:**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 38.21 |
| September, 2014 | 36.05 |

**As on 30.09.2014 the credit outstanding under DRI is Rs.36.05 Crores.** Target under DRI for 2014-15 is **Rs. 2,012 Crores** (**i.e**., **1%** of the total outstanding advances of previous year, total outstanding advances **as on 31.03.2014** are **Rs.2, 01,201 Crores**).

The performance is negligible in comparison to the stipulations. All Banks are requested to make all out efforts to identify the eligible beneficiaries under DRI and to extend finance as per guidelines.

**9. Central Sector Scheme of Self Employment scheme for Rehabilitation of Manual Scavengers (SRMS) – Revision of the scheme.**

Indian Banks’ Association, Mumbai, vide their letter no.SB/CIR/SRMS/GOVT/8723 dated 22.01.2014, along with MoF Lr. F. No. 3(2)/2009(Vol-II)-CP, dated January, 2014 communicated the revised guidelines of the above scheme.

SLBC has communicated the same to all banks vide Lr.No.666/30/279/1471, dt.01.02.2014 with an advice to give wide publicity to the revised scheme and give suitable instructions to the branches to ensure coverage of all eligible beneficiaries in the shortest possible time as per the provisions and spirit of the scheme.

IBA vide letter No.SB/CIR/SLBC/SRMS/GOVT./9380, dt. 10 May, 2014 along with a letter from DFS, Ministry of Finance vide F.No.3(2)/2009 (Vol-II)-CP, dated 1st May 2014 directed to state that Ministry of Social Justice and Empowerment has informed that financing is crucial to rehabilitation and so far banks have been reluctant to provide this assistance to manual scavengers and their families.

It is advised that the issue regarding earmarking 1% of district level total sanctioning powers for soft loans to redeemed manual scavengers may be examined.

All Banks are requested to be guided accordingly.

**10. Small Farmers’ Agri Business Consortium (SFAC):**

SFAC would provide Venture Capital to qualifying projects on the recommendations of the bank/financial institution financing the project. This venture capital will be repayable to SFAC after the repayment of term loan of lending bank/financial institution as per original repayment schedule or earlier.

SFAC would provide venture capital to agribusiness projects by way of soft loan to supplement the financial gap worked out by the sanctioning authority for term loan under Means of Finance with respect to cost of project subject to the fulfillment of the following conditions:

The main objectives of the Scheme are:

1. To facilitate setting up of agribusiness ventures in close association with all banks/financial institutions notified by the Reserve Bank of India where the ownership of the Central/State Government is more than 50% such as Nationalized banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFI, Exim Bank, RRBs & State Financial Corporations.
2. To catalyze private investment in setting up of agribusiness projects and thereby providing

 assured market to producers for increasing rural income & employment.

1. To strengthen backward linkages of agribusiness projects with producers.
2. To assist farmers, producer groups, and agriculture graduates to enhance their participation

in value chain through Project Development Facility.

1. To arrange training and visits, etc. of agripreneurs in setting up identified agri business Projects.

(f) To augment and strengthen existing set up of State and Central SFAC.

It is observed that the programme is not stabilized in the reorganized state of Andhra Pradesh. Department of Horticulture should take necessary initiatives to popularize the scheme in the state.

|  |
| --- |
| **AGENDA- 15** |

**Government Sponsored Schemes - Government of Andhra Pradesh**

**1. Andhra Pradesh Micro Irrigation Project (APMIP): Achievement as on 30.11.2014**

(Rs. In Lakhs)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|    |  **Physical**  |  **Financial** | **Beneficiary Contribution / Credit requirement** | **Total Project Outlay** |
| **Area** **(in Hectares)** | **Total GOI share** |  **State Share** |
| **Target** | 41895 | 11833.20 | 12639.93 | 6681.19 | 31154.32 |
|  **Achievement** | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| Department informed that subsidy pattern has been received recently from the Govt., vide G.O.Ms.No.52 dated 05.11.2014 of A&C (Horti) Dept. Further it is informed that 96241 farmers registered their applications covering an area of 1,19,190 Ha through Mee-Seva Centers.  |

**2. Animal Husbandry:**

The Directorate of Animal Husbandry has informed vide their Lr.No.8433/F/F1/2014 dated 29.11.2014 that the progress in implementation of Govt. Sponsored Schemes as on 31.10.2014 is **NIL** as amount is yet to be released under National Livestock Mission and no amount was spent under milch animals due to expiry of tender. Further the scheme is closed as no provision was made in final B.E. 2014-15.

**3. Fisheries:**

 Amt. in Lakhs

|  |  |
| --- | --- |
| **Projected Target for 2014-15** | **Achievement** |
| **No. of Units** | **Bank Loan** | **Subsidy** | **No. of Units** | **Loan Sanctioned** |
| 2349 | 2869.91 | 1955.05 | ---- | ---- |

It is observed that sufficient numbers of applications are not forwarded to the banks.

 **4. Sericulture: Achievement as on 30.10.2014**

Amt. in Lakhs

|  |  |  |  |
| --- | --- | --- | --- |
| **Projected Target for 2014-15** | **Applications sponsored** | **Applications sanctioned** | **Loans disbursed** |
| **No. of Units** | **Amount** | **No. of Units** | **Amount** | **No. of Units** | **Amount** |
| 3592 | 1544.62 | 1835 | 520 | 166.10 | 498 | 162.00 |

The district-wise and bank-wise details of applications sponsored are enclosed as **Annexure No.28**

All banks are requested to sanction and disburse loans to all the eligible beneficiaries sponsored by the Department.

**5. A.P. Backward Classes Co-op. Finance Corporation- Performance as on 30.11.2014**

Department has informed that

1. The Government has approved Rs.252.00 crores under Margin Money and Rs.50.00 crores under BC Abhyudaya Yojana Action Plan for the year 2014-15 for implementation of self employment schemes.
2. The Action Plan for the year 2014-15 has been placed before the DCC by the Executive Director concerned as per the guidelines of G.O.Ms.No.101, Social Welfare (SCP.I) Dept., dt.31.12.2013 and the same was approved in the DCC, the process of identification of beneficiaries is under process.

[

1. The progress report from June, 2014 to November, 2014 may be treated as **NIL**.

**6. Federations of BC Co-operative Societies under BC Welfare Department of GoAP :-**

The following 10 Federations of BC Cooperative Societies have informed the position of implementation of financial assistance scheme as on 30.11.2014. The details are as follows:

 Amt. in Lakhs

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Federation** | **Target** | **Applications sanctioned for 2013-14** | **Loans disbursed** |
| **No.** | **Amt.**  | **No.** | **Amt.** | **No.** | **Amt.** |
| A.P. Washermen Cooperative Societies Federation Ltd. | 2383 | 17870 | 68 | 236.75 | ---- | ---- |
| A.P. Sagara ( Uppara ) Cooperative Societies Federation Ltd | 458 | 3435 | 20 | 67.00 | ---- | ---- |
| A.P. Nayee Brahmins Cooperative Societies Federation Ltd. | 3850 | 28876 | 61 | 185.75 | ---- | ---- |
| A.P. Krishna Balija, Poosala Cooperative Societies Federation Ltd. | 401 | 3010 | 3 | 9.75 | ---- | ---- |
| A.P. Viswabrahmins Cooperative Societies Federation Ltd. | 291 | 2180 | 12 | 39.25 | ---- | ---- |
| A.P. Vaddera Cooperative Societies Federation Ltd. | 385 | 2887 | 26 | 178.50 | ---- | ---- |
| A.P. Valmiki/Boya Cooperative Societies Federation Ltd. | 402 | 3018 | 9 | 32.75 | ---- | ---- |
| A.P. Bhattraja Cooperative Societies Federation Ltd. | 382 | 2865 | 2 | 14.50 | ---- | ---- |
| A.P. Kummari/Shalivaahana Cooperative Societies Federation Ltd. | 491 | 3684 | 26 | 91.25 | ---- | ---- |
| A.P. Medara Cooperative Societies Federation Ltd. | 286 | 2145 | 0 | 0 | ---- | ---- |

**Note: -** SLBC requested all the Federations to communicate detailed guidelines on implementation procedure of the Financial Assistance Scheme and also the particulars of their district level nodal officers, for onward communication to all the banks to facilitate proper coordination between banks and federations at field level so as to ensure progress in implementation of the scheme. The information is yet to be received.

1. **A.P. Scheduled Caste Co-operative Finance Corporation Limited**

G.O. Rt. No. 634 dated 02.12.2014 issued by Social Welfare (SCP) Department, Govt. of Andhra Pradesh where in the Government has authorized the District Collectors to implement the sanctioned but not grounded units pertaining to the beneficiaries selected under **SC Action Plan 2013-14.**

The grounding of such units, sanctioned as on 31.03.2014, is restricted to only those beneficiaries whose eligibility was verified and whose names were recommended by the Gram Panchayat / Municipal Ward / Municipal Corporation Division Level Committees in pursuance of the instructions and guidelines issued vide G.O. Rt. No. 535 dated 04.10.2014.District-wise verified Beneficiary report for sanctions made under the Plan as on 31.03.2014 (17402 cases) is placed as **Annexure.No.29**

All banks are requested to instruct their branches to complete the grounding of the sanctioned units.

The Targets allocated under **SC Action Plan 2014-15** have been approved in the meeting of Steering Committee of SLBC of AP held on 28.11.2014. The District –wise targets allocated under the plan are communicated to the LDMs for onward allocation among banks.

**Achievement under the Programme Year 2014-15**

 (Rs. in lakhs)

|  |  |
| --- | --- |
|  Annual Target | Applications filed |
| Phy. | Fin. | Number |
| 36559 | 14878.35 | 156935 |

A.P. Scheduled Castes Co. operative finance corporation limited communicated revised timelines for implementation of the plan for the year 2014-15 during Video Conference held on 02.12.2014 by Sri. R. Kishore Babu, Hon’ble Minister of GoAP.

Detailed timelines for implementation is placed as **Annexure.No.30**

All banks are requested to issue instructions to their branches to follow the timelines given.

1. **Andhra Pradesh State Christian Finance Corporation**:

Because of bifurcation of the State, Economic Support Scheme Website OBMMS has been blocked from 31.05.2014. Hence the Scheme is not implemented since 31.05.2014. Government instructions regarding ESS for the year 2014-15 are not yet received.

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

The details of projected targets for the year 2014-15 and applications sponsored by the corporation till 30.11.2014 are as follows :

 (Rs. in Lakhs)

|  |  |
| --- | --- |
| **Projected Target**  | **Applications Sponsored** |
| **No. of Beneficiaries** | **Subsidy** | **Bank Loan** | **Others** | **Total** | **No. of Beneficiaries** | **Subsidy** | **Bank Loan** | **Total** |
| 20299 | 7878.23 | 7062.05 | 148.14 | 15088.42 | 5328 | 3693.36 | 3349.55 | 7042.90 |

The district-wise and bank-wise details of applications sponsored are enclosed as **Annexure.No.31**

All banks are requested to sanction and disburse loans to all the eligible beneficiaries sponsored by the Corporation.

1. **A.P. State Minorities Finance Corporation Ltd.:**

Corporation informed that due to bifurcation of the state, release of funds under Bankable schemes was stopped.

1. **Andhra Pradesh Society for Training and Employment Promotion (APSTEP) :-**

The Society has informed that the nomenclature of present RYS scheme is changed as CMEY and the guidelines are yet to be finalized by the State Government.

1. **A.P. Disabled Welfare Department**

Economic Rehabilitation Scheme target & achievement for the year 2014-15

|  |  |  |
| --- | --- | --- |
| Target(Phy.) | Achievement(Phy.) | Percentage |
| 431 | 101 | 23.43 |

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

 **13. Overdue position under Government sponsored schemes as on 30.09.2014**

(Rs. In Crores)

|  |  |  |  |
| --- | --- | --- | --- |
|   Sector  | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Central Government sponsored Schemes | 152825 | 2772 | 63619 | 669 | 408 | 50405 | 520 |
| Of which |
| SGSY / NRLM | 84035 | 1916 | 25888 | 227 | 148 | 21191 | 202 |
| SJSRY / NULM | 16713 | 148 | 9173 | 55 | 38 | 7196 | 41 |
| PMRY/PMEGP  | 13323 | 187 | 7128 | 66 | 38 | 5093 | 30 |
| ISHUP | 3690 | 31 | 1181 | 10 | 5 | 941 | 5 |
| State Government sponsored schemes | 2143470 | 23003 | 581819 | 7694 | 3356 | 304632 | 2250 |

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

**Central Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 24.13% & 18.76% respectively**.**

**State Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 33.45% & 9.78% respectively**.**

**SGSY:** The percentage of total balance in overdue accounts & NPA to outstandings is 11.85% & 10.54% respectively**.**

**SJSRY:** The percentage of total balance in overdue accounts & NPA to outstandings is 37.16% & 27.70% respectively**.**

**PMRY/PMEGP:** The percentage of total balance in overdue accounts & NPA to outstandings is 35.29% & 16.04% respectively**.**

**ISHUP:** The percentage of total balance in overdue accounts & NPA to outstandings is 32.26% & 16.13% respectively**.**

|  |
| --- |
| **Agenda 16** |

**Position of MFI finance extended as on 30.09.2014**

|  |  |  |
| --- | --- | --- |
| **S.No** | **Particulars** | **Amt. in Crores** |
| 1 | Cumulative Amount of Loans sanctioned so far  | 123.54 |
| 2 | Cumulative Loans Disbursed so far  | 123.54 |
| 3 | Total Loans outstanding  | 92.58 |
| 4 | Total amount due for payment (Demand) | 32.35 |
| 5 | Total amount recovered  | 13.73 |
| 6 | Total amount overdue  | 18.62 |
| 7 | Out of (6) amount overdue [ Standard] | 10.71 |
| 8 | Out of (6) amount overdue [NPA] | 7.91 |
| 9 | Non Fund exposure/Off Balance Sheet exposure O/s  | 0.00 |

|  |
| --- |
| **AGENDA- 17** |

 **Financial Inclusion**

1. **Providing banking channels/services**

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

 **30.09.2014**

Banks have completed process of providing Banking services in respect of all **3900** 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 30.09.2014**

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. As against the target of **7,923** villages to be covered with banking channels by March, 2015, **10,251** villages have been provided with banking channels thus surpassing the target by **129.38%** out of which banking channels are deployed through BCAs in **9,962** villages, Brick & Mortar Branches in **280** villages and through other modes in **9** villages.

Quarterly Progress report District-wise and Bank-wise as on **30.09.2014** is enclosed as **Annexure No.32**

SLBC has also submitted FIP Quarterly progress report for September, 2014 **(LBS MIS V)** to RBI which is enclosed as **Annexure No.33**

**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.

During the meeting held by the Hon’ble Union Finance Minister with the Chief Executives of all Public Sector Banks, Insurance Companies and Financial Institutions on 31.07.2014, it has been directed that banks would strive to set up Brick and Mortar Branches with minimum staff strength of 1+1 or 1+2 in 74,351 villages having population of 2000 or more which were covered by BCs in the earlier campaign. This can be in a phased manner over a period of 3 to 5 years. All banks in the state have been advised to take necessary steps in this regard to comply with the directives of the Union Finance Minister.

**RBI vide Lr.No.DBOD.No.BAPD. 6651/22.03.010/2014-15 dated 03.11.2014 advised that, in a meeting held with Governor, RBI, the Finance Minister of Andhra Pradesh stated that banks should be urged to open more branches in the rural areas of the divided States as the State needed more finances, especially for agriculture.**

**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.

**Availability of ATMs in the State of Andhra Pradesh:**

|  |  |
| --- | --- |
| Quarter ended  | No. of ATMs |
| 30.06.2014 | 6204 |
| 30.09.2014 | 6643 |

**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.

**PMJDY-Issue of Ru-pay Cards to MPs & MLAs:**

DFS has suggested that member banks are required to issue Ru-pay cards to MPs. Accordingly SLBC has advised the LDMs to contact the “Hon’ble MPs & MLAs” and offer Ru-pay debit cards with a view to popularize the card.

1. **National Mission on Financial Inclusion Plan – Pradhan Mantri Jan Dhan Yojana(PMJDY):**

**Meeting of the Steering Committee of Pradhan Mantri Jan-Dhan Yojana (PMJDY) held under the Chairmanship of Secretary (Financial Services) to review the progress made under PMJDY, held on 20th November, 2014 at Vigyan Bhawan Annexe, New Delhi**

The action points that emerged in the meeting are as under:

(i) Banks to make special efforts to increase deposits rate, especially in zero balance accounts opened under PMJDY. **(Action: All PSBs)**

(ii) Sponsoring PSBs would review the performance of their sponsored RRBs. Banks and NPCI should enhance their capacity of issuance of RuPay Debit Cards so that gap is covered by 15th December, 2014. **(Action: All PSBs/ NPCI)**

(iii) Senior officers of the banks should undertake visit in areas with low coverage. After survey is completed, Household coverage would be done in “Sweep Mode” to open accounts of all uncovered households. **(Action: All PSBs)**

(iv) Awareness on claim settlement process under accident insurance of Rs.100000/- should be made to all staff members at Branches/ RO. Claim settlement process documents should be available on website of Banks’ and NPCI. There should be proper coordination between member banks, Insurance Company and NPCI for settlement of claims. **(Action: All PSBs/ NPCI)**

(v) The guidelines for Life Insurance Cover of Rs. 30,000/- under PMJDY should reach upto field level and be made available to all staff members at Branches/ RO/ ZO. **(Action: All PSBs)**

(vi) Emphasis should be given on engagement of CSCs, Gramin Dak Sewaks/ Post man as Bank Mitras. All Bank Mitras should be operationalized and e-KYC machine/ handheld devices should be provided to them to enable them to open e-KYC accounts. Proper training be imparted to Bank Mitras so that they can become virtual branches. **(Action: All PSBs)**

(vii) In order to activate RuPay Card Pin based transactions at Bank Mitra Points, CBS,FI Switch and ATM Switch to be integrated by banks. Banks to complete necessary infrastructure by 30th November at all branches. **(Action: All PSBs/ NPCI)**

(viii) Banks to take necessary steps to ensure that Bank Mitra gets minimum remuneration of Rs. 5000/- per month (Fixed + variable). **(Action: All PSBs)**

(ix) Grievance Redressal Mechanism needs to be strengthened so that no complaint remains pending for more than 3 days. SLBCs should display number of call centers established and their contact details on their website. **(Action: All PSBs)**

(x) LIC, Public Sector General Insurance Companies (PSGICs), AICL be made Permanent members of SLBC/ DLBC and BLBC and invited to all meetings where progress be monitored. SSA wise list of micro-insurance agents/ BCs to be put on the website of Insurance companies/ PSBs. Monthly worker wise targets for distribution of life/ non-life micro- insurance products and AABY & Swavalamban to be set up. BCs should be given additional commission on micro-insurance products to increase their viability. **(Action: All PSBs/ SLBC Conveners)**

(xi) Financial Literacy Campaign on Insurance to be started. **(Action: All PSBs/ LIC/ PSGICs/ AICL/ IBA)**

(xii) Where State Government is taking time in enrolment for Aadhaar, banks may take up the responsibility as Registrars. While opening account, Aadhaar number of nominee should also be obtained. It will help in making the crediting claim under insurance instantaneous and claim settlement easier. All banks must engage enrolment agencies so as to increase the Aadhaar coverage from 60% to 90%. **(Action: All PSBs)**

(xiii) Coordination between Banks, Telcos and BSNL is required in areas having poor connectivity. **(Action: All PSBs/ DoT/ BSNL)**

(xiv) For rollout of Direct Benefit Transfer for LPG (DBTL) seeding in bank accounts is required to be completed within 8 weeks. Bank should send SMS to consumers based on the list available on the website of the MoPNG. Bank to upgrade their software to ensure visibility of Aadhaar seeding at branch level. For the purpose of account opening and seeding of bank accounts, joint camps may be organized by OMCs, Banks and UIDAI.

 **(Action: All PSBs/ MoPNG/ UIDAI)**

(xv) Banks to review their infrastructure and manpower to handle the work load of accounts opened under PMJDY after operations/transactions in these accounts pick-up and manpower required for converting 74000 USBs into full fledged branches. **(Action: All PSBs)**

**Timelines:**

PMJDY programme was launched on 28.08.2014 by Hon’ble Prime Minister of India. DFS advised the banks to complete the survey for identification of uncovered families with bank accounts by 15.12.2014 and cover with bank accounts by 26.12.2014 so that steps can be initiated to declare saturation by 12.01.2015. Accordingly SLBC has sensitised the banks & LDMs to achieve the set targets as per the timelines.

Department of Financial Services, MoF, GoI vide Lr.No.01/32/2013-FI dated 11.11.2014 issued guidelines for Speedy implementation of PMJDY is placed as **Annexure.No.34**

**Universal access to banking facilities:**

Mapping each district in to Sub Service Area (SSA) catering to 1000-1500 households in a manner that every habitation has access to banking services within a reasonable distance say 5 km by 14th August, 2015

Accordingly, the exercise was completed in all districts and all **16,843** Gram Panchayats in the state are mapped into **8,810** sub service areas as on 01.12.2014. DFS advised banks to provide Bank Mitras in all identified SSAs by 31.12.2014. DFS advised all banks to place the contact details and Photograph of Bank Mitras in the websites of respective banks and SLBC.

**Providing Basic Banking Accounts with overdraft facility and Rupay Debit card to all households:**

The effort would be to first cover all uncovered households with banking facilities by 26th January, 2014 by opening basic bank accounts. Account holder would be provided a Rupay Debit Card. Facility of an overdraft to every basic banking account holder would be considered after satisfactory operation / credit history of six months.

Department of Financial Services, Mof, GoI vide Lr.No. F.No.I-13016/01/2014-Ins.I-Part File dated 17.11.2014 issued guidelines on Rs.30,000/- Life insurance cover under the Pradhan Mantri Jan Dhan Yojana (PMJDY) is placed as **Annexure.No.35**

**Latest position of accounts opened in the state of Andhra Pradesh as on 20.12.2014 as under:**

|  |
| --- |
|  PROGRESS REPORT UNDER PMJDY - UP TO 20.12.2014 (16.08.2014 to 20.12.2014)  |
| SR.NO. | **TYPE OF BANK** | NO. OF ACCOUNTS | TOTAL NO. OF ACCOUNTS(RURAL+URBAN)  | NO. OF RUPAY DEBIT CARD ISSUED | BALANCE IN ACCOUNTS (IN LACS) | NO. OF ACCOUNTS WITH ZERO BALANCE |
| RURAL | URBAN |
| 1 | PSBs | 1687905 | 1633822 | 3321727 | 2232662 | 44772.32 | 2446168 |
| 2 | SPONSORED RRBs | 715057 | 203190 | 918247 | 76157 | 3791.11 | 651515 |
| 3 | PRIVATE SECTOR BANKS | 21373 | 47146 | 68519 | 34687 | 421.45 | 36884 |
| 4 | TOTAL (1+2+3) | 2424335 | 1884158 | 4308493 | 2343506 | 48984.88 | 3134567 |

**PAHAL:**

Joint Secretary (Marketing), Ministry of Petroleum and Natural Gas, GoI vide email dated 28.11.2014 informed that DBTL scheme has been named as '**PAHAL**' which means " Initiative". It is a acronym based on Hindi translation of the scheme " Pratyaksh (Direct)Hastantarit (transferred) Benefit (Labh)"

All the stake holders are requested to use this name wherever they want to do so in future.

1. **A) Unbanked Mandal :**

A.P.G.B has opened a branch in Pedaprolu Kunta village in Gopavaram mandal on 23.12.2014. With this there is no unbanked mandal in the state of Andhra Pradesh

**B) Mandals where there is no bank branch at Mandal Head Quarters:**

In respect of Bollapalli (Guntur Dist), Hanumanthunipadu (Prakasam Dist) and Gopavaram (YSR Kadapa) which are Mandal Head Quarters are not having bank branches. It is given to understand that there is no viability for opening a branch at Gopavaram. In the remaining 2 Mandal Head quarters, controlling authorities of banks are requested to conduct survey and inform the status.

1. **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** | **ITDA** | **ITDA Requested Centers** |
| 1 | Srikakulam | Seethampet | Bhamini(2), Baleru, Hiramanadalam(2), Pathapatnam, Nandigam, Jayapuram, Kanchili, Nuvvagada, Saravakota, Jalumuru, Laveru, LN Peta(2), Chorlangi, Burja, Peddapeta, Sarubujjili**Total = 19** |
| 2 | Vijayanagaram | Parvathipuram | Kedaripuram, Neelakantapuram, RRB Puram, Tumbali, Madalingi, Pedasekha,Sambara, , Mosuru, Panukuvalasa, Pachipenta**Total = 10** |
| 3 | Visakhapatnam | Paderu | Ananthagiri/Damuku, Pinakota, Borra, Lambasingi, Annavaram, Araku, Dumbriguda(2)\*, GK Veedhi(2)\*, Pedavalasa, Nurmathi, rallangiput, G.Madugula, Bakuru/G.Boddaputtu, Mottojoru, Koyyuru(2), Downuru, Vantlamamidi, Gamparai, Pedabayalu, Munchingiput(2), Kilagada**Total = 25**  |
| 4 | East Godavari | Rampachodavaram | Rampachodavaram(2), Maredumilli, Devarapalli, Thantikonda, Rajavommangi\*, Y.Rayavaram**Total = 7** |
| 5 | West Godavari | K.R.Puram | Jeelugumilli / Mulagalampalli,Ankannagudem**Total = 2** |
| 6 | Prakasam | Srisailam | Yachavaram, Indiranagar, Ardhaveedu, Chintala, Pragallapsdu(2), Chintalamudipi, Murikimalla, Garapenta, Murikimalla**Total = 10** |
| 7 | Kurnool | Srisailam | D.Vanipenta, Chagalamarri, 80 Bannuru, Jupadu Banglaw(2), Sivapuram, Yerramatam, Kothapalli, Pagidyala(2), Vempenta, Pamulapadu(2), Harinagaram, Rudravaram, Panyam Chenchu Colony(2), Narapureddykunta, B.Atmakur, Mahanandi**Total = 20** |
| 8 | Guntur | Srisailam | Durgi\*, Loyapally, Veldurthy, Remidicherla, Bollapalli, Karampudi\*, Manchikallu, Rentachinthala(2)\***Total = 9** |
| 1 | Srikakulam | Seethampet | Bhamini(2), Baleru, Hiramanadalam(2), Pathapatnam, Nandigam, Jayapuram, Kanchili, Nuvvagada, Saravakota, Jalumuru, Laveru, LN Peta(2), Chorlangi, Burja, Peddapeta, Sarubujjili**Total = 19** |

\*Branches are functioning and ITDA is requesting for another branch

All Banks and LDMs are advised to explore the possibility of opening more number of branches in the Tribal concentrated areas and cater the financial needs of the people in those areas. LDMs are advised to place the issue in the DCC meetings.

1. **Credit Plus activities**
2. **Financial Literary Centers (FLCs)- Position in A.P**

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

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

**Position in Andhra Pradesh:**

|  |  |
| --- | --- |
| **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 |  14 |
| **Total** | **37** |

(Detailed statement enclosed as **Annexure-36**)

The Mission Document released by the Department of Financial Services, MoF, GoI on PMJDY clearly emphasizes that Financial Literacy would be an integral part of the Mission in order to let the beneficiaries make best use of the financial services being made available to them and it is one of the 6 pillars of the Mission Mode Objective of PMJDY. An important aspect of PMJDY is setting up FLCs at block level and expands 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.

Out of the 170 Joint Mandals / Blocks in the state, as per information available with SLBC, presently FLCs have been set up at 20 Joint Mandals. Hence, FLCs have to be opened in the remaining 150 Joint Mandals as per the directives of the Ministry of Finance, and RBI.

LDMS are in the process of allocation among major banks in all 150 blocks for settingup of FLCs.

**Financial Literacy activity by rural branches and FLCs:**

The Financial Literacy Centres (FLCs) both in Districts and LDM offices opened by the Banks are meant to take up Financial Literacy activities on a regular basis but even here it is observed that activities are not conducted on the pretext that the councilor is not available.

RBI, RO, Hyderabad vide letter no. RPCD (H)/FI&FL/116/02.03.031/2013-14 dated 22.07.2014 (Circulated to all controllers and LDMs vide our letter no. 666/30/306/304 dated 02.08.2014) has advised all banks to scale up the Financial Literacy activities by the Rural Branches and FLCs through conduct of Financial Literacy camps at least once a month to facilitate financial inclusion. In this regard it is advised as follows:

* All FLCs and rural branches should prepare an annual calendar of locations for conduct of Outdoor financial literacy camps.
* At every location, the program should be conducted in three stages to be spread over a period of three months comprising three sessions of minimum two hours each in terms of RBI circular dated 31.01.2013.
* Standardized Financial Literacy Material comprising Guide, Diary and Posters (Set of 16 Posters) has been issued to the controllers of all 53 banks by SLBC for onward distribution among their rural branches and FLCs, which can be used for organizing literacy camps. While organizing outdoor financial literacy camps, all sixteen posters must be prominently displayed for attracting the attention of the audience.
* FLCs and Rural Branches should inform the Lead District Officer (LDO) of RBI about organization of outdoor financial literacy camps well in advance to enable them to attend some of the camps.
* Quarterly progress reports as at the end of every quarter should be submitted as per Annex-I for the activities undertaken by FLCs and as per Annex-II for the activities undertaken by the Rural Branches and these reports should be submitted to SLBC by the 10th of the succeeding month of the end of the quarter for consolidation and onward submission to RBI.

As per draft guidelines issued by the Department of Financial Services, MoF, GoI, on implementation of Comprehensive Financial Inclusion Plan, a lot of importance has been attached to Financial Literacy and banks have been advised to undertake Financial Literacy campaigns in a big way to prepare 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 and 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 Banks are advised to give suitable instructions to all their rural branches to take necessary steps in this regard and ensure submission of progress made to RBI and SLBC.

Report of conduct of Financial Literacy camps by Rural Branches for Quarter ended September, 2014 is enclosed as **Annexure.No.37**

Report of Financial Literacy activities conducted by FLCs for the quarter ended September,2014 is enclosed as **Annexure.No.38**

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

**Bankers Institute of Rural Entrepreneurship Development**

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 and latest meeting was convened on 28.11.2014.

Statement of performance of RSETIs as on 31.10.2014 is enclosed as **Annexure.No.39**

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

|  |  |
| --- | --- |
| **Name of the RSETI** | **Present Status** |
| 1. Machilipatnam

(Andhra Bank ) | Land allotted. RSETI is advised by the Revenue Department to arrange for demarcation of the site after clearing the bushes, which involves heavy expenditure to the institute. Hence, RSETI is requesting for demarcation and alienation of the site by the Revenue Department. |
| 1. Srikakulam

(Andhra Bank ) | The District Collector, Srikakaulam allotted 1.00 acre land in TTDC premises at Etcherla. Andhra Bank appointed Architect cum Project Manager Consultant for supervising construction of the building and released funds also. The institute requested Project Director, DRDA for deputation of Surveyor to demarcate the boundaries in the allotted land. On enquiry with PD, DRDA it is given to understand that there is an objection from CEO, SERP for construction of RSETI building in TTDC premises which is providing trainings for both men and women, whereas DRDA is providing trainings to women at TTDC. Hence, the site was not demarcated. |
| 1. Guntur

(Andhra Bank ) | No progress in allotment of site. |
| 1. Tirupati

(Andhra Bank ) | No progress in allotment of site. |
| 1. Chittoor

(Indian Bank) | No progress in allotment of site. |
| 1. Visakhapatnam

(State Bank of India) | Site allotted in residential locality. For construction of building, the site is to be converted into non residential status which involves heavy expenditure.  |

1. **Reimbursement of pending claims of expenditure to institutes:**

Presently expenditure claims pertaining to the financial years 2011-12, 2012-13 (around 50% of amounts) and 2013-14 are still pending for reimbursement to the institutes.

 (Amount in Rupees)

|  |  |  |
| --- | --- | --- |
| Name of the sponsoring bank | Name of the RSETI | Amount of claim pending reimbursement |
| 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 upto Sept 2014 |
| Andhra Bank | West Godavari |  | 3690000 | 1421000 | 3868600 | 1299800 |
| Guntur |  | 385794 | 1842758 | 2808600 |  |
| East Godavari |  | 2700800 | 1755800 | 4099800 | 1921000 |
| Srikakulam |  | Nil | Nil | 3503200 | 2002200 |
| Tirupati |  | Nil | 456752 | 2757800 | 1523400 |
| Nellore |  | Nil | 1757600 | 3116800 | 920200 |
| Rajam |  | Nil | 4073041 | 4073041 | 3880000 |
| Krishna |  | 3060000 | 1409000 | 2435000 |  |
| **Total** |  | **9836594** | **12715951** | **26662841** | **11546600** |
| RUDSETI | Anantapuram |  | 144000 | 873800 | 2042400 |  |
| Prakasam | 2182050 | 2211100 | 450712 | 1713600 | 1096000 |
| **Total** | **2182050** | **2355100** | **1324512** | **3756000** | **1096000** |
| State Bank of India | Visakhapatnam |  |  | 808000 | 2592200 | 1319680 |
| Vizianagaram |  |  | 1060000 | 2538800 | 1363800 |
| **Total** |  |  | **1868000** | **5131000** | **2683480** |
| Syndicate Bank | Kadapa |  | 213107 | 463600 | 1548600 | 919000 |
| Kurnool |  | Nil | Nil | 2367200 | 1168800 |
| **Total** |  | **213107** | **463600** | **3915800** | **2087800** |
| Indian Bank | Chittoor  |  |  | 646000 | 1417600 | 1016600 |
|  | **Total** |  |  | **646000** | **1417600** | **1016600** |
| **Grand Total** | **2182050** | **12404801** | **17018063** | **40883241** | **18430480** |

(Source: State Project Coordinator, NAR, MoRD, AP State)

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

State Director, KVIC, AP vide letter no. AP/SOH/PMEGP-Linkages EDP/ 2014-15 dated 08.09.2014 informed as under.

1. The following institutions / Training centres are finalised for EDP training as more than one institution was recommended in the earlier selection committee meeting of KVIC.
* ABIRD Thondavada for Chittoor District
* ABIRD Srikakulam for Srikakulam District
1. If sufficient beneficiaries are not available, pooled upto 3 organisations in a district, the candidates may be deputed to neighbouring district training centres where the training programme is conducted immediately with the recommendations of KVIC/KVIB/DIC
2. **APSLBC CALL CENTRE**

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

1. 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.
2. As per the instructions of MoF, the call centre is receiving grievances from the public in implementing PMJDY scheme and functioning as PMJDY call centre with caller tone of PMJDY.
3. APSLBC Call centre will function from 7.00 A.M. to 9.00 P.M.
4. 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.
5. It is agreed by all public sector banks to share the expenditure in proportion of their branch network in the state.

It is advised that State level grievance redressal mechanism is to be established at state level. SLBC AP call centre was designated for receiving the grievances in implementation of PMJDY. Accordingly staff at the call centre was given orientation by SLBC.

1. **OTHERS**

 **Geographical Information System (GIS) - (BFS) 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 has proposed to place the GIS module in public domain once the data entered gets 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- 18** |

**LEAD BANK SCHEME**

1. **Implementation of High level Committee Recommendations- progress Report as on September, 2014**

SLBC has submitted Progress report on implementation of High Level Committee recommendations for the quarter ended September, 2014 to Reserve bank of India.

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

* Banking channels are to be provided in all Sub Service Areas mapped
* FLC s to be opened in the three Lead Bank Offices of Kurnool, Ananthapuramu and Kadapa
* More Financial Literacy campaigns have to be taken up by rural branches
* Relocating the branches closed/shifted due to security reasons in the past to their original places
* Opening of branches in unbanked Mandals in the state
* Extending of credit to RSETI trained candidates
* Industry Associations are being used in the entrepreneurship education programmes.
* Educational loan target set by the Ministry of Finance should be achieved
* Women SHGs promoted by Anchor NGOs in LWE districts should be assisted with Bank linkage
* State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and irrigation facilities wherever required.
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. Conduct DCC meetings for all four Quarters of the financial year invariably.
2. Communicate the schedule and agenda of the meetings to RBI & SLBC in advance.
3. Adhere to the schedule fixed for conducting the meetings
4. Adopt uniform agenda for discussion
5. Include certain important subjects of current relevance in the agenda points for discussion in the meeting.
6. Submit minutes of the meeting to SLBC within a week of completion.

**C. Modified Information System under Lead Bank Scheme - Strengthening of Management Information System (MIS)**

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

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

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

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

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

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

**E. 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 within 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.

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

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

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

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

**G. Strengthening of the LDM’s Office:**

It is observed that the Office of LDMs are yet to be provided with the necessary Staff, Computers, Vehicles, Independent Offices, etc. The Ministry of Finance, GoI and RBI have been regularly reviewing the position and advising SLBC and the Controlling Authorities of Lead Banks to initiate the required steps for improving the infrastructure at LDM offices.

Controlling Authorities of Lead banks are requested to provide the necessary infrastructure at LDM’s Office for effective functioning.

|  |
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| **AGENDA- 19** |

**Overdue/NPA position**

**A. Overdue/NPA position as on 30.09.2014 under various sectors**

**(Rs. in Crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Outstanding | Overdue | Non – Performing Assets  |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Short Term Crop Production Advances  | 9824748 | 72407 | 4329561 | 29312 | 29312 | 1365298 | 3536 |
| Agrl.Term Loans Including Agrl. Allied Activities Advances | 1836458 | 22053 | 594894 | 5991 | 3146 | 252857 | 2094 |
| Agril. And Allied-Indirect | 60097 | 5095 | 19993 | 709 | 344 | 5445 | 181 |
| Total Agriculture Advances | **11721303** | **99555** | **4944448** | **36012** | **32802** | **1623600** | **5811** |
| SSI/MSE Sector Advances | 646657 | 27834 | 193769 | 7216 | 3144 | 101346 | 1936 |
| Others under Priority Sector Advances | 829751 | 22856 | 152353 | 4673 | 1294 | 65891 | 892 |
| Total Priority Sector Advances | **13197711** | **150245** | **5290570** | **47901** | **37240** | **1790837** | **8639** |
| Non-priority sector loans | 3361982 | 57764 | 328211 | 9171 | 4931 | 155636 | 3817 |
| Total Advances | **16559693** | **208009** | **5618781** | **57072** | **42171** | **1946473** | **12456** |
| Educational Loans Advances  | 137664 | 2960 | 23930 | 611 | 221 | 9953 | 203 |
| Housing Loans Advances  | 331934 | 15572 | 76109 | 3494 | 690 | 35359 | 468 |
| Self Help Groups Advances  | 794728 | 13919 | 185926 | 2341 | 1046 | 84056 | 880 |

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

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| **AGENDA- 20** |

**Regional Rural Banks**

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

1. **Performance of Regional Rural Banks on important parameters**

**Bank Net Work**

|  |  |  |
| --- | --- | --- |
| S. No | Name of the RRB | No. of Branches as on 30.09.2014 |
| 1 | APGVB | 230 |
| 2 | APGB | 453 |
| 3 | CGGB | 147 |
| 4 | S G B  | 165 |
|  | **Total** | **995** |

**Deposits:**

(Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.09.2014 |
| 1 | APGVB | 2116.07 | 2252.52 |
| 2 | APGB | 5947.98 | 6652.32 |
| 3 | CGGB | 1537.56 | 1645.59 |
| 4 | SGB | 2523.63 | 2802.15 |
|  | **Total** | **12125.24** | **13352.58** |

 **Advances**

 **(**Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.09.2014 |
| 1 | APGVB | 2038.82 | 2063.92 |
| 2 | APGB | 7496.86 | 7876.92 |
| 3 | CGGB | 1853.81 | 2520.54 |
| 4 | S G B | 3271.86 | 3669.27 |
|  | **Total** | **14661.35** | **16130.65** |

**CD Ratio**

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.09.2014 |
| 1 | APGVB | 96.35 | 91.63 |
| 2 | APGB | 126.04 | 118.41 |
| 3 | CGGB | 120.57 | 153.17 |
| 4 | S G B  | 129.65 | 130.94 |
|  | **Total** | **120.91** | **120.81** |

**Total Advances**

 (Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | Outstanding  | Total Agriculture  |
| 31.03.2014 | 30.09.2014 | 31.03.2014 | 30.09.2014 |
| 1 | APGVB | 2038.82 | 2063.92 | 1124 | 1213.18 |
| 2 | APGB | 7496.86 | 7876.92 | 5710 | 5289.60 |
| 3 | CGGB | 1853.81 | 2520.54 | 1501 | 2159.54 |
| 4 | S G B  | 3271.86 | 3669.27 | 2270 | 2601.19 |
|  | **Total** | **14661.35** | **16130.65** | **10605** | **11263.51** |

**Total Agricultural Advances**

(Rs. in crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | Short Term Production Loans | Agrl. Term Loans  |
| 31.03.2014 | 30.09.2014 | 31.03.2014 | 30.09.2014 |
| 1 | APGVB | 703 | 703.15 | 421 | 510.03 |
| 2 | APGB | 3511 | 3613.83 | 2199 | 1671.13 |
| 3 | CGGB | 1255 | 1759.06 | 246 | 400.48 |
| 4 | S G B  | 1684 | 1959.65 | 586 | 605.62 |
|  | **Total** | **7153** | **8035.69** | **3452** | **3187.26** |

|  |
| --- |
| **AGENDA -21** |

**Other items**

**Inclusion of members in the SLBC meetings:**

Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) vide Lr.No. CERSAI/CR/2014/SLBC-560 dated 06.10.2014 requested SLBC to made a permanent member of the SLBC so that the operating functionaries of Banks and the State Government officials may also be made aware of the developments by CERSAI. Accordingly CERSAI was included as a permanent member of the SLBC of AP and communicated the same vide SLBC Letter dated 15.10.2014.

|  |
| --- |
| **AGENDA -22** |

**Circulars issued by RBI**

1. RBI Cir No.RBI/2014-15/260 dt.10.10.2014 issued guidelines on Usage of ATMs – Rationalization of number of free transactions – Clarifications
2. RBI Cir No.RBI/2014-15/264 dt.13.10.2014 issued guidelines on KYC – clarification on proof of address
3. RBI Cir No.RBI/2014-15/304 dt.13.11.2014 issued guidelines on Budget (2014-15) Announcement – Financing of Joint Farming groups of ‘Bhoomi Heen Kisan’
4. RBI Cir No.RBI/2014-15/334 dt.03.12.2014 issued guidelines on Credit facilities to Minority Communities – Inclusion of Jain Community Under Section 2© of the National Commission of Minorities (NCM) Act,1992
5. RBI Cir No.RBI/2014-15/342 dt.09.12.2014 issued guidelines on National Rural Livelihoods Mission (NRLM) – Aajeevika – Interest Subvention Scheme

**Circulars issued by NABARD**

1. NABARD Cir No.244/mCID-20/2014 dated 04.12.2014 issued guidelines on Incentive Scheme for Tracking and Revival of Dormant SHGs