**189th Meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**(6th Meeting of Reorganized AP State)**

**Agenda & Background Notes**

**Date: 27.03.2015 - Time: 04.00 P.M.**

 **HYDERABAD**

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

 **CONVENER ANDHRA BANK**

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| **AGENDA- 1** |

* 1. **Adoption of the minutes of 188th SLBC meeting of AP held on 30.12.2014 & other meetings of SLBC held after 23.12.2014**

The minutes of **188th SLBC meeting** held on **December 30, 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 **23.12.2014** and up to **05.03.2015** 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 | Meeting with Controllers of Major Banks in Andhra Pradesh on Creating a Separate Product Code for calculation of Interest Subsidy for SEP under NULM | 23.12.2014 |
| 2 | Meeting with Controllers of Major Banks in Andhra Pradesh on for demonstration of charge module software in A.P web land portal | 27.12.2014 |
| 3 | 188th State Level Bankers Committee meeting | 30.12.2014 |
| 4 | 2nd State Level Implementation Committee meeting of PMJDY | 18.02.2015 |
| 5 | 6th Steering Committee Meeting of SLBC of AP | 05.03.2015 |

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

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| **AGENDA- 2** |

**Banking Statistics**

* 1. **BANKING AT A GLANCE IN ANDHRA PRADESH As on 31.12.2014**

**Amount in Crores**

|  |  |
| --- | --- |
| Total Number of bank branches Rural - 2403 Semi Urban - 1936Urban - 1718 Metro - 284 |   **6341** |

|  |  |
| --- | --- |
| Total **Deposits** in the State  | **182307** |
| Total **Advances**  in the State | **211381** |
| Credit Deposit Ratio (RBI norm -60%) | **115.95** |

|  |  |
| --- | --- |
| **Total Priority Sector Advances**  | **149363** |
| % of Priority Sector Advances to ANBC (RBI Norm 40%)**of which** | **74.24%** |
| Agricultural Advances % of Agrl. Adv. to ANBC (RBI norm - 18%)  | **97915****(48.67%)** |
| Non-farm sector/Micro & Small Enterprises (% to ANBC) | **28663****(14.25%)** |
| Others’ under Priority Sector Advances (% to ANBC) | **22785****(11.32%)** |
| **of which**Education LoansHousing LoansSHGs | **2963** **15882** **13844** |
| 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) | **48494****(24.10%)****35951****(17.87%)** **9633** **10915****(7.31%)** |

* 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 31.12.2014** |
| 1. | Number of Branches: |  |  |  |  |
|  | Rural | 1949 | 2105 | 2301 | 2403 |
|  | Semi Urban | 1488 | 1627 | 1785 | 1936 |
|  | Urban | 1448 | 1527 | 1655 | 1718 |
|  | Metro | 166 | 198 | 239 | 284 |
|  | Total | 5051 | 5457 | 5980 | 6341 |
| 2. | Deposits  | 1,22,392 | 1,45,480 | 1,65,242 | 1,82,307 |
| 3. | Incremental Deposits (% of increase) | 18,939(18.31%) | 23,088(18.86%) | 19,762(13.58%) | 17,065(10.33%) |
| 4. | Advances  | 1,40,901 | 1,69,710 | 2,01,201 | 2,11,381 |
| 5. | Incremental advances(% of increase) | 27,832(24.62%) | 28,809(20.45%) | 31,491(18.56%) | 10,180(5.06%) |
| 6. | C.D.Ratio (RBI norm - 60%) | 115.12% | 116.66% | 121.76% | 115.95% |
| 7 | Incremental CD Ratio | 146.96% | 124.78% | 159.35% | 59.65% |

* 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 31.12.14** |
| 1 | Short Term Production loans | 38,583 | 50,343 | 59,105 | 71,149 |
| 2 | Agrl. Term Loans including allied activities | 26,634 | 28,573 |  28,507 | 26,766 |
| 3. | Total Agrl. Advances | 65,217 | 78,916 | 87,612 | 97,915 |
|  | % of Agrl. Advances to ANBC (RBI norm- 18%) | 57.68% | 56.01% | 51.62% | 48.67% |
| 4. | Non Farm Sector / Micro & Small Entps. (% to ANBC ) | 14,179(12.54%) | 13,780(9.78%) | 26,302(15.50%) | 28,663(14.25%) |
| 5. | Others’ under Priority Sector Advances (% to ANBC) | 23,126(20.45%) | 25,713(18.25%) | 23,336(13.75%) | 22,785(11.32%) |
| Total Priority Sector Advances | **1,02,522** | **1,18,409** | **1,37,250** | **1,49,363** |
| % of Priority Sector Advances to ANBC (RBI norm -40%) | 90.67% | 84.04% | 80.87% | 74.24% |

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

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

* 1. **Achievement as on 31.12.2014**

 **(Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target****2014-15** | **Achievement (Disbursements****during 01.04.14 to 31.12.2014)** | **% of** **Achievement** |
| 1 | Short Term Crop Production LoansKhariffRabi**Total** | 25,88816,090**41,978** | 10,1086,954**17,062** | 39.0543.22**40.65** |
| 2 | Agrl.Term LoansKhariffRabi**Total** | 31783178**6,356** | 1,6061,087**2,693** | 50.5334.20**42.37** |
| 3 | Allied to AgricultureKhariffRabi**Total** | 38433842**7,685** | 2,075613**2,688** | 53.9915.96**34.98** |
| 4 | KhariffRabiTotal Agriculture | 32,90923,110**56,019** | 13,7898,654**22,443** | 41.9037.45**40.06** |
| 5 | Micro & Small Enterprises | **10,850** | **9,573** | **88.23** |
| 6 | Others under Priority Sector | **11,025** | **3,458** | **31.37** |
| 7 | **Total Priority Sector** | **77,894** | **35,474** | **45.54** |
| 8 | **Non Priority Sector** | **13,565** | **20,751** | **152.97** |
| 9 | **Total Credit Plan** | **91,459** | **56,225** | **61.48** |

* 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 |
| **4.1** | 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 | SLBC has requested the Chief Secretary vide Lr.No.666/30/ 196/786 dated 07.02.2015 for resolution/direction. In response, Chief Secretary, during the meeting held on 09.02.2015, has directed Agricultural Department to look into the pending issues. |
| **4.2** | To establish second DRT in A.P State. | GoAP | SLBC has requested the Chief Secretary vide Lr.No.666/30/ 196/786 dated 07.02.2015 for resolution/direction. In response, Chief Secretary, during the meeting held on 09.02.2015, has directed Law Department to move the proposal. |
| **4.3** | 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  | CCLA has convened workshop / training session on 06.02.2015 with a view to create awareness on the usage of the portal.CCLA yet to launch the portal on to live environment for online creation of charges. |
| **4.4** | Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. | Commissionerof Industries,GoAP & RBI | It was referred to RBI by Commissioner of Industries. RBI informed that the matter is under consideration |
| **4.5** | Allotment of site to RSETIs located at Machilipatnam, Guntur, Chittoor and Tirupathi. | GoAP | SLBC has requested the Chief Secretary vide Lr.No.666/30/ 196/786 dated 07.02.2015 for resolution/direction. In response, Chief Secretary, during the meeting held on 09.02.2015, has directed to instruct the District Collectors suitably. |
| **4.6** | Notified places for creation of equitable mortgage by branches | GoAP | SLBC has requested the Chief Secretary vide Lr.No.666/30/196/786 dated 07.02.2015 for resolution/ direction. In response, Chief Secretary, during the meeting held on 09.02.2015 informed that the Revenue Department has been advised to look in to the issue of Notified places for creation of equitable mortgage by the bank branches as suggested by the SLBC.  |
| **4.7** | 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. |
| **4.8** | GoI is requested to examine the issue of insurance cover to poultry birds | GoI | Reply awaited from Government of India |
| **4.9** | 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.  | GoI/NABARD | Reply awaited from the Government of India |
| **4.10** | The Hon’ble Chief Minister of Andhra Pradesh during the course of deliberations of 188th Meeting of SLBC of AP held on 30.12.2014, has suggested formulating the following committees involving the top Government officials of the departments concerned, Senior Executives of banks and experts in the respective fields to discuss and suggest measures for improving the economy of the reorganized Andhra Pradesh state in the respective fields.1. Agriculture, Horticulture development
2. Animal Husbandry and Allied Activities
3. Dry land development, Micro (Drip/Sprinkler) Irrigation
4. Agro processing, Textiles and Apparel
5. Use of Chemicals and Mineral wealth
6. Tourism

vii) Skill Development and UpgradationGoAP is requested to constitute the Committees as above and inform the structure and the terms of reference of the committees | Resolved  | GoAP vide G.O.Rt.No.278 dated 13.02.2015 constituted seven committees and advised to submit its report to the Government within a period of one month. |
| **4.11** | Amendment to AP VAT ACT 2005 - not to attach debit balance in the overdraft account of the traders towards recovery of tax. | Issue Dropped | The Commercial Taxes Department, Govt. of Andhra Pradesh vide letter no. CCT’s Ref. No. AI(1)/27/2014 dated 29.12.2014 informed that, according to Section 29 of the APVAT Act, 2005, **Recover of taxes from third parties**, any person from whom money is due in the respect of arrears of tax, penalty and interest, the Commercial Taxes Department can collect it, by invoking this provision which includes in case of Banks, the amount due to the defaulter dealer by virtue of over draft facility. This provision was added by Act 20 of 2008 w.e.f. 24.09.2008.Further, the Hon’ble Andhra Pradesh High Court in the case of Sheetal Refineries Private Limited (125 STC 86), observed and held that the Over Draft Bank account of the dealer is property capable of being attached. The High Court, further, held, that the term **Property** includes not only real and personal property but also incorporeal rights and every other thing of exchangeable value which a person may have. An Over Draft Bank account of the dealer is property for the purpose of the Section 17-B(APGST Act) whatever the amount, whether it is borrowed money or the dealers own money, lying at the Credit of the dealer in the Bank Account, is the property of the dealer and liable to be attached under Section 17-B.  |

|  |
| --- |
| **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 31.12.2014)** | **% of** **Achievement** |
| 1 | Short Term Crop Production LoansKhariffRabi**Total** | 25,88816,090**41,978** | 10,108**6,954****17,062** | 39.0543.22**40.65** |
| 2 | Agrl. Term LoansKhariffRabi**Total** | 31783178**6,356** | 1,6061,087**2,693** | 50.5334.20**42.37** |
| 3 | Allied to AgricultureKhariffRabi**Total** | 38433842**7,685** | 2,075**613****2,688** | 53.9915.96**34.98** |
| 4 | KhariffRabi**Total Agriculture** | 32,90923,110**56,019** | 13,789**8,654****22,443** | 41.9037.45**40.06** |

The performance of agriculture sector under ACP is 40.06% of the target for the year 2014-15 as against 78.42% of the achievement for the corresponding quarter for the year 2013-14.

* 1. **Implementation of Union Budget speech 2014-15 – Interest Subvention Scheme for Short term Crop Loans during the year 2014-15-RBI circular No. RBI/2014-15/417 FIDD.No.FSD.BC.48/05.04.02/2014-15, Dated January 21, 2015**

Reserve Bank of India has issued a circular in pursuance of the budget announcement made by the Finance Minister relating to the Interest Subvention Scheme 2014-15, Interest subvention of 2% p.a. will be made available to Public Sector Banks (PSBs) and Private Sector Scheduled Commercial Banks (in respect of loans given by their rural and semi-urban branches) on their own funds used for short-term crop loans up to Rs.3,00,000/- per farmer provided the lending institutions make available short term credit at the ground level at 7% per annum to farmers.

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

In order to discourage distress sale by farmers and to encourage them to store their produce in warehousing against warehouse receipts, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses.

Department of Financial Services, Ministry of Finance, GoI vide Letter F.No.20/1/2013-AC dated 18.12.2014 informed that to provide relief to **farmers affected by natural calamities**, the interest subvention of **two percent will continue to be available to banks for the first year** on the restructured amount. Such restructured loans may attract normal rate of interest from the second year onwards as per the policy laid down by the RBI.

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

* 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 **31.01.2015** 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 | 27 | 0.02 |
| 2 | Vizianagaram | 13007 | 5459 | 18466 | 180 | 0.11 |
| 3 | Visakhapatnam | 4834 | 5581 | 10415 | 0 | 0.00 |
| 4 | East Godavari | 45201 | 65588 | 110789 | 35290 | 59.17 |
| 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 | 80 | 0.26 |
|  | **Total** | **168619** | **170595** | **339214** | **36511** | **63.29** |

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**

GoAP vide Lr.No.Credit/06/2014 dated 05.01.2015 informed that;

1. As the Government has permitted to implement the Vaddi Leni Runalu/Pavala Vaddi scheme from the Kharif 2013-14 onwards, the Vaddi Leni Runalu/Pavala Vaddi scheme on crop loans will be continued for Rabi 2013-14 and for Kharif 2014/ Rabi 2014-15.
2. In the Agriculture Debt Redemption Scheme announced by the Government during 2014-15, the crop loans outstanding as on 31st December, 2013 are eligible for Debt Redemption, the outstanding balance includes interest portion also. It may lead to dual benefit.

Since the interest part claimed in VLR by the banks obviously could have been the part of outstanding Crop loan amount; the banks have to clarify whether they have included the interest portion in the claims submitted for Agriculture Debt Redemption scheme or not.

1. Further, the bankers have requested for separate software to upload the claims data of Joint Liability Groups/Rythu Mithra Groups under Vaddi Leni Runalu/Pavala Vaddi for settlement.

Vaddi Leni Runalu/Pavala Vaddi Scheme is applicable for the individual farmer who have availed the crop loans up to Rs.1.00 lakh and from 1.00 lakh to Rs.3.00 lakhs respectively and repaid the crop loans in time.

Hence while uploading the claims data of JLGs/RMGs, the bankers are requested to upload the individual farmers’ details in the each group to settle the claims under the scheme.

In response to the above banks have informed that

1. Out of the claims made under Agricultural Debt Redemption scheme may include the interest portion under both the schemes and it is difficult to implement the above guidelines with retrospective effect as both VLR / Pavala Vaddi and Debt Redemption scheme has been passed on to the farmers.
2. The present CBS program on Vaddi Leni Runalu / Pavala Vaddi scheme does not support for uploading of individual farmer wise details of JLG / RMGs.

As in the case of Debt Redemption scheme family is taken as a unit and benefit is restricted to Rs.1.5 lakh per family, whereas in case of VLR/Pavala Vaddi scheme GoAP is reimbursing 4% interest up to Rs.1.0 lakh & 1% interest for above Rs.1.0 lakh to Rs.3.0 lakh for individual accounts. Hence, the present request of the Government will give confusion among banks.

In view of the above, Government of Andhra Pradesh is requested to

1. Reimburse claim amount under VLR/Pavala Vaddi scheme to banks at an early date as it is already delayed and banks have parted their own funds under the scheme.
2. Create the provision for uploading details of JLG/RMG groups under VLR/Pavala Vaddi scheme (or) inform the procedure for claiming.

Non-MIS data for the period upto July 31, 2013 has to be uploaded by the banks for the united state of Andhra Pradesh and requested the banks to complete the process immediately.

* 1. **Area Development Schemes:**

NABARD vide Ref.No.NB.T&APRO.HYD./7539/ADS-52/2014-15 dated 02.02.2015 informed that considering large number of small & marginal farmers, people living below poverty line and extensiveness of agriculture as well as rural development, there is a need for promoting single purpose small projects taken together are nomenclature as Area Development Schemes and are sanctioned to a single bank or to a number of banks. Besides the exigency of economic development of people at large, it facilitates planning and execution of infrastructure facility viz., backward and forward linkages – for full realization of the benefits of the projects / schemes. The scheme could focus on existing infrastructure, stage of present development of the activity, scope for increasing the activity, number of units to be set up, Government support available (including subsidy), status of ancillary activities, services required to support the main activity, credit support needed to expand and strengthen the activity, etc. The scheme could also be considered for utilizing the existing infrastructure developed under RIDF, TDF, WDF or any other promotional programme of NABARD. Such schemes are prepared in consultation with the line departments of the State Government and the bankers in the area. The financing norms and quantum of refinance would be as per the existing guidelines of NABARD.

Details of Area Development Schemes launched in the State of Andhra Pradesh by NABARD are placed as **Annexure.22**

* 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.

**Bank-wise target for JLG promotion for 2014-15 in the state of Andhra Pradesh**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Name of the Bank** | **No. of Rural Branches** | **Target @ 10 JLGs per rural branches** | **Performance as at the end of January,2015** |
| 1 | Allahabad Bank | 1 | 10 |  |
| 2 | Andhra Bank | 311 | 3110 | 110 |
| 3 | Bank of Baroda | 16 | 160 |  |
| 4 | Bank of India | 21 | 210 |  |
| 5 | Bank of Maharashtra | 1 | 10 |  |
| 6 | Canara Bank | 70 | 700 | 884 |
| 7 | Central Bank of India | 31 | 310 | 0 |
| 8 | Corporation Bank | 36 | 360 | 56 |
| 9 | Dena Bank | 4 | 40 |  |
| 10 | IDBI Bank | 4 | 40 | 0 |
| 11 | Indian Bank | 79 | 790 |  |
| 12 | Indian Overseas Bank | 41 | 410 | 22 |
| 13 | Oriental Bank of Commerce | 2 | 20 | 0 |
| 14 | Punjab National Bank | 6 | 60 | 0 |
| 15 | Syndicate Bank | 178 | 1780 | 226 |
| 16 | UCO Bank | 9 | 90 |  |
| 17 | Union Bank of India | 47 | 470 | 18 |
| 18 | Vijaya Bank | 20 | 200 |  |
| 19 | State Bank of Hyderabad | 94 | 940 |  |
| 20 | State Bank of India | 367 | 3670 | 633 |
|  | **Public Sector Banks Total** | **1338** | **13380** | **1949** |
| 21 | Axis Bank | 17 | 170 | 0 |
| 22 | Coastal Local Area Bank | 6 | 60 |  |
| 23 | HDFC Bank Ltd. | 4 | 40 | 0 |
| 24 | ICICI Bank Corporation | 35 | 350 |  |
| 25 | Indus Ind Bank | 2 | 20 |  |
| 26 | ING Vysya Bank | 30 | 300 |  |
| 27 | Karnataka Bank | 2 | 20 |  |
| 28 | Karur Vysya Bank | 9 | 90 | 0 |
| 29 | Kotak Mahindra Bank | 4 | 40 |  |
| 30 | Lakshmi Vilas Bank | 5 | 50 | 0 |
| 31 | South Indian Bank | 2 | 20 | 0 |
| 32 | Tamilnadu Mercantile Bank | 1 | 10 | 0 |
|   | **Private Sector Banks Total** | **117** | **1170** | **0** |
| 33 | **AP State Cooperative Banks** | **146** | **1460** | **205** |
| 34 | Andhra Pragathi Grameena Bank | 302 | 3020 |  |
| 35 | Andhra Pradesh Grameen Vikas Bank | 195 | 1950 | 157 |
| 36 | Chaitanya Godavari Grameena Bank | 92 | 920 |  |
| 37 | Saptagiri Grameena Bank | 111 | 1110 | 124 |
|   | **RRBs Total** | **700** | **7000** | **281** |
|  | **Grand Total** | **2301** | **23010** | **2435** |

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

Banks are requested to furnish the data to SLBC and also ensure achieving the set targets under the scheme.

* 1. **AMIGS/GBY (Rural Godown Scheme)/AMI sub-scheme of ISAM:**

NABARD, Regional office, Hyderabad vide Lr.No.NB.T&APRO.HYDRA/DoR-GSS/8081/AMI/2014-15 dated 13.02.2015 informed that the Directorate of Marketing and Inspection (DMI), Ministry of Agriculture, Government of India, Faridabad vide their letter No.F.No.M-11013/05/Release of funds/2014-AMI dated 10 February 2015 has sought details of estimated liability for all the projects sanctioned upto 05 August 2014 under CISS-GBY (Rural Godown) / CISS-AMIGS & AMI sub scheme of ISAM, where advance subsidy was not sanctioned by NABARD due to stoppage of sanction of subsidy of new projects under AMI sub scheme of ISAM by Government of India.

Hence, all banks are requested to submit subsidy claims complete in all respects, for those projects that were sanctioned by banks on or before 05 August 2014 under GBY/AMIGS and AMI sub scheme of ISAM (including, those claims, which were returned to banks in view of GoI letter dated 05 August 2014 and 02 September 2014) immediately, so as to reach NABARD on **or before 25 February 2015.**

NABARD further clarified that these details are being sought for the limited purpose of computing subsidy liability by Government of India. It may not be construed as an assurance from Government of India/NABARD for release of subsidy.

NIAM vide email dated 19.02.2015 informed that National Institute of Agricultural Marketing has been actively engaged in creating awareness, training and publicity of Grameen Bhandaran Yojana since 2001. The country has witnessed a phenomenal growth in rural warehousing capacity created across the states. It has been observed that though the physical infrastructure has been promoted, yet the adequate manpower with required sets of skill to manage these godowns immensely lacking.

The above matter was discussed at length in the 38th EC meeting held under the chairmanship of Secretary A&C. It was suggested that a condition of skilled man power may please be imposed on the godowns promoted under the scheme so that effective management of godowns may be ensured. Knowing this, NIAM has assessed the training need requirement in the area and prepared a Syllabus to launch one month programme for godown operators. The program aims to impart in house and practical training on all aspects of operation of godown.

During EC meeting, it was also desired by the chairman of EC Shri Ashish Bahuguna, IAS, Secretary (Agriculture and Co-operation), to obtain the opinion of bankers as the aim of the scheme is also to promote pledge finance and help the producer growers to avoid distress sell.

Hence, all banks are requested to input on the syllabus for the proposed course to be initiated by NIAM during 2015-16.

* 1. **Dispensing with ‘No Due Certificate’ for lending by banks:**

RBI vide Circular No.RBI/2014-15/430, FIDD.CO.LBS.BC.No.49/02.01.001/2014-15 dated January 28, 2015 informed that RBI receiving complaints from borrowers as banks are refusing to grant loans without ‘No Due Certificate’, especially in rural and semi-urban areas. In order to ensure hassle free credit to all borrowers, especially in rural and semi-urban areas and keeping in view the technological developments and the different ways available with banks to avoid multiple financing, banks are advised to dispense with obtaining ‘No Due Certificate’ from the individual borrowers (including SHGs & JLGs) in rural and semi-urban areas for all types of loans including loans under Government Sponsored Schemes, irrespective of the amount involved unless the Government Sponsored Scheme itself provides for obtention of ‘No Due Certificate’.

Banks may kindly note that while Service Area Approach continues to be applicable for Government Sponsored Schemes, the borrower is free to approach any bank branch in his service area for obtaining credit under Government Sponsored Schemes.

Banks are encouraged to use an alternative framework of due diligence as part of credit appraisal exercise other than the ‘No Due Certificate’ which could, among others, consist of one or more of the following:

* Credit history check through credit information companies
* Self declaration or an affidavit from the borrower
* CERSAI registration
* Peer monitoring
* Information sharing among lenders
* Information search (writing to other lenders with an auto deadline)

Banks are also advised to submit credit information / data to all Credit Information Companies (CISs), as required in terms of extant instructions issued by RBI.

* 1. **Orange Cultivation scheme under the National Horticulture Board – Delay in clearing loan proposals by Nationalized Banks:**

RBI vide Lr.No.RPCD(H)/LBS/ /02.02.20/2014-15 dated March 04, 2015 advised SLBC to include / take up in the ensuing SLBC meeting, the issue relating to delay, if any, in sanctioning of loans by banks in general and with special reference to orange cultivation in the districts where there is significant credit flow to orange cultivation. In this regard RBI forwarded copy of Dy.No.252/VIP/MRT&H, Shp/2014 dated August 23, 2014 issued by Minister of Road Transport Highways & Shipping, GoI on the following issues.

1. The banks are consuming huge time for the clearance of the loan proposals of the farmers and in some of the cases nearly two years were taken for the loan clearance. The delay made by the banks also is affecting the time bound programme of the farmers and farmers have demanded to clear the cases within stipulated time frame.
2. The interest rate is very high and they have demanded to make reduction in the interest rates to 8 percent.
3. In some cases the banks are charging 15 % interest as against sanction of 10%.

In view of the above all controlling authorities of banks are requested to sanction the loans with in stipulated timelines in general and with specific reference to orange cultivation where there is significant credit flow.

* 1. **Overdues/NPAs under Agriculture Sector as on 31.12.2014**

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  | 96.47 | 71149 | 43.73 | 29701 | 29701 | 13.38 | 3354 |
| Agril. Term Loans Including Agril. Allied Activities Advances **(direct)** | 18.29 | 21289 | 6.14 | 6224 | 3349 | 2.58 | 2183 |
| Agril. And Allied**-(Indirect)** | 0.64 | 5477 | 0.13 | 568 | 275 | 0.07 | 243 |
| **Total Agriculture Advances** | **115.40** | **97915** | **50.00** | **36493** | **33325** | **16.03** | **5780** |

 (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, 701 crores** which is **41.74%** and NPA **is 4.71%** to total outstandings and NPA in real terms it is **Rs.3, 354 crores**. **Agriculture Term Loans Including Allied Activities:**The total outstanding balance in overdue accounts (PNPA) is **Rs.6, 224 crores** which is **29.24%** and NPA is **10.25%** to total outstandings and NPA in real terms it is **Rs.2, 183 crores**.**Total Agriculture:** The total outstanding balance in overdue accounts (PNPA) is **Rs.36, 493 crores** which is **37.27%** and NPA is **5.90 %** to total outstandings and in real terms it is **Rs.5, 780 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 have 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 31.12.2014** |
|  | A/cs. | Amt. | A/cs. | Amt. | A/cs. | Amt. |
| Micro Enterprises | 414590 | 4834 | 430786 | 11929 | 531264 | 12694 |
| Small Enterprises | 87031 | 8946 | 129186 | 14373 | 160868 | 15969 |
| **Total MSE** | **501621** | **13780** | **559972** | **26302** | **692132** | **28663** |
| **%of Micro enterprises to total MSE** | **78.76%** | **32.33%** | **76.93%** | **45.35%** | **76.76%** | **44.29%** |
| Medium Enterprises | 82988 | 7875 | 80688 | 5432 | 80227 | 4374 |
| **Total MSME** | **584609** | **21655** | **640660** | **31734** | **772359** | **33037** |

|  |  |  |
| --- | --- | --- |
| **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 **on continuous basis**. | 60 | 45.35 |

**6.2. 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 31.12.2014 | 7482 | 274.36 |

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 7482 units as on 31.12.2014 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.

During 38th E.C and 103rd SLIIC meeting of MSME held on February 13, 2015 at RBI, it is observed that, 2294 units were covered under CGTMSE during the quarter, compared to 2297 during the previous quarter. It is felt that the efforts as submitted by banks, needed improvement. RBI sought to know the steps taken by Industry Associations to improve the coverage. ALEAP informed that it has been conducting EDP programmes and awareness campaign to spread awareness among the entrepreneurs. RBI advised banks and industry associations to enhance their efforts in creating awareness among the entrepreneurs on CGTMSE scheme.

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.**

**6.3. 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.

**6.4.** **Implementation of Modified REMOT Scheme renamed as “Coir Udyami Yojana” (CUY):**

Coir Board, Ministry of MSME, Government of India vide Lr.No.CB/REMOT/2012-13/35/1-Vo.II dated 28.01.2015 informed that the Central Sector Scheme of Rejuvenation, Modernization and Technology Upgradation (REMOT) has been renamed as **“Coir Udyami Yojana” (CUY)** so as to convey the objectives of the scheme properly to general public.

**6.5. Overdue/NPAs under MSE Sector as on 31.12.2014 (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 | 692132 | 28663 | 203536 | 7299 | 3398 | 89224 | 1923 |

(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 **25.46%** and the overdues in real terms are **Rs.3, 398 crores** which is **8.02%** of total outstanding. TheNPA is **6.71%** of total MSE outstanding.

**6.6. 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**

**7.1. Position of Housing Loans as on 31.12.2014**

 **(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 |
| **December,2014** | 338805 | 15882 | 26485 | 1591 |

**7.2 Housing Loans: Review of Instructions:**

**Inclusion of stamp duty and other charges in LTV ratio:** RBI circular DBOD.No.BP.BC.78/08.12.001/2011-12 dated February 3, 2012 advised the banks not to include stamp duty, registration and other documentation charges in the cost of housing property so that the effectiveness of LTV ratio is not diluted.

Now RBI vide circular No. RBI/2014-15/491, DBR.BP.BC.No.74/08.12.015/2014-15 dated March 5, 2015 informed that these amounts form around 15% of the cost of the house and place a burden on the borrowers from economically weaker sections (EWS) and low income groups (LIG). With a view to encourage availability of affordable housing to such borrowers, it has been decided that in cases where the cost of the house / dwelling unit does not exceeding Rs.10 lakh, banks may add stamp duty, registration and other documentation charges to the cost of the house / dwelling unit for the purpose of calculating LTV ratio.

**Construction linked disbursal of housing loan:** Banks are advised that in cases of projects sponsored by Government / Statutory Authorities, they may disburse the loans as per the payment stages prescribed by such authorities, even where payments sought from house buyers are not linked to the stages of construction, provided such authorities have no past history of non-completion of projects.

**7.3 Weaker Sections Housing Programme – Loans taken by the beneficiaries for construction of houses under Rural, Urban, RGK and VAMBAY**

Government of AP 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+.**

Housing (R&UH) Department, Government of Andhra Pradesh vide Lr.No.3165/R&UH.A2/2014-15 dated 10.12.2014 has clarified that reimbursement of the claims is to the extent of **A.P. Division** only under the above scheme**.**

In this regard AP State Housing Corporation Limited advised:

1. To identify any one of the branches at Hyderabad to act as a Nodal Branch to receive the claims from the Banks and to seek releases from APSHCL.
2. To authorize any one of the Officer to enter into MOU with APSHCL
3. To designate any of the Officer as the Nodal Officer to act as Liasion Officer to implement the scheme
4. To furnish the beneficiary-wise loan sanctioned branch-wise and District-wise and total loans disbursed to the beneficiaries
5. The cutoff date for implementation of the scheme is 01.04.2011
6. All the outstanding principle and interest as on 31.03.2011 is to be rescheduled for repayment 84 installments commencing from 01.04.2011
7. To furnish the Bank Account Number to which the reimbursed amount has to be credited
8. Some of the claims of the branches have been received directly to APSHCL office and these claims could not be processed for want of MOU.

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

* 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
* 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

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 04.12.2014 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.

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.

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.

**7.5. Overdue /NPAs under Housing Loans as on 31.12.2014**

**(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 | 338805 | 15882 | 74530 | 3413 | 679 | 35551 | 490 |

(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 **21.43% & 3.03%** respectively.

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| **AGENDA- 8** |

**Education Loans**

* 1. **Position of Education Loans as on 31.12.2014 :**

 **(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 |
| December, 2014 | 137301 | 2963 | 14295 | 422 |

* 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.

(Amount Rs. in Crores)

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Bank** |  **Target for 2014-15** | **Outstanding as on 31.12.2014** | **Gap to the Target** |
| **No. of A/cs** | **Amt.**  | **No. of A/cs** | **Amt.**  | **No. of A/cs** | **Amt.**  |
| **Public Sector Banks**  | 155788 | 3600 | 129295 | 2797 | 26493 | 803 |
| **Private Sector Banks**  | 1960 | 79 | 1130 | 38 | 830 | 41 |
| **RRBs**  | 8960 | 132 | 6849 | 127 | 2111 | 5 |
| **Co-operative Banks**  | 402 | 4 | 27 | 1 | 375 | 3 |
| **Grand Total** | **167110** | **3815** | **137301** | **2963** | **29809** | **852** |

It is observed from the above table that banks have to extend another Rs.852 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. **Non-adherence to RBI guidelines on security/co-obligation and keeping register for**

 **Rejected loans for recording the reasons:** RBI Hyderabad vide Lr.No.RPCD (H)/MSME/823/06.02.001/2014-15 dated January 06, 2015 informed that some of the banks in Andhra Pradesh are not adhering to the instructions contained in RBI circular RPCD.SME&NFS.BC.No.69/06.12.05/2009-10 dated April 12, 2010 while sanctioning of education loans and specifically collateral free education loans.

It has also been reported that banks are not maintaining properly registers/electronic records at the branches to record the date of receipt, sanction/rejection/disbursement with reasons thereof etc. of applications as instructed vide RBI circular RPCD.CO.BC 10/04.09.01/2014-15 dated July 01, 2014. RBI advised that all banks to strictly adhere to the guidelines issued by them in this regard.

SLBC circulated these guidelines to controlling authorities of all banks vide Lr.No.666/30/330/728 dated 08.01.2015 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 31.12.2014**

(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 | 137301 | 2963 | 26960 | 619 | 231 | 11009 | 215 |

(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 **20.89% & 7.26%** respectively.

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| **AGENDA- 9** |

**9.1 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 31.12.2014 is given in the **Annexure. No.14**

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| **AGENDA- 10** |

**10.1. 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 | December, 2014 | 10,915 |

In Andhra Pradesh, the amount lent to minority communities is **Rs.10, 915** Crores which constitutes **7.31%** 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.

**10.2 Notification of Jain community as Minority community:** 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.

**10.3:** **Applicablity of revised guidelines on lending to priority sector for UCBs:** RBI vide Cir No.RBI/2014-15/473 dated February 18, 2015 informed to refer to Para IV (h) of the Annex to RBI circular UBD.CO.BPD.(PCB).MC.No.18/09.09.001/2013-14 dated October 8, 2013 on “Revised guidelines on lending to Priority Sector for UCBs”.

In this connection, 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.

Accordingly, the instructions contained in the above Circular will also be applicable to the Jain Community.

**10.4: Nodal Officers Meeting held on 12.01.2015 to review progress of implementation of the PM’s New 15 PP and decisions of the Govt. on Sachar Committee recommendations for the second quarter of the year 2014-15:** Department of Financial Services, MoF, GoI vide Letter No. 7(61)/2008-CP (Part-IV) dated 17.02.2015 informed that during Nodal Officers’ meeting, Ministry of Minority affairs has desired to take action / furnish the information on the following points:

i) To increase the percentage share of lending to each minority community in proportion to their respective share in minority population.

ii) To ensure that minorities get adequate coverage in their district plans.

1. The number of accounts opened by minorities in these branches and their percentage to total accounts opened
2. To furnish the URL of the RBI website where District-wise and Bank-wise data are made available
3. To furnish the details of programmes / activities under taken in the awareness

During the meeting, Ministry of Minority Affair also emphasized that the priority sector lending – credit to minority community wise should be monitored by RBI as well as by all banks.

Ministry of Minority Affairs also desired that RBI should take an evaluation study for the Priority Sector Lending for Minority Communities and should see whether these schemes are delivering adequate benefits to the Minority communities.

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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 | December, 2014 | 48,494 |

Weaker Section advances **as on 31.12.2014** is **Rs.48, 494 Crores** which constitutes **24.10%** as against the RBI stipulation of 10% of ANBC.

RBI vide circular No. RBI/2014-15/499 FIDD.CO.Plan.BC.51/04.09.01/2014-15 dated March 13, 2015 informed that priority sector loans to Persons with Disabilities will be eligible for classification under Weaker Sections category w.e.f March 13, 2015.

All the banks are requested to classify priority sector loans to Persons with Disabilities under Weaker section advances accordingly.

|  |
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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 | December, 2014 | 35,951 |

**As on 31.12.2014 advances to Women are at Rs.35, 951 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 | December, 2014 | 9,633 |

**As on 31.12.2014,** the lending to SC/STs is **Rs.9, 633 Crores**, comprising of **6.45%** 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**

**14.1 PRIME MINISTERS EMPLOYMENT GENERATION PROGRAMME (PMEGP)**

Target & Achievement under PMEGP for the year 2014-15 (as on 15.02.2015) **(Rs.in lakhs)**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Target - 2014-15** | **Achievement - 2014-15** |
|  |  | No. | MM | Emp | No. | MM | Emp |
| 1 | KVIC | 458 | 651.49 | 3664 | 58 | 381.27 | 1334 |
| 2 | KVIB | 743 | 1056.64 | 5944 | 198 | 622.93 | 2180 |
| 3 | DIC | 990 | 1408.85 | 7920 | 160 | 520.56 | 1822 |
|  |  **Total** | **2191** | **3116.98** | **17528** | **416** | **1524.76** | **5336** |
| 4 | KVIC,DO, Vizag | 285 | 405.15 | 2280 | 14 | 66.85 | 154 |
|  |  **Grand Total** | **2476** | **3522.13** | **19808** | **430** | **1591.61** | **5490** |

 (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 is 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.

**14.1.1 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.

**14.1.2 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.

**14.2 NATIONAL RURAL LIVELIHOOD MISSION (NRLM)**

**14.2.1 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 |
| December, 2014 | 12275 | 76579 | 2429 | 1516 | 18093 | 586 | 13791 | 94672 | 3015 | 789371 | 13844 |

**14.2.2 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 31.12.2014 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 Dec 14 | 9090 | 11651 | 5825 |

 (Source: SERP)

**14.2.3. Overdue/NPAs under SHG Bank Linkage Programme as on 31.12.2014**

(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 | 789371 | 13844 | 177195 | 2174 | 1112 | 96660 | 888 |

(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 **15.70% & 6.41%** 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.

**14.2.4: Capital infusion to SHG groups – opening of individual SB accounts by SHG members**

During 188th SLBC meeting of AP held on 30.12.2014 Hon’ble Chief Minister requested the bankers to inform the amount of interest payable by the SHGs up to cut-off date where GoAP announced capital infusion scheme to them, so as to reimburse to the bankers.

SLBC requested GoAP to inform methodology to provide information on amount of interest to be reimbursed for SHGs.

SERP vide Cir. No.SERP/AP/IB/PMJDY/02/2015 dated 21.02.2015 informed that as the PMJDY also envisages expansion of Direct Benefit Transfer under various Government Schemes through Aadhaar enabled individual bank accounts, there is urgent need to capture the savings bank account details of the SHG members. The data need to be captured on a mission mode since the Government of Andhra Pradesh has also insisted for the required data by 28.02.2015.

In the State of Andhra Pradesh SHG groups have already became irregular in paying their installments and some of the groups were already slipped down to NPA category. Under these circumstances, if, SHG members are allowed opening individual accounts with banks other than lending bank, banks will further lose control on the repayments and it may lead to irreperable damage to SHG portfolio.

In view of the above GoAP is requested;

1. To advise the SERP to give instructions to SHG members, to open the individual bank accounts where they have received the bank finance.
2. To release the amounts, if any, under capital infusion to the Group savings account instead of to savings accounts of individual group members.

**14.2.5: Request for Govt intervention in recovery of SHG overdues:** Women empowerment has been one of the agenda items of Government of Andhra Pradesh. The state stood first in the initiatives taken up in this direction. There have been instances of slowing down in the savings and also repayment of loans from these groups. One of the reasons could be the adverse repayment climate generated on account of mass loan waiver euphoria dissuading the borrowers to repay the loans. Another reason has been the inordinate delay in capital infusion to Self Help Groups as assured by the Government of Andhra Pradesh. It would be extremely difficult for the groups to service the entire dues to the banks at a time and this is alarmingly threatening the recovery discipline of this loyal group of indigent people.

Hence, Government kind interference in the announcement and **release of the long assured capital infusion,** before it is too late, to help tide over the present critical situation which would go a long way in shoring up the asset quality in all the banks. Government positive gesture in this direction shall enable perennial recycling of credit flow to the productive groups in the larger interest of the society.

**14.2.6: Common Application form for SHGs for opening Saving A/c and loan Documentation:** IBA vide Letter No.SB/CIR/Govt./SHG/1257 dated 27.01.2015 informed that as per the views received from the member banks, IBA had modified the common application form for SHGs for opening Saving Account and Loan Documentation and forwarded to the Ministry of Rural Development, Government of India for their approval. The Ministry has written to IBA suggesting that IBA may circulate the **revised loan application form for adoption and implementation by all member banks.**

Member banks are requested to adopt the Common application form for SHGs for opening Saving Account and Loan Documentation and advise branch offices and field functionaries accordingly.

SLBC has communicated the above instructions to all member banks and LDMs for compliance.

**14.3 NATIONAL URBAN LIVELIHOODS MISSION (NULM) SCHEME:**

 **Targets & Achievement -SEP (Individual) and SEP (Groups)** **for 2014-15 as on 31.12.2014**

 (Amount in Lakhs)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No. |   Program | Target | Achievement |
| Sanctions | Grounding |
|  | Physical | Financial | Physical | Financial | Physical | Financial |
|  1 | SEP (Individual) Programme under NULM | 9912 | 9912 | 2155 | 2155 | 381 | 381 |
|  2 | SEP (Groups)Programme under NULM | 116 | 580 | 26 | 130 | 1 | 5 |

MEPMA vide Lr. Roc. No.270/NULM/2014 dated 31.01.2015 requested the banks to share the basic data such as Loan account No. amount disbursed, date of disbursement and repayment particulars etc., for individual beneficiaries/Groups month wise to the service provider (TCS), for calculation and release of interest subsidy amount at the earliest.

Hence, it is requested that banks to submit the information to the service provider for calculation and release of interest subsidy amount after creating product code as agreed in the meeting i.e NULM-SEP-I for individuals & NULM-SEP-G for group loans.

**14.4. RAJIV RINN YOJANA**

**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 | No. of loans allocated |
| 1 | Anakapalle | 4007 | 500 |
| 2 | Bheemunipatnam | 5998 | 500 |
| 3 | Visakhapatnam | 122591 | 3000 |
| 4 | VMC | 81452 | 4000 |
| 5 | Tirupathi | 16251 | 500 |
| 6 | Kakinada | 36725 | 1000 |
| 7 | Rajahmundry | 26323 | 1000 |
| 8 | Guntur | 51766 | 500 |
| 9 | Nellore | 38155 | 500 |
| 10 | kurnool | 41492 | 500 |
|  | **Total** | **424760** | **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.

**AGRI-CLINICS & AGRI-BUSINESS CENTERS**

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

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

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

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

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

**Progress as on 28.02.2015**:

No. of projects sanctioned: **28**

No. of projects pending : **295**

All Banks are requested that necessary instructions may 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.

NABARD vide Ref.No.NB.T & AP RO.HYD/DoR/8120/ICD-72/2014-15 dated 16.02.2015 informed that

1. Large number of proposals are pending with various banks since 2010
2. Proposals which are sanctioned by banks under ACABC but, subsidy claims to that extent have not been received by NABARD.

NABARD has requested the banks to look into the pendency of the proposals at bank / branch level and advise the concerned branches for processing loan applications as per scheme guidelines and the status may be intimated to NABARD RO with a copy to SLBC.

As regards to the proposals already sanctioned by bank branches under ACABC, if any, it is advised for submission of subsidy claims, in the prescribed format to NABARD, RO, so that the benefit of subsidy can be passed on to the agripreneur.

**14.6 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.

Progress under DEDS during the year 2014-15 – Position as on 20.02.2015

 (Amount rupees in crores)

|  |  |  |
| --- | --- | --- |
| Particulars | General/ST category | SC category |
| No. of Units | Amount | No. of Units | Amount |
| Target | ----- | 15.25 | ---- | 7.75 |
| Subsidy Sanctioned | 6363 | 18.52 | 421 | 1.59 |
| Subsidy Released | 6363 | 18.52 | 421 | 1.59 |

**Allocation of fund for 2014-15 – Suspension of fresh applications in General Category under the scheme:**

NABARD, Regional office, Hyderabad vide Lr. No.NB.T&APRO/DoR/7133/DEDS-142/2014-15 dated 09.01.2015 informed that Government of India, Ministry of Agriculture, Department of Animal Husbandry, Dairy & Fisheries, New Delhi have decided to impose suspension of receipt of fresh applications in General / ST category under the above scheme from 01 January 2015. However, applications for claiming subsidy under SC category of the scheme can be entertained.

Hence, all the banks are requested to prefer subsidy claims under DEDS in respect of SC component only and 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. 666/30/11/752 dated 19.01.2015.

**14.7. 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 20.02.2015, **2515** weaver credit cards were disbursed to a tune of **Rs.843.18 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 20.02.2015 is enclosed as **Annexure. No.23**

**14. 8.** **Credit under DRI**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 38.21 |
| December, 2014 | 36.58 |

**As on 31.12.2014 the credit outstanding under DRI is Rs.36.58 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.

**14.9. 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.

**14.10. 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.
2. 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**

**15.1 Andhra Pradesh Micro Irrigation Project (APMIP): Achievement as on 16.02.2015**

(Rs. In Lakhs)

|  |  |  |  |
| --- | --- | --- | --- |
|    | **Physical** | **Financial** | **Total** |
| **Area****(in Hectares)** | **Total GOI share** | **State Share** |
| **Target** | 41895 | 11833.20 | 13293.56 | 25126.76 |
| **Achievement** | 15619 | 5929.54 | 4457.42 | 10386.96 |

Department informed that 1, 35,459 farmers registered their applications covering an area of 1,63,099 ha through Mee-Seva Centres as against the target of 4,895 ha.

District-wise Physical & Financial progress report during 2014-15 as on 16.02.2015 is enclosed as **Annexure.No.24**

**15.2. Animal Husbandry:**

The Directorate of Animal Husbandry, GoAP has informed vide their Lr.No.8433/F/F1/2014 dated 23.02.2015 that the physical and financial progress on Government Sponsored Schemes as on 31.01.2015 is **NIL** as amount is yet to be released under National Livestock Mission (NLM) 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.

**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 | ---- | ---- |

Latest position not furnished by the Department.

 **15.4. 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 |

Latest position not furnished by the Department.

**15. 5. A.P. Backward Classes Co-op. Finance Corporation- Performance as on 31.01.2015**

Department has informed that 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, 10,615 beneficiaries were registered up to 31.01.12015 through OBMMS for the sanction of subsidy and the grounding of units may be treated as ‘NIL’

**15.6. 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.

Latest position not furnished by the Department.

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

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

 (Rs. in lakhs)

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

Latest position not furnished by the Department.

* 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. Latest status not furnished by the Department.

**15.9 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 20.02.2015 are as follows

 (Rs. in Lakhs)

|  |  |  |
| --- | --- | --- |
| **Target** | **Sponsored Beneficiaries** | **Consent received** |
| **Benf.** | **Subsidy** | **Bank Loan** | **Total** | **Benf.** | **Subsidy** | **Bank Loan** | **Total** | **Benf.** | **Total outlay** |
| 20299 | 7878.23 | 6118.39 | 13996.62 | 32051 | 20869.84 | 19207.27 | 40077.11 | 3013 | 3236.69 |

Bank-wise details of applications sponsored are enclosed as **Annexure.No. 25**

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 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 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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| District | Physical Target | Achievement upto 31.12.2014 | Financial expenditure (Rs.) | Percentage of Achievement |
| Srikakulam | 26 |  3 | 310000 | 11.54 |
| Vizianagaram | 26 | 13 | 500000 | 50.00 |
| Visakhapatnam | 47 |  5 | 210000 | 11.00 |
| East Godavari | 39 |  6 | 165000 | 15.38 |
| West Godavari | 30 |  7 | 275000 | 23.00 |
| Krishna | 47 | 12 | 390000 | 26.00 |
| Guntur | 32 | 11 | 300000 | 34.00 |
| Prakasam | 22 |  8 | 310000 | 36.00 |
| Nellore | 24 | 15 | 450000 | 62.50 |
| Chittoor | 39 |  5 | 400000 | 13.00 |
| Kadapa | 23 | 10 | 600000 | 43.00 |
| Anantapur | 43 | 10 | 452000 | 23.25 |
| Kurnool | 33 |  1 | 25000 | 3.00 |
| **Total** | **431** | **106** | **4387000** | **24.59** |

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

 **15.13. Overdue position under Government sponsored schemes as on 31.12.2014**

(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 | 318201 | 5742 | 76311 | 903 | 427 | 54284 | 530 |
| Of which |
| SGSY / NRLM | 252836 | 4927 | 39604 | 478 | 182 | 25902 | 220 |
| SJSRY / NULM | 15725 | 144 | 8473 | 59 | 40 | 6786 | 42 |
| PMRY/PMEGP  | 13346 | 173 | 6924 | 58 | 33 | 4858 | 30 |
| ISHUP | 4168 | 35 | 1530 | 13 | 9 | 1286 | 9 |
| State Government sponsored schemes | 2152372 | 23222 | 584548 | 7749 | 3487 | 310712 | 2563 |

 (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 15.82% & 9.23% respectively**.**

**State Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 33.37% & 11.04% respectively**.**

**SGSY:** The percentage of total balance in overdue accounts & NPA to outstandings is 9.70% & 4.47% respectively**.**

**SJSRY:** The percentage of total balance in overdue accounts & NPA to outstandings is 40.97% & 29.17% respectively**.**

**PMRY/PMEGP:** The percentage of total balance in overdue accounts & NPA to outstandings is 33.53% & 17.34% respectively**.**

**ISHUP:** The percentage of total balance in overdue accounts & NPA to outstandings is 37.14% & 25.71% respectively**.**

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

**16.1 Position of MFI finance extended as on 31.12.2014**

|  |  |  |
| --- | --- | --- |
| **S.No** | **Particulars** | **Amt. in Crores** |
| 1 | Cumulative Amount of Loans sanctioned so far  | 126.19 |
| 2 | Cumulative Loans Disbursed so far  | 126.19 |
| 3 | Total Loans outstanding  | 97.08 |
| 4 | Total amount due for payment (Demand) | 54.83 |
| 5 | Total amount recovered  | 36.25 |
| 6 | Total amount overdue  | 18.58 |
| 7 | Out of (6) amount overdue [ Standard] | 10.76 |
| 8 | Out of (6) amount overdue [NPA] | 7.82 |
| 9 | Non Fund exposure/Off Balance Sheet exposure O/s  | 0.00 |

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

 **Financial Inclusion**

* 1. **Providing banking channels/services**
		1. **Roadmap-Provision of Banking Services in Villages with Population below 2000**

RBI vide Circular No.RBI/2014-15/382, FIDD.CO.LBS.BC.No.47/02.01.001/2014-15 dated January 2, 2015 informed that Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched by the Hon’ble Prime Minister on 28th August, 2014 and phase I of PMJDY is being implemented through banks in a time bound manner for completion by August 14, 2015.

In this connection, attention is invited to circular RPCD.CO.LBS.BC.No.86/02.01.001/2011-12 dated June 19, 2012 wherein SLBCs were advised to prepare a roadmap and cover all unbanked villages with population less than 2000 for providing banking services in a time-bound manner (latest by March 2016).

RBI circular dated January 2, 2015 prescribed preponement of completion of coverage of villages (<2000 population) by August 14, 2015 to synchronise the same with PMJDY timelines.

**Progress as on 31.12.2014**

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, **10,534** villages have been provided with banking channels thus surpassing the target by **132.95%** out of which banking channels are deployed through BCAs in **10,164** villages, Brick & Mortar Branches in **361** villages and through other modes in **9** villages.

Quarterly Progress report District-wise and Bank-wise as on **31.12.2014** is enclosed as **Annexure No.26**

SLBC has also submitted FIP Quarterly progress report for December, 2014 **(LBS MIS V)** to RBI which is enclosed as **Annexure No.27**

**17.1.2. Providing Banking Services in all Villages with above 2000 population - Progress as on**

 **31.12.2014**

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.

**17.1.3 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.

**17.1.4. 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 |
| 31.12.2014 | 7054 |

* + 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** |
| 9 | 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.

**17.1.6. 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.

**17.1.7. Involving MPs/MLAs in all functions conducted by banks in the districts:**

RBI vide circular No.RBI/2011-12/401, RPCD.CO.LBS.BC.No.60/02.01.01/2011-12 dated February 17, 2012 on Lead Bank Scheme – Participation of Public Representatives like MPs/MLAs/Zilla Panchayat Chiefs in District Level Review Committees (DLRC), guidelines were issued regarding fixation of DLRC meetings with due regard to the convenience of the representatives of the public i.e. MPs/MLAs and invite and involve them in all functions conducted by the banks in the districts, such as **opening of new branches, distribution of Kisan Credit Cards, SHG credit linkage programmes** etc. Further, responses to queries from public representatives need to be accorded highest priority and attended to promptly.

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

**17.2.1 Progress report Number of Accounts opened under PMJDY (16.08.2014 to 07.03.2015)**

 (Number & Amount in Lacs)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| S. No | Type of Bank | No. of Accounts | Total No. of Accounts | No. of Accounts with Zero Balance | No of Rupay Debit Cards Issued | Balance in PMJDY Accounts (in Lakhs) | Insurance Claims Pending in the Bank |
| Rural | Urban | Accidental Insurance | Life Insurance |
| 1 | PSBs | 21.06 | 19.86 | 40.92 | 25.07 | 34.75 | 29100.32 | 0 | 1 |
| 2 | RRBs | 9.52 | 2.40 | 11.92 | 7.79 | 6.73 | 7663.56 | 1 | 0 |
| 3 | Private sector | 0.32 | 0.70 | 1.02 | 0.48 | 0.86 | 987.2 | 0 | 0 |
|  | **Total (1+2+3)** | **30.90** | **22.96** | **53.86** | **33.34** | **42.34** | **37751.08** | **1** | **1** |

Though **MoF** appreciated that the target of opening of accounts under PMJDY has been achieved well before the target date of 26.01.2015 it has come to the notice of the Ministry that banks are now refusing to open accounts on the pretext that accounts were to be opened under PMJDY only upto 26.01.2015.

In this regard **DFS** has clarified that banks should not refuse opening of new accounts and continue to open accounts in normal course and issue Rupay debit card. However, it **should be made clear that benefit of Life cover of Rs. 30000/- will not be available in accounts opened after 26.01.2015.**

**17.2.2. Deployment of Bank Mithras:**

Banks have to complete the process of deployment of Bank Mitras in the pending cases. Wherever bank mitras are appointed, banks have to ensure that they work from a fixed point location with online interoperable devises at the earliest so that the benefits of PMJDY can reach to the beneficiaries.

The list of bank mitras as per the proforma along with photographs & contact details are to be placed in the bank’s website and the same is to be shared with SLBC to place in SLBC’s website.

**Each SSA (Sub Service Area) to be covered by individual Bank Mitra: Mission office, PMJDY vide mail dated 04.03.2015 informed that a**s per the definition of the SSA and coverage for banking access, mentioned in the Mission Document “All the 6 lakh villages across the entire country are to be mapped according to the Service Area of each bank to have at least one **fixed point banking outlet** catering to 1000 to 1500 households, called as Sub Service Area (SSA). It is proposed that SSAs shall be covered through a combination of banking outlets i.e. Branch banking and branchless banking. Branch banking means traditional Brick & Mortar branches. Branchless banking comprises of **fixed point business correspondents agents**, who act as representative of bank to provide basic banking services”.

**Banks are advised to adhere to the guidelines of Mission document and appoint one and only one Bank Mitra to cover a SSA .**

**Payment of Remuneration to Banking correspondents under PMJDY:** Department of Financial Services, Ministry of Finance, Government of India vide letter F.No.21(15)/2015-FI (Mission Office) dated 16.02.2015 informed that deployment of fully functional BCs is pivotal to the success of Pradhan Mantri Jan Dhan Yojana which envisages universal access of banking to all. As per the Mission document, BCs should be adequately compensated (minimum Rs.5000 fixed plus variable component) to ensure their viability and operational efficiency.

During the V.C dated 3rd December 2014 and 17th December 2014, all banks were directed to devise a process for direct credit of remuneration into the bank accounts of BCs .In case where corporate BC agents are deployed, all banks were advised to review their agreement with corporate BCs and, if required, amend the same accordingly to incorporate payment of remuneration directly into bank accounts of Banking Correspondents Also commission sharing ratio between BC and corporate BCs should **be capped to a maximum of 80:20.**

During the V.C held on 28th January 2014, on analysis of remuneration to BCs and based on reports of senior officials of DFS, who visited various centres, it was observed that in many places payment of commission is being made to Corporate BCs but payment to BCs are pending for the last 3-4 months. JS (FI) urged all banks to ensure that for payment of remuneration to BCs, transfer should be done in Aadhar linked bank accounts of BCs directly  either by the bank or if the banks have engaged corporate BCs, the corporate BCs should ensure payment into the Aadhar linked bank accounts  of BCs.

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

As per the guidelines issued by Department of Financial Services, banks have to focus on issuance of Rupay Cards to all accounts opened. A wide gap is observed between the accounts opened and Rupay cards issued. DFS has advised to deliver them in camp mode and clear the pendency at the earliest.

It is observed that account holders are complaining that they have not been issued Pass book for their accounts opened by the branches. Banks also should focus on issue of pass books and pendency is to be cleared on war footing.

IBA vide Letter No.PS&BT/Govt./1184 dated 13.01.2015 informed that Over Draft facility is one of the features under Pradhan Mantri Jan-Dhan Yojana (PMJDY). Under the PMJDY, banks may consider providing the:

1. Over Draft up to Rs.5000/- after six months of satisfactory performance of savings / credit history
2. The facility to be made available to only one account in a household, preferably to a lady member of household.
3. Government has decided to make available the overdraft facility to PMJDY account holders. This facility will also be extended to the accounts opened prior to PMJDY and that have been tagged under the Yojana.

Copy of the scheme Over Draft up to Rs.5, 000/- in PMJDY Accounts is placed as **Annexure.28**

RBI vide Circular No. RBI/2014-14/477 dated 25.02.2015 informed that it has been decided that overdrafts extended by banks upto Rs.5,000/- in Pradhan Mantri Jan-Dhan Yojana (PMJDY) accounts will be eligible for classification under priority sector advances (‘others’ category) as also weaker sections, provided the borrowers household annual income does not exceed Rs.60,000/- for rural areas and Rs.1,20,000/- for non-rural areas.

**17.2.4 Life Insurance cover under Pradhan Mantri Jan Dhan Yojana (PMJDY)**

The fifth pillar of this plan is to provide micro insurance to the people

1. **Accidental Insurance – Applicable to all accounts**
* Inbuilt Accident Insurance cover of **Rs. one** lac with Rupay Debit Card absolutely free
* Customers to be educated to **use the Rupay debit card atleast once every 45 days** to get the benefit of Accidental Insurance.
* Beneficiary should get his / her Aadhar number seeded into Bank account.
* Death or permanent disability due to accident will be covered under the scheme.
1. **Additional Life Insurance of Rs. 30,000/-**
* Customers, who have opened Banks accounts under PMJDY between 15th August 2014 and 26th January, 2015 will get a life cover worth Rs. 30,000/- absolutely free. (coverage is available for only one member in a family irrespective of number of accounts opened by the family)
* The person should be the head of the family or earning member of the family
* The person should be in the age group of 18 to 59 years
* In case head of the family is 60 years or more of age, the second earning person of the family in the age group of 18-59 years will be covered with insurance.
* The life cover of Rs. 30,000/- under the scheme will be initially for a period of 5 years, till the close of financial year 2019-20.

This scheme of insurance will not cover the following persons-

* Central / State Govt. employees and their family members
* Employees of undertakings of Central / State Govt. employees and their family members
* Person paying Income tax to Government
* Persons already Insurance cover under “Aam Aadmi Bima Yojana”

Claim processing procedure for banks under Pradhan Mantri Jan Dhan Yojana is placed as **Annexure.29**

**Status of Personal Accident Insurance claims received and disposed off**

IBA has given detailed procedure for claim settlement & revised claim forms under Life Insurance Cover of Rs. 30,000/- for PMJDY account Holders to all the Banks.

Field staff to be sensitized on the scheme guidelines of PMJDY and dealing with insurance claims

LDMs are advised to invite the Nodal officers for LIC and the Public Sector General Insurance companies (PSGICs) to participate in the DLBC/ BLBC for awareness creation/ promotion and provision of micro insurance /other insurance products as part if the PMJDY.

Joint Secretary (FI), MoF informed that Joint Secretary (Insurance) was of the view that BCs may be enabled to sell insurance products also by logging into their system. Arrangement should be made by banks to use the BC in SSAs/ Wards to provide a wide range of services and products like micro insurance and pension to customers.

Bank Mitras to be trained by Insurance companies to act as Micro Insurance Agents to sell the Micro insurance products and full coverage of schemes like “Aam Admi Bima Yojana’’

**17.2.5: Implementation of SWAVALAMBAN Scheme**

The sixth and final pillar of PMJDY relates to old age income security. The objective of the scheme is to encourage the informal sector workers to save small amounts during their working years to enable them to draw a pension in their old age. The Swavalamban scheme uses co- contributions from the Government of India to incentivize and mobilize savings.

The GoI contributes Rs. 1000 p.a for a stipulated period to all eligible NPS Swavalamban accounts where the subscriber deposits a minimum of Rs 1000 to maximum of Rs. 12000 p.a.

The benefit of the GoI co-contribution is available to eligible accounts up to 2016-17.

As the mobilization of NPS Swavalamban pension by the Banks come under PMJDY programme as 6th pillar, all the Public Sector Banks were given targets to achieve by 31.03.2015.

SLBC in coordination with State Government will include NPS – Swavalamban scheme in the advertisements being released by them under PMJDY.

* + 1. **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.

**17.2.7: Implementation of ‘PAHAL’ (DBTL scheme):**

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

Director (FI) directed the Banks to access the NTC / Bank View portal of MoPNG to download details of customers with telephone numbers, where Aadhar is available in LPG distributor but not in Bank account and to send SMS of calls for Aadhar seeding.

By proper follow up of these customers Aadhar seeding in Banks can go up significantly. **The gap between LPG seeding and bank seeding should not be more than 10 percent.**

JS (FI) advised banks to reconcile Aadhar number available in bank database and if mandate for customer is **Yes** map the same in NPCI mapper and send such report to mission office.

Banks are advised not to charge any amount from consumers for seeding LPG ID into their bank accounts.

DBTL- Aadhar Seeding position with Bank Accounts as on 17.03.2015

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S.No** | **District** | **No. of LPG Consumers** | **Aadhaar Generation %** | **LPG Aadhaar Seeding As On Date 17.03.2015** | **% LPG Aadhaar Seeding As On Date 17.03.2015** | **Bank Aadhaar Seeding (ATC) As on Date 17.03.2015** | **% Bank Aadhaar Seeding (ATC) As on Date 17.03.2015** |
| 1 | Anantapur | 628018 | 101.46% | 616615 | 98.18% | 554783 | 88.34% |
| 2 | Chittoor | 709800 | 98.42% | 688631 | 97.02% | 650301 | 91.62% |
| 3 | YSR Kadapa | 505720 | 93.78% | 497562 | 98.39% | 467162 | 92.38% |
| 4 | East Godavari | 954282 | 0.14% | 945601 | 99.09% | 920636 | 96.47% |
| 5 | Guntur | 1074979 | 95.73% | 1053120 | 97.97% | 982896 | 91.43% |
| 6 | Krishna | 992267 | 94.64% | 960580 | 96.81% | 846413 | 85.3% |
| 7 | Prakasam | 598461 | 95.64% | 584820 | 97.72% | 528587 | 88.32% |
| 8 | Srikakulam | 300368 | 102.81% | 295987 | 98.54% | 280529 | 93.4% |
| 9 | West Godavari | 833664 | 96.36% | 824437 | 98.89% | 765729 | 91.85% |
| 10 | Kurnool | 626792 | 94.77% | 594234 | 94.81% | 464470 | 74.1% |
| 11 | SPS Nellore | 477901 | 95.06% | 460895 | 96.44% | 394503 | 82.55% |
| 12 | Visakhapatnam | 745697 | 97.02% | 719458 | 96.48% | 619143 | 83.03% |
| 13 | Vizianagaram | 296076 | 97.43% | 285213 | 96.33% | 239864 | 81.01% |
| **Grand Total** | **8744025** |  | **8527153** | **97.52%** | **7715016** | **88.23%** |

**17.2.8. Sansad Adarsh Gram Yojana:**

Department of Financial Services, Ministry of Finance, GoI vide letter F.No.10/333/VIP/2014-FI dated 12.12.2014 informed that villages are being identified & adopted as “Sansad Adarsh Gram” by Hon’ble MPs under “Sansad Adarsh Gram Yojana”. In order to ensure implementation of Pradhan Mantri Jan-Dhan Yojana in “Sansad Adarsh Gram”, it is requested to ensure following:

1. Providing of banking services in each “Sansad adarsh Gram” through bank branch or through a fixed point on line inter operable BC / Kiosk.
2. Close monitoring of implementation of PMJDY in “Sansad Adarsh Gram”
3. Allocation of targets to link branch of “Sansad Adarsh Gram” on various parameters like every adult having a bank account, insurance of Rupay card, saturation of KCC in the village, encouraging SHG/JLG movement & Kisan Club etc. and monitoring thereof.

**17.2.9: Capacity building of Bank Mitras / Business Correspondents & Business Facilitators (BM/BC/BFs):**

IBA vide letter No. FI/BC/1354 dated February 12, 2015 informed that a large no of accounts have been opened under PMJDY and Comprehensive financial inclusion programme. It is necessary to operationalize and make these accounts viable. The BCs who are agents of the banks are in the fore front of handling these accounts. There are about 2.5 Lakhs of BCs providing banking services in the country. Some field level studies show that the BCs, though well versed with technologies like handling PoS devices, Micro ATMs and Bio metric devices etc., were lacking in knowledge of basic banking products and services. Hence it has been felt that the BCs need to be imparted the desired training.

In this back drop, IBA convened couple of meetings with bankers, IIBF & NABARD to frame the Roadmap for capacity building of BCs. At the meeting this subject was discussed at length and the consensus was that there is an urgent need for Capacity Building of the BCs in the areas of Basic Banking /Financial products & services and it was also felt that all the BCs should be certified by IIBF after a minimum no of days of training.

**Main objectives of training programme are:**

* To Sensitise BCs on the PMJDY and the vision of the Government/Banks.
* To instil important role of BCs in achieving the mission and last mile delivery.
* To make BCs aware of the Challenges in Financial inclusion efforts & skill for handling rural and urban poor.
* To make BCs familiarise with Banking Products and Financial services like micro insurances, micro pensions etc to make available to the target group.
* To Help the BCs to handle their work in an effortless and productive manner.
* To Familiarise BCs about the technology used in their work.
* The training will be of generic in nature. Concerned banks will have to update their BCs on bank specific products and services.

IIBF has been offering training cum examination certificate course to BCs/BFs; hence the Managing Committee of IBA has mandated IIBF to be the certifying body for all BCs under the scheme. The institute is also equipped to offer **Train the Trainer programme (TTPs)** at different locations subject to logistical support of SLBCs sponsoring Banks.

**Broad parameters**

It has been therefore decided to support Capacity Building of BCs/BFs as per the following terms and conditions:

1. Banks to train the BC/BFs through R-SETIs, FLCC & Staff Training Centres/College

2. Training should be for 3 days, preferably on three consecutive Saturdays

3. The course content will be prepared by IIBF and will also include the PMJDY.

4. The training may be imparted in local language.

5. IIBF is **ready to roll out 2 days Train the trainers programmes across state capitals**, subject to the availability of logistical support from respective SLBCs

6. Banks are requested to ensure that **FLCCs and RSETIs in Charge** may be identified as **Trainer** who in turn will conduct training at District level.

7. BCs should be certified by IIBF after a minimum number of days of training.

8. Examination is compulsory to ensure the standard and quality of training and evaluation

 on a Pan India basis and to instil seriousness in the training.

1. In case the candidate fails, he/she has to re-appear and clear the examination. Banks may review performance of such BCs and decide continuance.
2. IIBF will be able to readily offer online MCQ examinations for 100 marks pan India at 256

 centres.

1. IIBF will endeavour to offer online examinations at the RSETIs having sufficient infrastructure. They may take the help of technology partner in this matter.

**SLBC of Andhra Pradesh has organised “Train the Trainer programme” (TTPs) on March 16-17, 2015 at Hyderabad to the officers from RSETIs, FLCs and Faculty of their training establishments.**

* + 1. **Telecom connectivity issues :**

SLBC has furnished the details of villages / SSAs having telecom connectivity issues to DFS and also to TERM cell. TERM Cell has furnished the coverage status of TSP in those centres. They requested Banks to utilize the services of these TSPs since they are providing good connectivity in these areas.

State Mission Director during 2nd State Level Implementation Committee meeting held on 18.02.2015 requested TERM Cell representative to identify the areas where there is no connectivity and make necessary arrangements to provide/improve the connectivity.

**17.2.11 PMJDY – Opening of accounts of unorganized workers:** Department of Financial Services, MoF, GoI vide F.No.1/9/2014-FI (Pt.X) (C-69241) referred Ministry of Labour Employment, D.O.No.19023/01/2014-RW (Pt.1) dated 13.02.2015 and requested banks to organise special camps, coordinate with Industries / Labor department & Industries association for opening of bank accounts of workers / labour. All controlling authorities of banks & LDMs are requested to issue instructions to field units to cooperate with the district administration in opening of bank accounts of unorganized workers if such accounts have not been opened so far and participate in the camps proposed to be held for registration of unorganized workers.

**17.3 Credit plus activities**

**17.3.1. 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 |  19 |
| **Total** | **42** |

(Detailed statement enclosed as **Annexure-30**)

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.

It is observed that at present FLCs are available in 32 Joint Mandals / Blocks out of 177 Joint Mandals / Blocks existing in the state. SLBC has identified and allocated the following banks for opening of FLCs at the 145 blocks, as decided in the 2nd meeting of State Level Implementation Committee of PMJDY held on 18.02.2015.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S.No** | **Bank Name** | **Existing FLCs** | **Proposed FLCs** | **Total** |
| 1 | Andhra Bank | 4 | 25 | 29 |
| 2 | Bank of Baroda | 0 | 3 | 3 |
| 3 | Bank of India | 0 | 4 | 4 |
| 4 | Canara Bank | 0 | 6 | 6 |
| 5 | Central Bank of India | 0 | 3 | 3 |
| 6 | Corporation Bank | 0 | 3 | 3 |
| 7 | IDBI Bank | 0 | 2 | 2 |
| 8 | Indian Bank | 2 | 3 | 5 |
| 9 | Indian Overseas Bank | 0 | 3 | 3 |
| 10 | Syndicate Bank | 5 | 11 | 16 |
| 11 | Union Bank of India | 0 | 4 | 4 |
| 12 | State Bank of Hyderabad | 0 | 11 | 11 |
| 13 | State Bank of India | 2 | 28 | 30 |
| 14 | DCCB | 9 | 19 |  28 |
| 15 | APGVB | 3 | 2 | 5 |
| 16 | APGB | 2 | 9 | 11 |
| 17 | CGGB | 3 | 4 | 7 |
| 18 | SGB | 2 | 1 | 3 |
| 19 | HDFC | 0 | 2 | 2 |
| 20 | Vijaya Bank | 0 | 2 | 2 |
|  | **Total** | **32** | **145** | **177** |

Controlling authorities of all banks are requested to initiate steps for opening of the FLCs as per the allotment. LDMs are advised to monitor the progress during DCC meetings.

**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 December, 2014 is enclosed as **Annexure.No.31**

Report of Financial Literacy activities conducted by FLCs for the quarter ended December, 2014 is enclosed as **Annexure.No.32**

**17.3.2. 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 28.02.2015 is enclosed as **Annexure.No.33**

**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.  |

**Reimbursement of pending claims of expenditure to Institutes:**

It is given to understand that the expenditure claims pertaining to the financial years 2011-12, 2012-13 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 Feb. 2015 |
| Andhra Bank | West Godavari |  | 3690000 | 1421000 | 3868600 | 2355000 |
| Guntur |  | 385794 | 1842758 | 2808600 | 2584400 |
| East Godavari |  | 2843800 | 1755800 | 4099800 | 3214800 |
| Srikakulam |  | Nil | Nil | 3503200 | 2743000 |
| Tirupati |  | Nil | 456752 | 2757800 | 2513600 |
| Nellore |  | Nil | 1757600 | 3116800 | 3094800 |
| Rajam |  | Nil | 4073041 | 7952047 | 6272268 |
| Krishna |  | 3060000 | 1409000 | 2435000 | 2473000 |
| **Total** |  | **9979594** | **12715951** | **30541847** | **25250868** |
| RUDSETI | Anantapuram |  | 144000 | 873800 | 2042400 | 2347200 |
| Prakasam | 2182050 | 2211100 | 450712 | 1743600 | 2413800 |
| **Total** | **2182050** | **2355100** | **1324512** | **3786000** | **4761000** |
| State Bank of India | Visakhapatnam |  | Nil | 808000 | 2592200 | 2218600 |
| Vizianagaram |  | o | 1060000 | 2538800 | 2353600 |
| **Total** |  | **Nil** | **1868000** | **5131000** | **4572200** |
| Syndicate Bank | Kadapa |  | 213107 | 463600 | 1824800 | 1442000 |
| Kurnool |  | Nil | 823200 | 2367200 | 1754400 |
| **Total** |  | **213107** | **1286800** | **4192000** | **3196400** |
| Indian Bank | Chittoor  |  | 0 | 646000 | 1417600 | 1372400 |
|  | **Total** |  | **0** | **646000** | **1417600** | **1372400** |
| **Grand Total** | **2182050** | **12547801** | **17841263** | **45068447** | **39152868** |

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

**Renaming LAC of RSETIs as District Advisory Committee of RSETIs:**

Ministry of Rural Development (NRLM Division), Government of India vide Lr.No.I-12011/27/2013-NRLM (RSETI) dated 20th January, 2015 directed to state that consequent upon the reconstitution of the Local Advisory Committee (LAC) of RSETIs with the District Collector as Chairperson (vide this Ministry’s communication of even number dated September, 2013), the issue of renaming the LAC, so that the new name can convey the importance of RSETIs, was under active consideration of this Ministry. It has now been decided by the Competent Authority that the LAC be renamed as **District Level RSETI Advisory Committee (DLRAC).** As such, henceforth, the LAC shall be termed as DLRAC in all the official communications.

**17.3.3. 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**

 **17.4.1 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**

**18.1 Implementation of High level Committee Recommendations- progress Report as on December, 2014**

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

* Banking channels are to be provided in all Sub Service Areas mapped
* 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
* Extending of credit to RSETI trained candidates
* Industry Associations are being used in the entrepreneurship education programmes.
* Education 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.

**18.2 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/DLRC 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.

**All the LDMs are advised to submit the DCC/DLRC meetings calendar for the year 2015 immediately to RBI under advise to SLBC.**

**18.3 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.

**18.4. 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.

**18.5. 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.

**18.6 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.

**18.7. 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**

**19.1 Overdue/NPA position as on 31.12.2014 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  | 9647091 | 71149 | 4373127 | 29701 | 29701 | 1337770 | 3354 |
| Agrl.Term Loans Including Agrl. Allied Activities Advances | 1829028 | 21289 | 613729 | 6224 | 3349 | 257630 | 2183 |
| Agril. And Allied-Indirect | 63844 | 5477 | 12834 | 568 | 275 | 6805 | 243 |
| Total Agriculture Advances | **11539963** | **97915** | **4999690** | **36493** | **33325** | **1602205** | **5780** |
| SSI/MSE Sector Advances | 692132 | 28663 | 203536 | 7299 | 3398 | 89224 | 1923 |
| Others under Priority Sector Advances | 827808 | 22785 | 151029 | 4649 | 1319 | 74138 | 949 |
| Total Priority Sector Advances | **13059903** | **149363** | **5354255** | **48441** | **38042** | **1765567** | **8652** |
| Non-priority sector loans | 3493657 | 62018 | 373256 | 10450 | 5808 | 170259 | 4000 |
| Total Advances | **16553560** | **211381** | **5727511** | **58891** | **43850** | **1935826** | **12652** |
| Education Loans Advances  | 137301 | 2963 | 26960 | 619 | 231 | 11009 | 215 |
| Housing Loans Advances  | 338805 | 15882 | 74530 | 3413 | 679 | 35551 | 490 |
| Self Help Groups Advances  | 789371 | 13844 | 177195 | 2174 | 1112 | 96660 | 888 |

(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 31.12.2014 |
| 1 | APGVB | 230 |
| 2 | APGB | 459 |
| 3 | CGGB | 152 |
| 4 | S G B  | 167 |
|  | **Total** | **1008** |

**Deposits:**

(Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 31.12.2014 |
| 1 | APGVB | 2116.07 | 2530.97 |
| 2 | APGB | 5947.98 | 7486.16 |
| 3 | CGGB | 1537.56 | 1854.11 |
| 4 | SGB | 2523.63 | 2956.37 |
|  | **Total** | **12125.24** | **14827.61** |

**Advances**

 **(**Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 31.12.2014 |
| 1 | APGVB | 2038.82 | 2087.85 |
| 2 | APGB | 7496.86 | 7866.65 |
| 3 | CGGB | 1853.81 | 2299.52 |
| 4 | S G B | 3271.86 | 3595.00 |
|  | **Total** | **14661.35** | **15849.02** |

**CD Ratio**

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 31.12.2014 |
| 1 | APGVB | 96.35 | 82.49 |
| 2 | APGB | 126.04 | 105.08 |
| 3 | CGGB | 120.57 | 124.02 |
| 4 | S G B  | 129.65 | 121.60 |
|  | **Total** | **120.91** | **106.89** |

**Total Advances**

 (Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | Outstanding  | Total Agriculture  |
| 31.03.2014 | 31.12.2014 | 31.03.2014 | 31.12.2014 |
| 1 | APGVB | 2038.82 | 2087.85 | 1124 | 1223.69 |
| 2 | APGB | 7496.86 | 7866.65 | 5710 | 5315.39 |
| 3 | CGGB | 1853.81 | 2299.52 | 1501 | 1925.26 |
| 4 | S G B  | 3271.86 | 3595.00 | 2270 | 2451.99 |
|  | **Total** | **14661.35** | **15849.02** | **10605** | **10916.33** |

**Total Agricultural Advances**

(Rs. in crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | Short Term Production Loans | Agrl. Term Loans  |
| 31.03.2014 | 31.12.2014 | 31.03.2014 | 31.12.2014 |
| 1 | APGVB | 703 | 693.81 | 421 | 529.88 |
| 2 | APGB | 3511 | 3543.51 | 2199 | 1767.21 |
| 3 | CGGB | 1255 | 1613.47 | 246 | 311.79 |
| 4 | S G B  | 1684 | 1843.20 | 586 | 577.06 |
|  | **Total** | **7153** | **7693.99** | **3452** | **3185.94** |

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| **AGENDA -21** |

**21.1 Progress of filing of Equitable Mortgage Records on CERSAI:**

Dy. Registrar & COO, CERSAI vide letter CERSAI/DR/2015/681 dated 07.01.2015 requested all banks to submit the data to SLBC about registration with CERSAI in the following format.

Progress of filing of Equitable Mortgage Records on CERSAI:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S.No | Name of the Bank / FI | Whether Registered with CERSAI (Y/N) | Total number of equitable mortgages taken by the Bank from its borrowers during the quarter | No. of records uploaded on CERSAI portal during quarter | Of (5) no of Subsisting mortgages | Whether filing of subsisting mortgages completed Y/N | If answer of (7) is No then subsisting mortgages left to be registered | Expected date of completion of filing of subsisting mortgages |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

Controlling authorities of all banks are requested to furnish the data to SLBC to place an agenda item in the ensuing SLBC meeting for review.

**21.2 Need for a CERSAI like system for Vehicle Loans: (Issue raised by Canara Bank)**

The incidence of quick mortality accounts and frauds are on the rise under Vehicle Loans. The contributing factors for such incidences by and large are found to be the following:

* Collusion between the borrower and the dealer. The loan proceeds are misutilized.
* Borrowers take delivery of the vehicle and register with RTO authorities in other names.
* Borrowers do not disclose the lien of the bank on the vehicle and the lien is not recorded in the registers of RTO.
* Opening of the fictitious accounts of dealers with other Banks and misusing the loan proceeds by crediting the DDs to these accounts.
* Using the fabricated lien cancellation request letter of banks, borrowers get the lien cancelled and sell the vehicles.

As such, if there is a system in place on the lines of CERSAI for noting / cancellation of Lien by Banks / NBFCs in the WEB Portal of State Transport authority / RTOs against payment of stipulated fees, most of the above problems can be resolved. This will be possible only if the State Road Transport authority put in place enabling legislation and software applications / network systems etc on the lines of CERSAI.

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| **AGENDA -22** |

**22.1 Circulars issued by RBI**

1. RBI Cir No.RBI/2014-15/382 dt.02.01.2015 issued guidelines on Roadmap- Provision of Banking Services in Villages with Population below 2000
2. RBI Cir No.RBI/2014-15/417 dt.31.01.2015 issued guidelines on Union Budget-2014-15- Interest Subvention Scheme
3. RBI Cir No.RBI/2014-15/430 dt.28.01.2015 issued guidelines on Dispensing with ‘No Due Certificate’ for lending by banks
4. RBI Cir No.RBI/2014-15/473 dt.18.02.2015 issued guidelines on Credit facilities to Minority Communities – Inclusion of Jain Community under Section 2 (c) of the National Commission of Minorities (NCM) Act,1992
5. RBI Cir No.RBI/2014-15/477 dt.25.02.2015 issued guidelines on Priority Sector Lending – Targets and Classification – Overdraft in PMJDY accounts
6. RBI Cir No.RBI/2014-15/491 dt.05.03.2015 issued guidelines on Housing Loans
7. RBI Cir No. RBI/2014-15/499 dt.13.03.2015 issued guidelines on Priority Sector Lending – Persons with Disabilities (PwD) – Inclusion under Weaker Sections

**22.2 Circulars issued by NABARD**

1. NABARD Cir No.252/DoR-GSS-60/2014 dt.17.12.2014 issued guidelines on the scheme of Ministry of New and Renewable Energy, GoI for promoting solar photovoltaic water pumping systems for irrigation purpose.