***Proceedings of 199thMeeting of***

***STATE LEVEL BANKERS` COMMITTEE OF***

***ANDHRA PRADESH***

***(16thSLBC meeting of Reorganized Andhra Pradesh State)***

**Date: 16.06.2017 - Time: 10.00AM**

**Venue: Conference Hall, Building No.1,**

**A.P. Secretariat, Velagapudi**

**STATE LEVEL BANKERS` COMMITTEE OF Andhra Pradesh**

**CONVENOR ANDHRA BANK**

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**The 199th Meeting of SLBC of Andhra Pradesh was conducted on 16.06.2017 at A.P. Secretariat, Velagapudi at 10.00A.M.**

The Meeting commenced with welcome address by Convenor, SLBC.

Sri N Chandrababu Naidu, Hon’ble Chief Minister of AP has attended the meeting as Chief Guest. The detailed list of participants is enclosed.

1. **Sri Suresh N Patel, MD & CEO, Andhra Bank & President, SLBC of AP** congratulated the Hon’ble Chief Minister of Andhra Pradesh for receiving award as “Transformative Chief Minister” during his visit to US.

He congratulated GoAP for taking following initiatives for better implementation & monitoring of various programmes which are first of their kind among all states.

* AP Web Land Portal
* Loan Charge Creation Module
* Online OBMMS Portal for State Government Sponsored Schemes
* Cashless AePDS implementation.

**President, SLBC** highlighted on the following aspects:

* The model of AP Land Licensed Cultivators Act implemented in the state is well appreciated and there is a need to sustain the structure for long time.
* He requested the controllers to guide the branches suitably and implement the Government Sponsored schemes successfully. The progress should be reviewed in DCC/JMLBCs.
* Contact the farmers before harvest season & sensitize for repayment of loans and avail benefits of interest subvention & other state Government benefits during weekly visits.

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

**2.0 Hon’ble Chief Minister of Andhra Pradesh released the State Credit Plan for the year 2017-18.**

**Convener, SLBC of AP** presented the highlights of ACP 2017-18.

* An amount of Rs.1,66,806 Crores is projected as Total Plan outlay for the year 2017-18. Out of which Rs.1,26,806 Crores towards Priority Sector Advances and Rs.40,000 Crores towards Non Priority Sector Advances is projected.
* Under Agricultural Sector an amount of Rs.87,471 Crores is projected. The allocation under agriculture is 44% more than suggested allocation under Ground Level Credit allotted to AP by NABARD as per Union budget 2017-18.
* An amount of Rs.63,106 Crores is projected under Short Term Production Loans.
* An amount of Rs.6,311 Crores is projected under Short Term Production Loans for finance to tenant farmers which is 10% of the total short term credit.
* Overall credit projection of Rs.24,365 crore has been made under Agriculture term / investment credit with a share of 27.85% of total agricultural credit, so that the resultant capital formation leads to sustained growth of agriculture, as required to ensure food security.
* An amount of Rs.25,000 Crores is projected under the sector for the year 2017-18 duly taking Standup India programme of GoI in to consideration.
* An amount of Rs.11,122 Crores is projected for Micro Enterprises, Rs.11,145 Crores is allocated for Small Enterprises and Rs.2,733 Crores is allocated for Medium Enterprises.
* An amount of Rs.8,500 Crores is earmarked for Housing Sector and Rs.2,155 Crores for Education Loans.

The forum accepted the Annual Credit Plan 2017-18 for implementation.

**Hon’ble Chief Minister** suggested to banks to execute an action plan for implementation and to ensure timely lending for better utilization of funds.

**(Action: All Banks, All Government Departments & LDMs)**

**3.0 Sri N. Chandrababu Naidu, Hon’ble Chief Minister of A.P** highlighted on the following aspects:

* The agriculture sector is largely dependent on credit. The bankers should provide loans to all eligible persons and work in a way to double the farmers’ income.
* All cultivators should get the credit from banks, so that farmers need not borrow at higher interest rates from private money lenders.
* Government has developed ‘Plantix App and Plantix image recognition to detect plant pests & diseases and to suggest remedial measures.
* Government has established a warning system by using technology, even to identify the probable place expected to be hit by thunderbolt, 45 minutes in advance.
* Horticulture, Livestock & Aqua culture having huge potential in the state and more focus should be given to these sectors apart from Agriculture activity.
* Agro Processing is to be promoted in a big way by establishing FPOs.
* Government is planning to mitigate dry spell and to overcome any drought situations in the state by effective implementation of Raingun technology & Mobile Irrigation and monitoring ground water, rainfall, weather forecasting, temperature, pollution etc., on real time basis.
* Desired coordination between Government & Banks is required for implementation of Government sponsored schemes.
* Government has developed Gnana Bhoomi Portal for welfare departments.
* Government has also developed MSME common Portal.
* Government is planning to organize Core Committee meeting at every 10 days interval to review & monitor the progress in achieving the set goals. He advised RBI, SLBC & Banks to join in the core committee meeting. First of such meeting is scheduled on 28th June, 2017.

**(Action: all Banks, SLBC, LDMs &GoAP)**

1. **Ms Anjana Dube, DDG, DFS, GOI,** expressed her happiness towards implementation of digital platforms in the state and highlighted on the following aspects:
* Focus is required in achieving 100% seeding of Aadhaar & Mobile in operative savings accounts.
* Performance under Pradhan Mantri Mudra Yojana & Stand Up India in the state is to be improved.
* Implementation of Direct Benefit Transfer following the Aadhaar& IT Acts for protection of individual privacy data while integrating schemes with Aadhaar.

**(Action: all Banks, Govt. Departments & LDMs)**

1. **Sri R Subramanian, Regional Director, Reserve Bank of India** appreciated the forum for vibrant discussion and flagged the following.
* In the state of Andhra Pradesh Banks have registered 20% growth in deposits & 12.82% growth in Advances during 2016-17.
* Andhra Pradesh is one of the states having highest CD ratio in the country with more than 100% which proves the good potential for credit absorption.
* He assured that RBI will work in good coordination with Banks & Government for achieving targets.
* To emphasize the importance of financial literacy, RBI has conducted Financial Literacy Week across the country focusing KYC, Exercising Credit Discipline, Grievance Redressal and Going Digital (UPI and \*99#).
* Under Stand-Up India Scheme, banks may sanction loans to SC/ST/Women entrepreneurs to increase their income generation capacity. He said that the performance under Stand up India is very poor and need improvement.
* To address the issue of delayed payment to MSMEs, RBI has released the guidelines for setting up and operating the Trade Receivables Discounting System (TReDS).
* Credit flow to minorities and education sectors were observed to be very low and banks were advised to increase credit flow to minorities as per the guidelines.

 **(Action: all Banks & LDMs)**

**6.0 Sri VVV Satyanarayana, Chief General Manager, NABARD** stated that:

* Water Campaign launched by NABARD covering over 5000 villages in ten districts across the State and requested the District Level Committees headed by the District Collectors to review the Action Plans and take the movement forward.
* On promotion of credit, he underscored the need to focus on reaching the unreached through the JLGs especially through the tenant farmers. In view of the ensuing busy crop season, he requested the bankers to scale up financing to the farmers.
* In the context of improving Capital formation, to take the Area Development Scheme (ADS) strategy on cluster basis as also sectoral Development Plans.
* Promotional initiatives taken by NABARD under it’s Watershed and Tribal development projects, present adequate credit opportunities to the banks.
* He emphasized the need to support the Farmers Producer Organizations.
* He urged upon the bankers to support Bee Keeping as a service activity to improve productivity.
* He requested the banks to submit the utilization certificates under Government sponsored programmes and refund the subsidy in respect of the ineligible projects.
* He advised the LDMs to log into the website regularly and review the progress under Stand up India scheme.
* NABARD has commenced the process of preparation of Potential Linked Credit Plan (PLPs) and solicited the co-operation of all the banks and especially the LDMs for timely preparation of the plans.

**(Action: all Banks& LDMs)**

**7.0 Sri GSV Krishna Rao, Circle General Manager & Convener, SLBC** has taken up the agenda items for discussion.

**7.1** The minutes of **198th SLBC meeting** held on **March 30, 2017** and other meetings conducted up to 24.05.2017 were approved by the house.

**7.2 Action Taken Report of earlier SLBC Meetings:**

**7.2.1 Simplification of procedure of creation of Charge / Mortgage of land with no registration charges: Convenor, SLBC** requested Finance department for resolution of the issue.

**(Action: Finance (IF), GoAP)**

**7.2.2 Allotment of sites for construction of own buildings of RSETIs: Convenor, SLBC** requested Government for allotment of sites at Chittoor & Visakhapatnam & allotment order for Guntur RSETI.

**Special Chief Secretary & CCLA, GoAP** informed that CCLA has recommended for allotment of site on long term lease basis and advance possession was given. The other formalities will be completed in a month’s time and requested SLBC to drop this item for discussion in the ensuing SLBC meeting regarding Guntur and Visakhapatnam.

**(Action: CCLA, GoAP)**

**7.2.3 Vaddi Leni Runalu and Pavala Vaddi Scheme: Convenor, SLBC** requested the Agriculture department to reimburse the pending claims under Vaddi Leni Runalu and Pavala Vaddi Schemes for the year 2013-14 and subsequent years.

**Sri C KutumbaRao, Vice Chairman, AP State Planning Board, GoAP** advised SLBC to convene a meeting to settle the issue of reimbursement of pending claims under VLR.

**(Action: SLBC, Banks &Agril. Department)**

**7.2.4 Power Consumption by BCs- request for charging of domestic tariff: Convenor, SLBC** requested Government to review and restore the domestic tariff towards the power consumed at the Bank Mithra (BM) locations as the activity undertaken by them is not a commercial activity.

**(Action: Finance (IF), GoAP)**

**7.2.5 Extending relief measures to Emu farmers: Vice Chairman, AP State Planning Board, GoAP** informed that the proposal is under consideration.

**(Action: Finance (IF), GoAP)**

**7.3 Agriculture Sector:**

**7.3.1 Finance to Tenant Farmers:**

**Special Chief Secretary & CCLA, GoAP** informed that;

* A.P Licensed Cultivator Act and Rules, 2011 was formulated to provide loan and other benefits eligibility card to the farmers who raise crops with express or implied permission of owner or pattadar of land.
* LEC cards are issued by Revenue Department whereas Certificate of Cultivation is issued by Agriculture Department.
* State Government has developed Web Land Portal and as of now 98% land records were computerised and at present any person can verify the land records in website and send request for correction of records too on the website. Some of the Bankers are not utilizing this module and requested to take advantage of the same.
* Department has also created a URL link in Portal for branches to send a request to Tahsildar for correction of land records.
* He requested banks to utilize the Loan Charge Creation module to avoid duplication of loans and mandatorily enter the charge in the web land portal.

**Sri Somireddy Chandra Mohan Reddy, Hon’ble Minister for Agriculture, GoAP** expressed his concern and desired that Tenant Farmers shall be enabled to access credit from the public financial institutions and to claim benefits of input subsidy, crop insurance, compensation for damage to crop and for matters incidental there to. Banks are requested to ensure adequate thrust to be given to finance tenant farmers and to genuine cultivators.

**Secretary, Finance (IF), GoAP** opined that;

* Banks to play a proactive role in financing to tenant farmers.
* The disbursement target fixed for Tenant Farmers is a minimum of 10% out of total short term Agriculture credit and there is no upper cap for extending finance.
* Banks also extend finance to Tenant farmers in JLG/RMG mode and requested Insurance Companies to cover under Crop Insurance scheme. NABARD is requested to initiate proactive steps in this regard.

**Convenor, SLBC** presented Key Recommendations of High Level Committee Meeting held on 07.06.2017 at A.P. Secretariat, Velagapudi on financing to tenant farmers.

Banks are requested to;

1. Extend credit to all eligible LEC/COC holders where the owner farmers have not availed crop loans.
2. Honour the CoC issued by Agriculture Department and extend eligible finance in all cases.
3. Mandatorily enter the loan charge details on Loan charge creation module in AP web land portal on war footing.
4. Explore the possibility of sharing details of all farmers availing agricultural credit on a real time basis. Simplified format will be provided for this purpose by Agriculture Dept, GoAP.
5. Furnish the cases to GoAP where owner farmer already availed crop loan, but a tenant farmer approached for finance with LEC/CoC, which will help in weeding out false beneficiaries from interest subvention scheme.

GoAP is requested to;

* 1. Ensure that land particulars like survey number, name of the owner etc. mentioned in the certificate should tally with the data available with web land portal.
1. Provide additional columns in the Agriculture portal against the details of LEC and CoC issued like name of the bank, branch, loan disbursed & date of sanction and direct the MPEOs to update the details wherever the finance is availed by tenant farmers. Issues, if any, may be brought to the notice of the controlling authorities of the banks and SLBC for resolution.
2. Look into the idea of issuing CoCs to all farmers (both owner farmers and tenant farmers) and extending credit to only CoC holders.
3. Have an institutional mechanism for lending to JLGs/RMGs through the NABARD scheme which will help the tenant farmers in receiving the incentives and other benefits.
4. Look into the model of reimbursing interest subvention amount through DBT (for all the eligible farmers) after verifying the veracity of the declarations/claims made by farmers.
5. Initiate a campaign bringing more awareness among tenant farmers.
6. Constitute a three member Recovery Committee with Branch Manager, MPEO/ AEO and CC of DRDA/ SERP for assisting the branch in recovery of loans financed to tenant farmers in order to instill more confidence in banks regarding this portfolio and easing the burden on banks in recovery.
7. Explore the possibility of issuing CoC in the name of women in the tenant family.

The minutes of the meeting received from Finance (IF), GoAP was communicated to all banks by SLBC vide mail dated 15.06.2017.

**President, SLBC** suggested to banks to furnish the details of overdue & NPA LEC/CoC holders to the department. The department concerned is requested to issue renewal cards wherever tenant farmers are continuing their activity during current season so that banks can renew such loans.

He also advised SLBC to circulate Standard Operating Procedure (SOP) to all banks on financing to Tenant Farmers for proper & uniform implementation in the state.

**(Action: SLBC, NABARD, Insurance Companies, CCLA, Agriculture Dept., Banks & LDMs)**

**7.3.2 Promotion of Credit Linkage for Bee-Keeping: CGM, NABARD** informed that NABARD has organized a State level Workshop at Vijayawada on 27.04.2017 for promotion of credit linkage for Bee keeping for bankers in the state of Andhra Pradesh. He further informed that based on the current level of growth and interest for the activity, Guntur and West Godavari districts can be developed as ‘Role Model districts’ and requested banks to extend credit, adopting cluster approach through SHGs and JLGs. He also requested to consider this activity as a key component under all Horticulture schemes being supported under MIDH.

**Commissioner of Sericulture & Horticulture, GoAP** informed that Bee Keeping project is being successfully implemented in Guntur district by one society. Government wish to implement this project in tribal areas which will also help in cross pollination.

**Representative from KVIC** informed that KVIC is having Honey Mission and requested NABARD to link the project with KVIC and promote through KVIC.

**Ms Anjana Dube, DDG, DFS, GOI,** suggested KVIC to help in marketing of the products through Honey Mission.

**(Action: All Banks, KVIC&NABARD)**

**7.4 MSME Sector:**

**7.4.1 Rationalization of Mortgage Registration Charges: Convenor, SLBC** requested Government to consider rationalization of mortgage registration charges prevailing in the state of Andhra Pradesh as per the recommendation of IBA, based on the observations of Standing Advisory Committee.

**(Action: Industries Department, GoAP)**

**7.4.2 MUDRA & Stand Up India Schemes:**

**President, SLBC** observed that the progress under Stand Up India scheme in the state is negligible and requested the banks to suitably sensitize the branches for sanction of loans under ‘Stand-Up India’ to tribal / dalit / women entrepreneurs through each of their branches and MUDRA by considering all the eligible applications and progress is also to be reviewed at District level. He suggested each bank branch shall sanction two loans under StandUp India scheme during 2017-18 and one of such to be sanctioned before September, 2017.

**CEO, SERP** requested banks to utilize the SHG as platform for implementation and achieving the targets under Mudra & Stand-up India schemes and SERP will provide necessary cooperation required by banks.

**Secretary, Finance (IF), GoAP** requested the banks to extend finance to all eligible individual SHG members under Mudra & Stand-Up India schemes.

**Ms Anjana Dube, DDG, DFS, GOI,** requested banks to encourage both the schemes which will create more employment in the state.

**Commissioner, Fisheries** requested banks to instruct Bank branches to extend necessary finance to fish vendors under Mudra scheme.

**Sri C KutumbaRao, Vice Chairman, AP State Planning Board, GoAP** advised SLBC to collect the information on NPA & overdue position under these sectors for review.

**(Action: all Banks & LDMs)**

**7.4.3 Scheme for Promotion of Enterprise Credit (SPEC): Secretary, Industries & Commerce Department, GoAP** presented the Scheme for Promotion of Enterprise Credit (SPEC) formulated by Government of Andhra Pradesh as a part of overall efforts of Government to improve “Ease of Doing Business” as measured by World Bank and also as part of overall tracking system being set up by Government to track various indicators/needs of MSMEs, namely Investment Grounded, Geo tagging of units, Marketing, Exports, Quality, Skill Development, Revival of Stressed Units, Infrastructure etc.

Secretary also informed that the major components of this scheme are as follows:

* 1. Facilitation Services, as part of which, Government of Andhra Pradesh will provide business plan preparation and credit facilitation services to MSMEs through empanelled consultants at district level.
	2. Enterprise Financing Market place, to enable optimal access to credit for MSMEs. As part of this initiative, ratings of business plans, available collateral and payment histories of utility/tax payments of potential entrepreneurs (if no collateral/credit score is available) will be facilitated through empanelled agencies.
	3. Performance Ratings, for districts and banks

**Action Plan leading up to United Nations Designated MSME Day – 27 June**

Secretary informed the SLBC that United Nations designated 27 June as MSME Day, recognizing the role of MSMEs in achieving sustainable development goals. On this occasion, Government of Andhra Pradesh is launching various MSME initiatives, including setting up a dedicated Corporation for MSMEs.

As part of these initiatives, Secretary informed that SPEC also shall be launched on 27 June 2017 and requested banks to furnish the required information.

**7.5 Pradhan Mantri Awas Yojana (PMAY): Credit – Linked Subsidy Scheme: Convenor, SLBC** requested the Controlling authorities of all banks to issue suitable instructions to the branches under their control and take steps to speed-up the implementation of PMAY- CLSS for Economically Weaker Section (EWS) / Lower Income Group (LIG) / Middle Income Group (MIG).

**7.6 Credit flow to Welfare Schemes: Convenor, SLBC** requested all banks to initiate suitable action to achieve the stipulated target under finance to Minority Communities.

**7.7 Government Sponsored Schemes:**

**Principal Secretary, Social Welfare Department** informed that to bring all the welfare programmes on to a common platform and align the welfare schemes to achieve desired goals, Government has developed a portal and allowed access to all branches to enter sanction details. He observed that the performance is not up to the expected levels. He requested the banks to consider spill over applications of 2016-17 for sanction during present financial year before 30th June, 2017 and ground the units in the month of July, 2017. He further informed that for the financial year 2017-18 portal is to be opened on 21st June, 2017 and Department is proposed to organise orientation programme for bankers.

He flagged the issue of non attendance of Branch Managers for selection committee meetings, non sanction of loans to candidates shortlisted by the committee and uploading of invalid/closed account numbers.

He informed that Government is planning to implement Biometric attendance for Screening-cum-Selection Committee meetings and the system should be integrated into a single platform to help in disbursal of loans, monitoring of beneficiaries and tracking records.

**Secretary, Finance (IF), GoAP** informed that;

* All banks should implement the Government schemes and identify the genuine beneficiaries.
* Finance Department may denotify banks, for placing Government deposits, who have not participated in Government Sponsored schemes.

**GM, FIDD, RBI** requested the Department to consider the following as these were already requested by banks during sub-committee meeting.

* Screening committee for selection of the beneficiary is to be pruned.
* Screening committee should recommend the applications to the branch at 1:2 ratio of their targets under each scheme.

**Principal Secretary, Social Welfare Department** informed that policy decision is required for implementing the suggestions.

**Hon’ble Chief Minister** suggested to discuss the issues in sub-committee meeting.

**Collector, Guntur & VC & MD, BC Finance Corporation** informed that BC Federations are sponsoring credit proposals under MSME sector with financial outlay of Rs.30.00 lakhs each with 50% subsidy component. Since the bank loan component is exceeding Rs.10.00 lakhs, banks are insisting collateral security for sanctioning the proposals. Hence B.C. federation requested banks to take a decision for sanctioning the credit limit of above Rs.10.00 lakhs without insisting on collateral security.

**GM, FIDD, RBI** clarified that banks are mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector. Banks are also advised to extend collateral-free loans up to Rs.10 lakh to all units financed under the PMEGP administered by KVIC. Banks on the basis of good track record and financial position of MSE units, increase the limit to dispense with the collateral requirement for loans up to Rs.25 lakh (with the approval of appropriate authority).

**President, SLBC** suggested to forma Sub Committee and resolve the issue immediately after conclusion of SLBC meeting.

**(Action: SLBC, all Banks, Welfare Departments & LDMs)**

**7.8 Financial Inclusion:**

**7.8.1 Aligning Roadmap for unbanked villages having population more than 5000 with revised guidelines on Branch Authorisation Policy of RBI: Convenor, SLBC** requested controlling authorities of all banks to confirm that CBS enabled banking outlets have been opened in the villages allotted to the respective banks latest by December 31, 2017.

**GM, FIDD, RBI** informed that in the state of Andhra Pradesh, 567 villages have been identified for opening of bank branches of which only 34 were opened as on quarter ended Mar 31, 2017. He requested to take necessary steps to open the branches in the identified villages immediately. RBI vide circular on ‘Rationalisation of Branch Authorisation Policy – Revision of Guidelines’ dated May 18, 2017 revised the guidelines of branch expansion policy / banking outlets.

A ‘Banking Outlet’ for a Domestic Scheduled Commercial Bank (DSCB), a Small Finance Bank (SFB) and a Payment Bank (PB) is a fixed point service delivery unit, manned by either bank’s staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques/ cash withdrawal or lending of money are provided for a minimum of 4 hours per day for at least five days a week.

He advised SLBC to compile and furnish the updated list of all Unbanked Rural Centres before 31st July, 2017 to RBI and display on website.

**(Action: SLBC & all Banks)**

**7.8.2 Atal Pension Yojana: Convenor, SLBC** requested all banks to instruct their branches to achieve the targets allocated as per the category of branches, considering the huge pension coverage gap existing in the country.

**(Action: all Banks)**

**7.8.3 Deployment of BCs:** Convenor, SLBC requested all Banks to;

* Deploy BCs in 609 SSA locations where BCs are inactive / attrition.
* Provide banking facilities either by Bank Branch or by Business Correspondent within the buffer of 5 KM to all uncovered 251 Gram Panchayats in Visakhapatnam District (one of the 35 worst affected LWE districts in the country).

**Commissioner, Rural Development, GoAP** requested the banks to;

* Deploy BCs in 609 SSA locations where BCs are inactive / attrition.
* Banks are also requested to explore the possibility of deploying the BCs in the villages having Brick & Mortar branches where no. of transactions are high.
* Supply adequate cash to Post Offices for wage payments.

**(Action: all Banks)**

**7.8.4 Implementation of AePDS Project by Banks: Convenor, SLBC** informed that some Banks have expressed that while implementing cashless AePDS in the state, banks have incurred huge capital expenditure for implementing AePDS and promote digital transactions in AePS channel. With the issuance of new guidelines by NPCI vide circular dated 03.05.2017, transactions with value of less than Rs.100/- will not be considered for payment of interchange fee and the same are to be treated as merchant transactions which attract MDR.

**Joint Collector, Srikakulam** informed that banks are charging high rate of service charges for doing digital transactions.

**Executive Director, Andhra Bank** opined that the issue has to be taken up with NPCI.

The forum opined that a sub-committee may be formed with Government officials & Banks to discuss and finalize the modalities for implementation of AePDS project.

**(Action: SLBC, Banks & GoAP)**

**7.8.5 Aadhaar& Mobile seeding in Operative individual savings Bank accounts:**

**Ms Anjana Dube, DDG, DFS, GOI,** requested controllers to ensure 100% seeding of Aadhaar & Mobile to operative individual savings bank accounts. Further she advised banks to educate account holders to inform new mobile number if they change their existing mobile number to avoid sending confidential data to others.

**(Action: all Banks)**

**7.9 Other Items:**

**7.9.1 Food Processing sector: Convenor, SLBC** informed that Andhra Pradesh Food Processing Society, Industries & Commerce Department, GoAP vide letter dated 08.06.2017 informed that the State Government is giving top priority for Food Processing sector and identified as a growth engine for development of the state.

Department requested all banks;

a) To issue suitable instructions to the branches to give priority in sanction of term loans to the Food Processing Projects.

b) Include Food processing subject in the syllabus of the training centres of banks and in the orientation programs of field staff. A.P. Food Processing Society will be associating if required in the orientation programs.

**(Action: all Banks)**

**7.9.2 BIRED:** He further informed that Bankers Institute of Rural and Entrepreneurship Development (BIRED) is willing to open a branch of institute at new Capital of Andhra Pradesh and Government is requested to allot site for new branch of BIRED in Capital area.

**Special Chief Secretary & CCLA, GoAP** advised banks to utilize the infrastructure facilities available at Panchayat Raj & Rural development Department at district level for establishing training institutes.

**(Action: RSETI, Sponsored Banks & PR&RD, GoAP)**

**7.9.3 Secretary, Finance (IF), GoAP** informed that National Backward Classes Finance & Development Corporation (NBCFDC) has notionally allocated an amount of Rs.8.00 crores to the State of Andhra Pradesh for disbursement of loans to the target group for the year 2017-18 at a very low interest rate of 4% p.a. to 7% p.a. for income generating self-employment activities and NBCFDC has signed MoU with Andhra Pragathi Grameena Bank. She requested RRB to utilize the funds.

**(Action: APGB)**

**7.9.4 A.P. Scheduled Caste Co-operative Finance Corporation Limited:** Forum has approved revised Annual Credit Plan targets for 2017-18 furnished by the Department.

|  |
| --- |
| Revised Annual Target 2017-18 |
| No. of Beneficiaries | Bank Loan (Rs. in Lakhs) |
| 73815 | 84622.20 |

* 1. **Record of appreciation :**
	2. The committee resolved to place on record the services rendered by Sri VVV Satyanarayana, CGM, NABARD and Shri Vinay Verma, GM, Priority Sector, Andhra Bank Head Office on the eve of demitting office on 31st July 2017 and 30th June 2017 on reaching superannuation.

The meeting concluded with vote of thanks by Sri Mani Palvesan, CGM, SBI to the Chair, other dignitaries and member banks.

Concluded…….

**Summary of Action Points emerged in the meeting**

|  |  |
| --- | --- |
| **S.No** | **Action Point** |
|  | Wednesday village visits by rural & semi urban branches to connect people to improve lending with special focus on term lending contribute to doubling of farmers income  (Action: All Banks) |
|  | Simplification of procedure of creation of Charge / Mortgage of land with no registration charges.(Action: Finance Department, GoAP) |
|  | Extending relief measures to Emu farmers(Action: Department of Animal Husbandry, GoAP) |
|  | Standard Operating Procedure (SOP) to all banks on financing to Tenant Farmers by SLBC for uniform implementation in the state(Action: SLBC) |
|  | Rationalization of Mortgage Registration Charges.(Action: Industries Department, GoAP) |
|  | Compilation of updated list of all Unbanked Rural Centres before 31st July, 2017 and display in SLBC website.(Action: SLBC) |
|  | Sub-committee meeting to be convened to discuss and finalize the modalities for implementation of AePDS project.(Action: SLBC, Banks & Civil Supplies Department,GoAP) |

**Minutes of the sub-committee of SLBC Meeting held on 16.06.2017 at 2.30 PM on Collateral Security norms while sanctioning loans to the BC federations sponsored by GoAP**

As discussed in the 199th meeting of SLBC of Andhra Pradesh held on 16.06.2017 at AP Secretariat, Velagapudi, in the presence of Hon’ble Chief Minister of Andhra Pradesh Sri Nara Chandrababu Naidu, sub-committee meeting was convened immediately after conclusion of SLBC meeting with representatives of RBI and the Lead Banks functioning in the state, to discuss on collateral security norms while extending credit to BC federations sponsored by GoAP under MSME sector. These cases are not to individuals, but to group as done in case of SHGs.

The issue is raised by the District Collector, Guntur and Andhra Pradesh BC Federation brought to the notice of the committee that they are sponsoring credit proposals under MSME sector with financial outlay of Rs.30.00 lakhs each with 50% subsidy component. Since the bank loan component is exceeding Rs.10.00 lakhs, banks are insisting collateral security for sanctioning the proposals. Hence B.C. federation requested SLBC to advise banks for sanctioning the credit limit of above Rs.10.00 lakhs without insisting on collateral security. The President, SLBC has assured Hon’ble Chief Minister that the issue will be discussed immediately after the SLBC meeting by Sub-committee comprising representatives from Banks having Lead bank responsibilities in the state and RBI officials to discuss the issue and accordingly the above meeting is held.

The sub-committee has taken note of the RBI’s Master Direction FIDD. MSME & NFS.3/06.02.31/2016-17 dated 21st July 2016 on the subject. According to para number 4.2. of Master direction of RBI which reads as

“Banks are mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector. Banks are also advised to extend collateral-free loans up to Rs. 10 lakh to all units financed under the Prime Minister Employment Generation Programme (PMEGP) administered by KVIC.

Banks may, on the basis of good track record and financial position of the MSE units, increase the limit to dispense with the collateral requirement for loans up to Rs.25 lakh (with the approval of the appropriate authority).

Banks are advised to strongly encourage their branch level functionaries to avail of the Credit Guarantee Scheme cover, including making performance in this regard a criterion in the evaluation of their field staff”

The committee discussed the matter and resolved to request the controlling authorities of banks operating in the state to accord approval to sanctioning authorities to consider credit proposal to sanction upto Rs.25.00 lakhs without insisting on collateral security under BC federation schemes sponsored by GoAP since in majority of the cases loan component is less than Rs.15.00 lacs. However, banks to take personal guarantee from the individual group members apart from joint & several liability of the group & its members. It is also resolved to take up with Credit Guarantee Corporation to cover these loans under CGTMSE scheme.

**(Action: All Banks)**

**LIST OF PARTICIPANTS**

**CHIEF GUEST**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name of the official****Smt/Shri.** | **Designation** | **Organization/****Department** |
| 1 | N Chandrababu Naidu | Hon'ble Chief Minister of Andhra Pradesh | Govt. of A.P. |

**HON’BLE MINISTERs**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name of the official****Shri/Smt.** | **Designation** | **Organization/****Department** |
| 2 | S Chandra Mohan Reddy | Hon’ble Minister for Agriculture, Horticulture, Sericulture and Agri Processing | Govt. of A.P. |

**MINISTRY of FINANCE, GOVT. OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 3 | Anjana Dube | DDG,Department of Financial Services | Govt. of India |

**SPECIAL INVITEES**

|  |  |  |  |
| --- | --- | --- | --- |
| 4 | C KutumbaRao | Vice-Chairman, AP State Planning Board | Govt. of A.P |
| 5 | Parakala Prabhakar | Advisor | Govt. of A.P |

**SLBC OF A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 6 | Suresh N Patel | Managing Director & CEO, President, SLBC of A.P. | Andhra Bank |
| 7 | A K Rath | Executive Director | Andhra Bank |
| 8 | G S V Krishna Rao | Circle General Manager &Convenor, SLBC of A.P | Andhra Bank |
| 9 | M Bala Bhaskar | Asst. General Manager, SLBC | Andhra Bank |

**RESERVE BANK OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | R Subramanian | Regional Director | Reserve Bank of India |
| 11 | S Subbaiah | General Manager | Reserve Bank of India |
| 12 | M S Harishankar | Asst. General Manager | Reserve Bank of India |

**NABARD**

|  |  |  |  |
| --- | --- | --- | --- |
| 13 | V VV Satyanarayana | Chief General Manager | NABARD, AP RO |
| 14 | K Suresh Kumar | General Manager | NABARD, AP RO |
| 15 | R Shankar Narayan | Dy. General Manager | NABARD, AP RO |

**OFFICIALS - GOVT. OF A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 16 | Anil Chandra Punetha, IAS | CCLA & Special Chief Secretary | Govt. of AP |
| 17 | Manmohan Singh, IAS | Special Chief Secretary, Animal Husbandry, Dairy Development and Fisheries | Govt. of A.P |
| 18 | J S V Prasad, IAS | Special Chief Secretary, Agriculture (FAC) | Govt. of A.P |
| 19 | G Sai Prasad, IAS | Principal Secretary to Hon’ble Chief Minister | Govt. of A.P |
| 20 | R P Sisodia, IAS | Principal Secretary, Tribal Welfare | Govt. of A.P |
| 21 | Shamsher Singh Rawat, IAS | Principal Secretary, Social Welfare | Govt. of A.P |
| 22 | Girija Shankar, IAS | Secretary to Hon’ble Chief Minister | Govt. of A.P |
| 23 | K. Sunitha, IAS | Secretary, Finance Department | Govt. of A.P |
| 24 | Solomon Arokiaraj, IAS | Secretary, Industries Department | Govt. of A.P |
| 25 | I S SNaresh, IAS | Secretary,Handlooms & Textiles | Govt. of A.P |
| 26 | A V Rajamouli, IAS | Addl. Secretary to Hon’ble Chief Minister | Govt. of A.P |
| 27 | M HariJawaharLal, IAS | Special Commissioner, Agriculture | Govt. of A.P |
| 28 | Rama SankarNaik, IAS | Commissioner of Fisheries | Govt. of A.P |
| 29 | B Ramanjaneyulu, IAS | Commissioner, Panchayat Raj & Rural Development | Govt. of A.P |
| 30 | M V Seshagiri Babu, IAS | Commissioner, Disaster Management | Govt. of A.P |
| 31 | K Harsha Vardhan, IAS | MD, AP BC Corporation | Govt. of A.P |
| 32 | Chiranjiv Choudhary, IFS | Commissioner & EO Secretary, Horticulture & Sericulture | Govt. of A.P |
| 33 | Dr. P Krishna Mohan | CEO, SERP | Govt. of A.P. |
| 34 | P Chinna Thataiah | MD, MEPMA | Govt. of A.P |
| 35 | Dr. R Amarendra Kumar | M.D., AP State Kapu Welfare & Development Corporation Ltd. | Govt. of A.P. |
| 36 | B V Bala Yogi | MD, TRICOR  | Govt. of A.P |
| 37 | K S R Raju | Addl. Director, Fisheries | Govt. of A.P |
| 38 | N Prasada Rao | CGM, APSFC | Govt. of A.P |
| 39 | Rajendra Kondepati | Executive Director, MSME, Industries Department | Govt. of A.P |
| 40 | M Caleb | General Manager, AP SC Co-op Finance Corporation Ltd. | Govt. of A.P |
| 41 | Y V Bhaskara Rao | General Manager, AP State Housing Corporation  | Govt. of A.P |
| 42 | Md. Liyakhat Ali | General Manager, AP State Minorities Finance Corporation | Govt. of A.P |
| 43 | P Muralidhar | Dy. General Manager, TRICOR | Govt. of A.P |
| 44 | Sridhar | Joint Director, Agriculture | Govt. of A.P |
| 45 | U Chiranjeevi | OSD, Finance Department | Govt. of A.P |
| 46 | P Nagarjun | OSD (Technical), Ry. S.S. | Govt. of A.P |
| 47 | P Krishna Rao | OSD, Ry. S.S. | Govt. of A.P |
| 48 | M Kesava Kumar | Project Manager, SERP | Govt. of A.P |
| 49 | V S Sarma | Integrator, AP Brahmin Welfare Corporation | Govt. of A.P |
| 50 | V Kama Raju | Accounts Officer (FAC), Welfare of Differently Abled & Senior Citizens | Govt. of A.P |
| 51 | M Manohar | Consultant, Finance Department | Govt. of A.P |

**OFFICIALS – GOVT. OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 52 | E V Rao | Director, Postal services | Govt. of India |
| 53 | B S A Murthy | Joint General Manager, HUDCO | Govt. of India |
| 54 | T V Mallikarjunudu | Asst. Director General, TERM Cell, DoT | Govt. of India |
| 55 | P Sreeja | Regional Resident Representative, National Housing Bank | Govt. of India |
| 56 | G Giridhar | State Resource Person, UIDAI | Govt. of India |
| 57 | K V SanjeevaRao | Asst. Director / Nodal Officer, KVIC | Govt. of India |

**PUBLIC SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 58 | Mani Palvesan | Chief General Manager | State Bank of India |
| 59 | Vinay Verma | General Manager | Andhra Bank |
| 60 | S P Sharma | General Manager | Syndicate Bank |
| 61 | G Sampath Kumar | General Manager | SIDBI |
| 62 | D Chandra Mohan Reddy | Dy. General Manager | Andhra Bank |
| 63 | B K Sarangi | Dy. General Manager | Allahabad Bank |
| 64 | M SeshagiriRao | Dy. General Manager | Bank of Baroda |
| 65 | D V Reddy | Dy. General Manager | Bank of India |
| 66 | N Ram Babu | Dy. General Manager | Bank of Maharashtra |
| 67 | K Suseela | Dy. General Manager | Canara Bank |
| 68 | VinodPophale | Dy. General Manager | Central Bank of India |
| 69 | Ashwin H Dalal | Dy. General Manager | Dena Bank |
| 70 | P Sundarayya | Dy. General Manager | Indian Bank |
| 71 | U Sadananda Murthy | Dy. General Manager | Indian Overseas Bank |
| 72 | K S Anbalagan | Dy. General Manager (Agri) | State Bank of India |
| 73 | Naina Bhatia | Dy. General Manager (FI & MF) | State Bank of India |
| 74 | Dr. K Ravindranath | Dy. General Manager | Union Bank of India |
| 75 | Joseph L Tobias | Dy. General Manager | United bank of India |
| 76 | D R Sharma | Dy. General Manager | UCO Bank |
| 77 | M V Swamy | Asst. General Manager | Andhra Bank |
| 78 | M JagannathaSwamy | Asst. General Manager | Andhra Bank |
| 79 | D V Srinivas | Asst. General Manager | Corporation Bank |
| 80 | N Chakradhar Kumar | Asst. General Manager | IDBI Bank |
| 81 | A UdayaBhaskar Reddy | Asst. General Manager | Punjab National Bank |
| 82 | K ChittiBabu | Asst. General Manager | State Bank of India |
| 83 | S KanthaRao | Asst. General Manager | Vijaya Bank |
| 84 | ArjunMajumdar | Chief Manager | Oriental Bank of Commerce |
| 85 | B S R K Prasad | Senior Manager | Punjab & Sind Bank |

**REGIONAL RURAL BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 86 | A Venkata Reddy | Chairman | APGB, Kadapa |
| 87 | B SuriBabu | Chairman | SGB, Chittoor |
| 88 | B V Ramana | Chief Manager | CGGB, Guntur |
| 89 | G Baswanth Reddy | Senior Manager | APGVB, Warangal |

**APCOB**

|  |  |  |  |
| --- | --- | --- | --- |
| 90 | K S M Lakshmi | Managing Director | APCOB |

**PRIVATE SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 91 | C Doraswamy | General Manager | Catholic Syrian Bank Ltd. |
| 92 | Ch. SreenivasaRao | Dy. Vice President | AXIS Bank Ltd. |
| 93 | G Ajit Kumar | Dy. Vice President | RBL Bank Ltd. |
| 94 | P Suresh | Chief Manager | Coastal Local Area Bank |
| 95 | K Satyanarayana | Chief Manager | Dhanalaxmi Bank Ltd. |
| 96 | Namburu Rama Krishna | Chief Manager | ICICI Bank Ltd. |
| 97 | J Prabhakaran | Chief Manager | Tamilnad Mercantile Bank |
| 98 | VasudevanPotti V | Asst. Vice President | Federal Bank Ltd. |
| 99 | Naga Sudheer Raja K | Senior Manager | Karnataka Bank Ltd. |
| 100 | M SudheerChowdary | Manager | KarurVysya Bank Ltd |
| 101 | T Radha Krishna | Branch Manager | IDFC Bank Ltd. |
| 102 | K Sayajee | Deputy Manager | City Union Bank Ltd. |
| 103 | K Gopinath | Deputy Manager | DCB Bank |

**LEAD DISTRICT MANAGERS**

|  |  |  |  |
| --- | --- | --- | --- |
| 104 | M SudarshanRao | L.D.M, Guntur | Andhra Bank |
| 105 | P VenkateswaraRao | L.D.M., Srikakulam | Andhra Bank |
| 106 | B V Subrahmanyam | L.D.M., East Godavari | Andhra Bank |
| 107 | A Srinivasulu | L.D.M. (I/c), West Godavari | Andhra Bank |
| 108 | R Rama Mohan Rao | L.D.M., Chittoor | Indian Bank |
| 109 | G Venkateswara Reddy | L.D.M., Krishna | Indian Bank |
| 110 | TavvaGuruvaiah | L.D.M., Vizianagaram | State Bank of India |
| 111 | G L Suresh | L.D.M., Anantapur | Syndicate Bank |
| 112 | V Mohan | L.D.M., Kurnool | Syndicate Bank |
| 113 | Anjaneya Chari J. | L.D.M., Kadapa | Syndicate Bank |
| 114 | B VenkatRao | L.D.M., Nellore | Syndicate Bank |
| 115 | M NarasimhaRao | L.D.M., Prakasam | Syndicate Bank |
| 116 | J L N Murthy | Officer, LDM Office, Visakhapatnam | State Bank of India |

**INSURANCE COMPANIES**

|  |  |  |  |
| --- | --- | --- | --- |
| 117 | A Muralidhar | Divisional Manager | National insurance Co. Ltd. |
| 118 | B V Suryanarayana | Chief Manager | AIC of India |
| 119 | P Vishnu Vardhan | Area Manager | ICICI Lombard  |
| 120 | Dr. P M Rao | Manager | New India Assurance Co. Ltd. |

**OFFICERS FROM SLBC**

|  |  |  |  |
| --- | --- | --- | --- |
| 121 | Vunnam Rajesh | Senior Manager | Andhra Bank |
| 122 | T Paavani | Senior Manager | Andhra Bank |
| 123 | N Anil Babu | Manager | Andhra Bank |
| 124 | Ashok B Adur | Asst. Manager  | Andhra Bank |
| 125 | R NageswaraRao | Asst. Manager | Andhra Bank |
| 126 | K Mohan Mani Krishna | Asst. Manager | Andhra Bank |