

166th SLBC MEETING

Date : 13.07.2009



**STATE LEVEL BANKERS' COMMITTEE OF A.P
CONVENOR :: ANDHRA BANK**

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**BANKING AT A GLANCE IN ANDHRA PRADESH
(As on 31.03.2009)**

Total Number of bank branches (Nos)	6,999
Rural	2,733
Semi Urban	1,754
Urban	1,601
Metro	911

Total Deposits in the State (Rs. Crores)	2,05,899
Total Advances in the State (Rs. Crores)	2,10,294
Credit Deposit Ratio (60%)	102.13%

CREDIT DEPOSIT RATIO				
	Below 50% No. of banks	50%-75% No. of banks	75%- 100% No.of banks	ABOVE 100% No of banks
Nationalised Banks	-	1	1	17
Co-op. banks	-	-	-	1
State Bank Group	-	1	2	4
Pvt.Sector Banks	3	1	4	10
Regional Rural Banks	-	-	2	3
Total	3	3	9	35

No. of Un banked Mandals	7
No. of Mandals where only one bank branch is functioning	109

Total Priority Sector Advances (Rs: Crores)	1,00,325
% of Priority Sector Advances to Net Bank Credit (RBI Norm 40%)	47.71%

Outstanding Priority Sector Advances (Rs. In Crores)	
Agricultural Advances (Rs. Crores)	51,487
% of Agrl. Advances to NBC (RBI norm 18%)	24.48%
SSI & Rural Artisans (% to Net Banking Credit)	21,128 10.05%
Other Priority Sector Advances (% to Net Banking Credit)	27,710 13.18%
Educational Loans	4,198 (2%)
Housing loans	19,835(9.43%)
Others	3,677(1.75%)
Total Priority Sector Advances	1,00,325
SHGs outstanding	9,837

AGENDA AND BACKGROUND NOTES

166th SLBC MEETING Of Andhra Pradesh (13.07.2009)

Agenda item No. 01

Adoption of Minutes of the 164th & 165th SLBC meeting held on 12th Nov., 2008 and 26th December, 2008.

The minutes of the meeting and Action Points emerged in the meeting circulated to all the members of the SLBC vide Ir. No. 666/30/ 219/447 dt. 03.12.2008 for 164th and Ir.no. 666/30/219/536 dt.30.12.2008 for 165th SLBC..

Action: House may approve the minutes of the above meetings.

Agenda item no. 02

Adoption of Minutes of the Steering Committee and Other meetings of the SLBC held after 4th November, 2008

Action: House may approve the minutes of the above meetings.

Agenda item: 3:**BANKING KEY INDICATORS OF ANDHRA PRADESH****As on 31.03.2009**

S.NO	PARTICULARS	As on 31.03.2007	As on 31.03.2008	As on 31.03.2009
1.	Number of Branches			
	Rural	2853	2769	2733
	Semi urban	1409	1549	1754
	Urban	1350	1452	1601
	Metro	635	771	911
	Total	6247	6541	6999
2.	Deposits (Rs: Crores)	1,33,817	1,60,990	2,05,899
3.	Incremental deposits (Rs. crores)	12,899 (10.67%)	27,173 (20.31%)	44,909 (27.90%)
4.	Advances (Rs: Crores)	1,16,486	1,48,015	2,10,294
5.	Incremental advances (Rs. crores)	26,398 (29.30%)	31,529 (27.07%)	62,279 (42.08%)
6.	C. D. Ratio (60%)	87.05%	91.94%	102.13%

CREDIT DEPOSIT RATIO

	Below 50% No. of banks	50%-75% No. of banks	75%- 100% No.of banks	ABOVE 100% No of banks
Nationalised Banks	-	1	1	17
Co-op. banks	-	-	-	1
State Bank Group	-	1	2	4
Pvt.Sector Banks	3	1	4	10
Regional Rural Banks	-	-	2	3
Total	3	3	9	35



Banking Key indicators -

- Number of bank branches in the State are 6999. The Credit Deposit ratio of banking sector in Andhra Pradesh is 102.13% as against stipulated ratio of 60%.
- Deposits of banking sector A.P are Rs:2,05,899 crores at the end of March, 2009 with growth rate of 27.90 % during the financial year 2008-09 i.e. grown from Rs. 1,60,990 crores at the end of March 2008.
- Aggregate advances of banking sector in A.P at the end of March, 2009 are Rs: 2,10,294 crores, grown from Rs. 1,48,015 crores at the end of March,2008, registering a growth rate of 42.08 % during the financial year of 2008-09.
- The banks which CD ratio is less than 50% are advised to bring up the CD ratio upto 60% by March, 2010 as per RBI guidelines.

**STATEMENT OF PRIORITY SECTOR ADVANCES
AS ON 31.03.2009**

S.NO	PARTICULARS	As on 31.03.2007	As on 31.03.2008	As on 31.03.2009
1.	Priority Sector Advances (Rs: Crores)	71,173	88,924	1,00,325
2.	% of Priority Sector to Net Bank Credit (40%)	61.10%	60.07%	47.71%
3.	Crop Production	16,852	23,441	28,665
4.	Agrl. Term Loans including Allied activities	15,010	19,746	22,822
Total Agrl. Advances		31,862	43,187	51,487
5.	% of Agrl. Advances to NBC (18%)	27.35%	29.18%	24.48%
6.	SSI & Rural Artisans (% to Net Bank Credit - NBC)	14,537 (12.48%)	18,608 (12.57%)	21,128 (10.05%)
7.	Other Priority Sector Advances (% to Net Bank Credit – NBC)	24,774 (21.26%)	27,129 (18.33%)	27,710 (13.18%)
Total Priority Sector Advances		71,173	88,924	1,00,325

Priority Sector Advances -

-  Total priority sector advances are Rs: 1,00,325 Crores constituting of 47.71% of total advances at the end of March, 2009 against the prescribed RBI norm of 40%.
-  Agricultural advances at the end of 31st March, 2009 are of Rs:51,487 crores constituting of 24.48 % of Net Bank Credit against the RBI norm of 18%.

Action Points:

- **Banks are requested to continue to finance the needy farmers and initiate necessary steps to increase lending under Agricultural term loans.**
- Agriculture & allied depts. may formulate schemes with subsidy component and to sponsor the applications to banks for sanction of loans, so as to step up lending under Agrl. Term loans.

Agenda item No.3 (a) -- Credit Deposit Ratio:

Credit Deposit Ratio / Priority sector & Agricultural advances (Percentages)
(As on 31.03.2009)

Sl.No	Category of Banks	Credit Deposit Ratio	Priority Sector advances to Net Bank Credit	Agrl.Advances to Net Bank Credit
1.	Nationalised Banks	105.02%	45.48%	9.71%
2.	SBI group	78.07%	26.61%	6.11%
3.	Private Comm. Banks	138.08%	17.20%	2.44%
4.	Regional Rural Banks	96.22%	4.46%	2.54%
5.	Coop. Banks/FIs	182.11%	6.25%	3.68%

*to be reconciled

RBI norms ... Credit Deposit Ratio..... 60%
Priority Sector Advances... 40%
Agrl. Advances..... 18%

The district wise details of Deposits, Advances Credit Deposit ratio etc., are annexed.

Credit Deposit ratio of all Banks in the State is 102.13% against the RBI norm of 60%.

- 2 The CD ratio in all the districts in the State is more than the RBI norm of 60%.
- 3 CD Ratio is highest in "Nellore district" followed by West Godavari, Guntur & East Godavari.
- 4 CD Ratio is just 60% in Karimnagar Dist and just above 60% in Chittoor, Adilabad, Ranga Reddy & Visakhapatnam districts.

Banks are requested to maintain the same tempo and those Banks whose CD ratio is just above 60%, are requested to initiate immediate steps to increase the same above 60% as per RBI guidelines.

**COMPARATIVE POSITION OF DEPOSITS, ADVANCES
CREDIT DEPOSIT RATIO OF RURAL, SEMI URBAN
URBAN, METRO AREAS IN ANDHRA PRADESH
AS ON 31.03.2009**

(Rs: Crores)

S.NO	AREA	DEPOSITS	ADVANCES	C.D. RATIO
1	RURAL	41,180	54,632	133%
2	SEMI URBAN	64,123	47,519	74%
3	URBAN/METRO	1,00,596	1,08,143	108%
	Total	2,05,899	2,10,294	102.13%

Level of Deposits and Advances

The State has achieved a deposit level of Rs. 2,05,624 Crores as at the end of , **March 2009** with Rs. 2,10,784 Crore advances with CD Ratio of 102.51%.

The comparative position of different category of Banks is given below.

(Rs. in Crores)

Category	Deposits	Advances	CD Ratio
Nationalized Banks	91,063	95,640	105.02%
State Bank Group	71,681	55,966	78.07%
APCOB	7,214	13,137	182.11%
Private Sector Banks	26,203	36,181	138.08%
RRBs	9,738	9,369	96.22%
TOTAL	2,05,899	2,10,294	102.13

Top 5 Banks in respect of Deposits are given below

(Rs. in Crores)

Name of the Bank	Deposits
State Bank of India	39524
Andhra Bank	31231
State Bank of Hyderabad	30896
Syndicate Bank	8567
Canara Bank	7601

Top 5 Banks in respect of Advances are given below

(Rs. in Crores)

Name of the Bank	Advances
State Bank of India	33572
Andhra Bank	23096
ICICI Bank Corpn	21445
State Bank of Hyderabad	19471
A.P.State Co-op Bank Ltd	13137

Level of Agricultural Advances

The State has achieved Agricultural advances level of Rs. 51,487 Crores as at the end of March, **2009** with 24.48 % to NBC.

The comparative position of different category of Banks is given below.

(Rs. in Crores)

Category	Agri. Advan.	% to NBC	PS Advances	% to NBC
Nationalised Banks	20,425	9.71%	37,618	17.89%
State Bank Group	12,839	6.11%	29,791	14.17%
APCOB	7,739	3.68%	12,941	6.15%
Private Sector Banks	5,137	2.44%	12,497	5.94%
RRBs	5,347	2.54%	7,478	3.56%
TOTAL	51,487	24.48%	1,00,325	47.71%

AGENDA ITEM NO:4

**PROGRESS OF ANNUAL CREDIT PLAN
2008-09**

Agenda item No: 4

Progress of Annual Credit Plan 2008-09.

**ANNUAL CREDIT PLAN 2008-09 (STATE PLAN)
Progress & Achievement As on 31.03.2009**

(Rs: Crores)

Sl.No.	Item	Target	Achievement (Disbursements during the period from 01.04.2008 to 31.03.2009)	% of achievement
1.	Crop Loans	20000	16,469	82.35
2.	Agrl.Term Loans	2500	2,869	114.75
3.	Allied to Agriculture	3500	4,303	122.94
4.	Non-Farm Sector (SSI/RA)	7000	7,497	107.10
5.	Other Priority Sector	14000	12,665	90.47
Total Priority Sector		47000	43,803	93.20

*Tentative – to be reconciled

**District wise achievements are enclosed.


- Crop Loans – In the year 2008-09, the % of achievement is only 82.35%. All the banks are requested to achieve the target for the year 2009-10 well in advance
- Other Priority Sector Advances – In the year 2008-09, the % of achievement is only 90.47%. All the banks are requested to achieve the target for the year 2009-10.
- Though the % of achievement under Agrl.Term Loans, Allied Activities and Non farm Sector is more than 100%, the overall priority sector achievement is 93.20%. All the banks to plan out for reaching the targets for the year 2009-10.

**COMPARATIVE POSITION OF DISBURSEMENTS UNDER
ANNUAL CREDIT PLAN 2008-09 AS ON 31.03.2009
WITH CORRESPONDING PERIOD IN 2007-08**

(Rs: Crores)

Sl. No.	Item	Disbursements during this year from 01.04.2008 to 31.03.2009	Disbursements during the corresponding period of last year from 01.04.2007 to 31.03.2008	Increase over last year	% of increase over last year's disbursements
1.	Crop Loans	16,469	17,596	-1,127	-
2.	Agri. Term Loans	2,869	2,373	496	20.90%
3.	Allied to Agriculture	4,303	3,327	976	29.33%
Total Agriculture		23,641	23,296	345	1.48%
4.	Non-Farm Sector (SSI/RA)	7,497	6,802	695	10.22%
5.	Other Priority Sector	12,665	12,675	-10	-
Total Priority Sector		43,803	42,773	1,030	2.41%

Points for discussion

-  **State Credit Plan:** Achievement under Annual Credit Plan during the year 2008-09 was Rs: 43,803 crores against the target of Rs: 47,000 crores i.e 93.20 % of the target.
- ⇒ **Crop Loans:** An amount of Rs: 16469 crores was disbursed during the year 2008-09 against the target of Rs: 20,000 crores (82.35 % achievement) at the end of March, 2009.
- ⇒ **Agricultural Term Loans:** An amount of Rs: 7,172 crores was sanctioned under Agricultural Term Loans including allied activities against the target of Rs: 6,000 crores (achievement is 119.53 % of the target.)

- ⇒ **Non-Farm Sector (Small Scale Industries / Rural Artisans)** : Disbursed Rs: 7,497 crores against the target of Rs : 7,000 crores (107.10 % of the target for the year 2008-09 at the end of March 2009.)
- ⇒ **Other Priority Sector (Service Sector – Small business / Professional & Self employed, Housing, Educational loans etc..)** : An amount of Rs: 12,665 crores was disbursed against the target of Rs: 14,000 crores for the year 2008-09 (90.47 % of the target), at the end of March 2009.

Action Points:

- Coverage of tenant farmers to be increased through RMG/JLGs. Agrl.Department to send list of tenant farmers to bank branches.
- Farmers meets to be arranged in all villages by Agrl.Department.
- Government Departments should create opportunities to the farmers to take up innovative projects under Agriculture & Allied Activities, by providing sufficient infrastructure.
- State Government may identify Bankable schemes and may formulate suitable schemes with subsidy component, so as to enable the banks to take up lending, especially under Agriculture and industry sector.
- Banks to review the position of disbursements under Annual Credit Plan by their branches at regular intervals. Close monitoring should be there and ensure achievement of targets under various parameters of Credit Plan.
- The progress of Annual Credit Plan is to be reviewed in JMLBC / DCC meetings and initiate suitable steps to increase lending.
- Major focus to be given on Horticulture Schemes.
- Similarly Dairy & Sheep rearing schemes should be financed and all the farmers should be encouraged to take dairy as supplementary activity.

Item No: 4 (a) Credit Flow to Agriculture**DISBURSEMENTS UNDER ANNUAL CREDIT PLAN 2008-09**
Achievement as on 31.03.2009

(Rs. Crores)

Sl.No.	Item	Target	Achievement	% of Achmt
1.	Crop Loans	20000	16469	82.35%
2.	Agrl. Term Loans	2500	2869	114.75%
3.	Allied to Agriculture	3500	4303	122.94%
	Total Agriculture	26000	23641	90.93%

Comparative Statement of Crop Loans
During the last five years (including 2008-09)

	2004-05	2005-06	2006-07	2007-08	2008-09
Target	11205	13300	15700	17300	20000
Achievement	10286	13306	15718	17596	16469
%of achievement	92%	100.04%	100.11%	101.71%	82.35%

Credit Flow to Agriculture: Due to ADW&DRS – 2008 and late monsoon the Agriculture Credit has not picked up and the target could not reached. It is 82% only in the financial year 2008-09.

Simplification of Lending Procedures for Crop Loans (RBI):



Reserve Bank of India vide their Ir. no. RBI/2008 – 09 / 140 dt 26th August, 2008 informed to all Banks, which is narrated hereunder.

1. In the Mid – Term Review of the Annual Policy 2007-08, it was proposed to constitute an Internal Working Group to examine the recommendations of the Radhakrishna Expert Group on Agricultural Indebtedness that are relevant to the banking system in general and the Reserve Bank, in particular.
2. The Expert Group recommended that banks should be directed to simplify procedures and help in providing small and marginal farmers with timely access to credit
3. It may be mentioned in this connection that the Reserve Bank has already taken certain steps to simplify the procedures for the farmers in the light of the recommendations of the Working Group (Chairman: Shri. C.P. Swarnakar), constituted by the Reserve Bank for simplification of the procedures and processes for obtaining agricultural loans, especially by small and marginal farmers:
 - (i) banks have been advised to dispense with the requirement of 'no dues' certificate for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, obtain self-declaration from the borrower, and
 - (ii) In order to overcome the problem faced by the banks in lending to landless labourers, share croppers and oral lessees due to the absence of documents verifying their identity and status, banks have been advised to accept certificates provided by local administration / Panchayath raj institutions regarding the cultivation of crops in case of loans to landless labourers, share – croppers and oral lessees.
4. The Internal Working Group has recommended that landless labourers, share croppers, tenant farmers and oral lessees, may be alternatively allowed to submit an affidavit explaining their identity and status for loans up to a certain amounts (say, Rs,50,000/-). However, banks may go through their procedures of appraisal and usual pre-sanction checks before extending finance. The step would help in further simplifying the procedures for the disadvantaged section of the farmers.

5. It is therefore proposed that where there are difficulties in getting certification as indicated at 4 (ii) above banks may accept an affidavit submitted by landless labourers, share croppers and oral lessees giving Occupational status (i.e. details of land tilled /crops grown) for loans up to Rs.50,000/-. Banks could also encourage the Joint Liability Group (JLG)/ SHG mode of lending for such persons. However, banks may go through their procedures of identification as per KYC norms; appraisal and usual pre-sanction checks before extending finance.

*Please refer to paragraphs 138 and 139 of the Annual Policy Statement for the year (2008 – 09). RBI letter and enclosures are enclosed

Action Plan:

- | |
|--|
| <ul style="list-style-type: none"> All the Banks may implement the above guidelines immediately. The progress made in this regard, a report may be submitted to RBI, Hyderabad and with a copy to SLBC. |
|--|

NABARD

Sector Wise PLP Projections for the year 2009 - 2010

(Rs. in Crores)

Regions	Crop Loan	Agrl., Term Loans	Total Agriculture
1	2	3	4
Coastal Andhra	10383.48	2830.42	13213.90
Rayalaseema	4329.60	723.61	5053.21
Telangana	7697.32	1617.70	9315.02
State Total	22410.40	5171.73	27582.13

* As per NABARD State Focus Paper. * District wise details are enclosed.

Crop Loans: As per the PLP Projections of NABARD for the year 2009 – 2010, the Crop Loans target projected is Rs.22410.40 Crores against the target for the year 2008 – 2009 of Rs. 20000 cores, which is 12.05% growth rate. Considering the achievement of 82% in the year 2008-2009, taking the achievement as base for the projections, the Growth rate targeted at 42.70% for the year 2009 – 2010.

Agrl. Term Loans & Allied Activities: As per the PLP Projections of NABARD for the year 2009 – 2010, the target projected is Rs.5171.73 Crores against the target for the year 2008 – 2009 of Rs.6000 Crores, which does not signifies any growth in terms of targets. Considering the achievement of Rs.5172 crores in the year 2008-2009, taking the achievement as base for the projections, the Growth rate targeted at 25.49% for the year 2009 – 2010.

Agenda item: 4(b) : Kisan Credit Cards

271636 lakh New Kisan Credit Cards (KCCs) are issued to farmers during the year 2008-09 i.e. from 01.04.2008 to 31.03.2009, besides extending credit facilities to the existing KCC holders making **total of 83.17 lac Kisan Credit Cards in the State**, covering all the Crop Loan borrowers.

All the Banks, wherever sanctioning Short Term Credit like Ag. C. C or Crop Loans, in all such cases Kisan Credit cards (KCCs) can be issued.

Agenda item no: 4 (C): Rythu Mithra Groups & Coverage of Non – Loanee New Farmers:

The Government of Andhra Pradesh, Agriculture Department is proposing for the following targets.

350 New Loanee Farmers in Each Bank Branch and total 20 lakhs Tenant Farmers are to be covered in the State during this year under Crop Loans.

As Andhra Pradesh is having Rural and Semi – Urban branches 4487, and some of the Urban branches also dealing Agriculture Credit the target of 20 lakh Tenant Farmers can be achieved.

All Banks are requested to issue crop loans as per the scale of finance. Ensure that crop loans should be given as per full scale of finance. Crop loans up to Rs.50,000/- can be issued without security as per RBI guidelines.

The percentage of credit extended during 2008 – 2009 is very low in some of the following districts, like Vizianagaram, Karimnagar, Nizamabad, Nalgonda and Ranga Reddy. Banks are advised to achieve the set targets for 2009 – 2010.

Projections for the Coverage of RMG Groups & New Non Loanees for 2009 – 2010.

No. of RMGs to be covered: 50,000

No. of New Non – Loanee Farmers to be covered: 5,00,000

- District wise details are enclosed.

Achievement:

1. Banks have disbursed crop loans to 2,71,636 with a credit of Rs.653.80 crores to **new farmers** during the year 2008-09 i.e up to 31st March, 2009 against the target of 5,00,000 farmers, registering 54% achievement against the target for 2008 – 2009.

(As per the announcements made by Hon'ble Union Finance Minister on 18.06.2004, each rural / semi urban branch to sanction loans to at least 100 new loans during the year)

2. During the last Five years 26,82,288 new farmers have been identified and financed against the target of 21.90 lakhs i.e achievement 122% of target). During FY 2009-10, it is proposed to cover another **5 lakh** new farmers.

3. Agriculture department is requested to continue to identify new farmers and send the lists to the concerned service area bank branches.

4. Banks will continue to extend financial assistance to the eligible farmers.

Action Points:

- Agriculture department is requested to continue to identify new farmers and send the lists to the concerned service area bank branches.
- Banks will continue to extend financial assistance to the eligible farmers.

Agenda Item No: 4 (d)**Rythu Mithra Groups (RMGs)**

Statement showing the Physical and Financial Targets under RMG Technical Up gradation, Work Plan Macro- Management for 2009 – 2010.

(Rs. In lakhs)

Physical Targets units (Nos)				General (77.2%) Rs.	SCP (16.2%) Rs.	TSP (6.6%) Rs.	Grand Total Rs.
Nos.	General	SCP	TSP				
1	2	3	4	5	6	7	8
400	309	65	26	77.25	16.25	6.50	100

* District wise details are enclosed.

**Progress Report of Crop Loans, Rythu Mithra Groups
New Non Loanee Coverage As on 31.03.2009**

(Rs. In Crores)

Crop Loans			Rythu Mithra Groups					New Non Loanee Coverage			
Annual Target	Ach. Kharif 2008	% of Ach.	Target (No. of RMGs to be covered)	No Covered	Credit Extended	No. of tenant farmers	Credit extended to Tenant Farmers	Annual Target (No)	No. of New Farmers covered	Credit Extended	% Ach.
20000	13086.88	65	66233	8428	175.45	8238	81.97	500000	271636	653.80	54

- District Wise Details are enclosed.

Action Points:

<p>Role of Banks:</p> <ol style="list-style-type: none"> 1 To sanction loans to eligible new farmers. 2 Full scales of finance, as per the recommendations of the district technical committee, to be extended. 3 Cover all the eligible crop loans under crop insurance. 4 Agriculture department is advised to speed up in implementing schemes.
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Agenda Item 4 (e)

**Technical Up gradation of Rythu Mithra Groups
Progress Report on Govt. sponsored Scheme 2008 – 2009
As on 31st March, 2009**

Name of the Scheme: RMG Technical Up gradation (Work Plan)

Unit Cost = Rs.25000

(Rs. in lakhs)

S. No	Name of the item	Unit	Allocation		Releases		Achievement		Remarks
			Phy.	Fin.			Phy.	Fin.	
1	RMG Technical Up gradation (Work Plan)	Nos	200	50	98	24.50	75	18.75	77% Ach.
2	Credit to Rythu Mitra Groups	Nos	227833	--	--	---	--	--	---

* Data enclosed

Action Points:

➤ No progress shown during the first year. Needs to be speeded up immediately for achieving the target
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Financing Rythu Mithra Groups (RMGs) in A.P

Govt. of Andhra Pradesh encouraged the farmers to form into Rythu Mitra Groups. At present over 2.00 lakh RMGs are formed in the State. These groups are to function on the lines of Self Help Groups (SHGs). All marginal, small, tenant farmers, sharecroppers and oral lessees including women farmers in a village are eligible to become members of RMGs. RMGs consist of small and marginal farmers, tenant farmer members who are poor, having low savings capacity. In this context, RMG Scheme is very effective to realize the goal of comprehensive empowerment of small and marginal/ Low-income farmers. Only one member per family will become a member of RMG. The optimum number of members in each RMG is 15.

The RMG approach is considered preferable for dispensation of credit to small /marginal/tenant farmers, sharecroppers and Lessee farmers in view of their homogeneous in nature, provision to recover such loans through joint and several responsibilities.

The tenant farmers, traditionally not covered by bank finance, are being provided with crop loans against group guarantee depending up on the savings of the group.

The Banks are going to be benefited from the scheme, as it would reduce their transaction costs. Banks also foresee minimum default rate in the financing of RMGs, in view of the Group approach.

Guidelines:

NABARD has issued guidelines to all the Banks for financing the groups

During the year 2004-05 (From this kharif season 2004)the scheme was implemented as pilot project in six districts viz. Anantapur, Mahbubnagar, Kadapa, Nizamabad, Vizianagaram and Guntur. Three more districts identified during Rabi season. Later the scheme is extended to all districts.

- In Andhra Pradesh there are 106.03 lakh holdings with an area of 143.73 lakh ha.
- 59.42% of the holdings are below one ha. accounting for 20% of total area.
- The holdings of small and marginal farmers are 85.62 Lakhs constituting 81% of total holdings

GENERAL

- Groups formed should be homogenous in nature.
- The repayment of loan becomes a joint and several responsibility
- Timely availability of loan, saving the time, requirement of processing individual loan applications.
- Reduction in transaction costs both to the farmers and banks

Identifying the Rythu Mithra Groups for financing

- Eligible groups to be identified by Agrl Department and Banks
- Rythu Mithra Groups to be financed through group mode
- Rythu Mithra Groups which have homogenous membership to be financed and holdings should not exceed 5 acres Dry land / 2.5 acres irrigated land.
- Dry Crops may be given preference.
- Misutilization of Rs.2,500/- grant will make Rythu Mithra Groups ineligible for loan.

Corpus to Debt ratio

- To provide loans to Rythu Mithra Groups up to a corpus to debt ratio of 1:20 under investment credit.

Sanction of Loans

- The banks to extend crop loans and investment credit to Rythu Mithra Groups
- Credit plan to be prepared to avail crop loans indicating name of the member, extent of acreage, crops grown, repayment period etc.
- For Tenant / lessee farmers proof of lease / Tenancy will be certified by other members of RMG.
- For investment Credit Micro Credit Plan to be prepared by Rythu Mithra Groups.

Rate of Interest

- As per RBI Guidelines.

Repayment period

- For investment credit repayment period may be fixed.
- For crop loans banks to stipulate that loan repayment period coincides with harvesting season

Loan documents

- Loan application
- Inter-se agreement
- Articles of agreement
- Promissory note to be executed by the borrowing members guaranteed by one or two members of the Rythu Mithra Groups.

Risk Fund

- Contribution of minimum amount of Rs.10/- per member per month.

Women Rythu Mithra Groups_

- Women RMG member is eligible for loan, if land title is in her name.
- Women RMG member is eligible for investment credit.
- Widow RMG member with legal heir status is eligible for loan.
- Widow RMG member who is lessee farmer is also eligible for bank loan.

Exemption from Stamp duty

- Government has exempted stamp duty vide G.O. Ms. No. 15. dated 8.1.2007 for a loan amount of Rs.3.00 lakh per borrower

Refinance

- NABARD to refinance COOP Banks, and RRBs for crop loans.
- NABARD to finance all banks for term loans

Role of Agriculture Department

- Capacity building
- Collect information on RMG members
- Short-list good RMGs
- Facilitate preparation of Credit plan
- Help banks in recovery of loans
- Facilitate MIS

Agenda Item no: 4 (f) Agri clinics & Agri business centers:

- 1 Agriculture department, Govt. of A.P is requested to identify the interested applicants to set up “Agriclinics & Agribusiness centers”. Selected candidates may be given training.
- 2 Agri – Clinics and Agri – Business Centres cell of National Institute of Agriculture Extension Management (MANAGE), has informed that some of the projects are pending at various Bank Branches of Andhra Pradesh.

Action Points:

- Agriculture Department is requested to speed up for identification of interested applicants.
- Banks are requested to process and sanction for the units.
- Banks are advised to speed up the process of grounding of pending applications at various Banks.

Agenda Item No.4(g)**Common Due Dates for Short Term Credit in Andhra Pradesh State by All Banks:**

In the recently concluded exercise of Debt Waiver and Debt Relief Scheme, 2008 it has come to surface that banks are following different due dates for short term crop production credit in the same area.

Because of this, in the same village there is difference in coverage under Debt Waiver/Relief scheme in respect of different banks though parties have availed loans on the same day.

This situation may create problem to the banking sector and there is necessity to have uniformity.

It is proposed that DLTCs may fix common due dates while finalizing scales of finance.

Action Points:

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| <p>➤ While fixing the finance for the crops, DLTCs are requested to fix due dates for the crops.</p> |
|---|

Pattadar Pass Books

In the Steering Committee of SLBC held on 07.07.2008, Bankers have expressed serious concern on the occurrence of frauds due to manipulations in the Pattadar pass Books and absence of the system of cross verification of the Pass Books is one of the main reasons for such occurrence of frauds.

It was also resolved in the meeting that the Certificate being issued by Revenue authorities should include the acreage in words also. Steps to be taken by Government to complete the process of issuing Pattadar Pass Books in all the districts, as the Khariff lending process is in full swing at all Bank Branches in the State and it is being reported that frauds are recurring on account of Pattadar Pass Books.

Village wise land records

One of the main reasons for occurrence of frauds in the banks is that manipulation of certificates of land particulars and Pattadar Pass Books being issued by the revenue authorities to the farmers.

There were incidences of production of fake Pattadar passbooks by some of the farmers for accessing bank credit in the State.

In the absence of system of cross verification, banks are facing difficulty in prevention of such frauds.

The magnitude of the problem is high in Anantapur and Kadapa Districts. In some of the Districts, Govt. is yet to issue Pattadar Pass books

Fake Pattadar Pass books.

It is suggested by the Committee, the following measures to curb the production of fake Pattadar passbooks:

- a) In the Pattadar passbooks, the total acreage should be written in both figures and words.
- b) The sale transactions, division of land among family members should be recorded and updated. It is to be authenticated by revenue official.
- c) To take stern action against those persons adopting production of fake Pattadar Pass Books.

This issue has been discussed many times in the meetings of SLBC. It is informed that many of the farmers are yet to be issued Pattadar Pass Books. The forum has requested the State Government to initiate necessary action to issue Pattadar Pass Books to all eligible farmers to enable them to access required bank credit.

In the absence of Pattadar Pass Books, banks are still accepting 10-1 Adangals issued by Revenue authorities for sanction of crop production loans. The forum requested the State Government to reiterate the instructions to revenue authorities to issue of 10-1 Adangals with full details so as to enable the banks to sanction crop production loans.

As Incidents of production of Fake Pattadar Passbooks are noticed at some places. State Government is requested to take measures to arrest production of Fake Pattadar Pass Books. To avoid duplication of Pattadar Pass Books, electronic security code may be incorporated on Pattadar Pass Books with full security. In view of changed situation, a new biometric electronic Pattadar passbook should be issued to farmers urgently in a time bound manner.

- Soft copy of Village wise land records may be given to service area bank branch by the revenue authorities to facilitate cross verification of the information.
- To facilitate the above, the department will study the aspect in detail and workout the modalities keeping in view all the related aspects
- Certificate being issued by Revenue authorities should include the acreage in words also
- Steps are to be taken by Govt. to complete the process of issuing pattadar pass books in all the districts

Incidence of Fake Pattadar Pass Books in the State – Precautions:

It is informed by Government that:

- 1.The methodology for providing the information to the Bankers will be implemented in two phases as follows:

First Phase: The Bankers will be given access facility to Land Records Data (LRMIS Central data), in pahani / adangal template, parked in NIC central server on Internet. The Bankers will be assigned a User ids and Passwords for accessing data from LRMIS central Database. The banker code will used as user – ID and pass word, later the bankers may change the passwords as per their convenience. For this, the bankers have to provide the bank codes to NIC (Action: SLBC, convener). The history of access information to LRMIS data will be maintained.

Second Phase: Display of e-Pattadar Pass Book by using template, to be created on the web. Access to e-Pattadar Pass Book will be provided on entering a valid Pattadar Pass Book Number or Khata Number (as applicable), on the web.

2. Up-dation of land records database will be taken up by the Revenue Authorities at district level, and the Bankers will facilitate Data Entry Operators, if required by the district administration.
3. PT (Protected Tenants) information will be computerized and the same will be made available on the web for access to Bankers. NIC would carry out system study on computerization of PT register and submit a report with cost estimates for data entry work.

The representative of CCLA informed that 1.66 crores farmers are having lands of which 1.24 crores Pattadar Pass Books are issued, and remaining 0.42 crore Pattadar Pass Books will issued within 15 days. Regarding Title Deeds Pass Books, 1.22 crores issued and 0.44 crores are yet to be issued.

The forum requested that the data is accessible to banks.

Action Points:

- MROs are requested to give a copy of land records – village-wise to branch managers of the service area bank branches to facilitate cross verification of the Pattadar Pass Books while allowing crop loans.
- Government may consider to provide with the details of lands being cultivated by tenant farmers to the bank branches in service area.
- In the Pattadar passbooks, the total acreage should be written in both figures and words.
- The sale transactions, division of land among family members should be recorded and updated. It is to be authenticated by revenue official.
- Soft copy of Village wise land records may be given to service area bank branch by the revenue authorities to facilitate cross verification of the information.
- Certificate being issued by Revenue authorities should include the acreage in words also
- Steps are to be taken by Govt. to complete the process of issuing pattadar pass books in all the districts
- To take stern action against those persons adopting production of fake Pattadar Pass Books.

LAND HOLDINGS IN THE STATE:

Agriculture production depends, to a considerable extent, upon the size of the unit of cultivation. The data on land holdings in the State was collected from 1970-71 through Agricultural Census. According to the census, the average size of the land holding per farmer in the State as per the Census of 1995-96 (1.36 hectares), 2000-01 (1.25 hectares), 2005-06 was at 1.20 hectares and the same is likely to fall below due to further fragmentation of the family holdings, since more than 70% of rural population is dependent on Agriculture only. Hence it is difficult to implement any innovative practice or organize marketing of the produce on a collective basis from such small holdings particularly under rain fed conditions.

The distribution of land holdings and area according to different size classes is shown below.

Distribution of land holdings by size classes 2000-01 and 2005-06

Variation in number and area operated between 2000-01 & 2005-06 in Andhra Pradesh

(Number in '000s and Area in '000' hecets)

Category of size group	No. of holdings		% to total holdings of 2005-06	% variation of no. of holdings in 05-06 over 2000-01	Area operated		% to total area of 2005-06	% variation of area operated in 05-06 over 2000-01	Average size of holding (ha.) for 2000-01	Average size of holding (ha.) for 2005-06
	2000-01	2005-06			2000-01	2005-06				
1	2	3	4	5	6	7	8	9	10	11
Marginal	7023.12	7417.82	61.59	5.62	3104.19	3289.89	22.71	5.98	0.44	0.44
Small	2518.12	2639.23	21.91	0.81	3564.86	3731.17	25.75	4.67	1.42	1.41
Semi-Medium	1423.50	1443.66	11.99	1.42	3795.26	3833.9	26.46	1.02	2.67	2.66
Medium	501.11	487.32	4.05	-2.75	2855.49	2756.57	19.03	-3.46	5.70	5.66
Large	66.09	56.09	0.46	-15.13	1079.71	877.35	6.05	-18.74	16.34	15.64
ALL	11531.94	12044.12	100.00	4.44	14399.51	14488.88	100.00	0.62	1.25	1.20

The total number of operational holdings in the State is found to be 120.44 lakhs covering an area of 144.88 lakh hectares as against 115.31 lakh holdings in 2000-01 census and thereby accounting for an increase of 4.44 percent.

The area operated showed a marginal increase of 0.62 percent from 144.88 lakh hectares in 2005-06 to 143.99 lakh hectares in 2000-01. The average size of holdings in the State was 1.25 hectares in 2000-01 and declined showing 4% to 1.20 hectares in 2005-06.

SOILS:

Andhra Pradesh is endowed with a variety of soils ranging from poor coastal sands to highly fertile deltaic alluviums. Red soils occupy over 66% of the cultivated area and are mostly situated in Rayalaseema and Telangana districts. These soils have a low nutrient status. Red soils can be sub classified as (a) Dubba soils (loamy sands to sandy loams)

(b) Chalkas (sandy loam soils) (c) sandy clay loams (d) loams including silty soils (e) deep loamy sands and (f) sandy loams with clay sub soil. Chalkas occur mostly in the Telangana districts, while Red loams combined with sands are present in the upland regions of coastal districts.

Black soils cover nearly 25% of the cultivated area and are generally associated with poor drainage. They are also called as Regurs or vertisols and are of two types. The first category is in-situ soils. The other one is transported soils while the first category can be noticed in the coastal districts and parts of Telangana and Rayalaseema, the second category are in the valley regions of the slopes with calcareous concentrations. The in-situ soils are generally heavy in texture and high salt concentration.

The alluvial loamy clay soils found in Krishna and Godavari deltas cover 5% of the cultivated area. The coastal sands occupy only 3% while the remaining 2% is covered by laterite soils in certain pockets of the State.

Cropping Intensity

Cropping intensity is one of the indices for assessing the efficiency of crop agriculture sector. The cropping intensity i.e., the ratio of gross area sown to net area sown is 1.26 in 2007-08 and it was 1.26 during 2006-07. The level of cropping intensity moves in consonance to the behavior of the monsoon and availability of irrigation water.

Irrigation intensity:

The irrigation intensity ie., the ratio of gross irrigated area to net irrigated area is 1.35 in 2007-08, where as it was 1.36 in 2006-07.

IRRIGATION:

Gross and Net area irrigated:

The gross area irrigated by all sources in the State during the year 2007-08 is increased to 62.85 lakh hectares from 60.69 lakh ha. during 2006-07, which is the increase 4% over 2006-07. The increase is showing under all sources of irrigation except tanks and other sources. The Net area under irrigated also increased to 46.44 lakh ha. in 2007-08 from 44.52 lakh ha. during 2006-07.

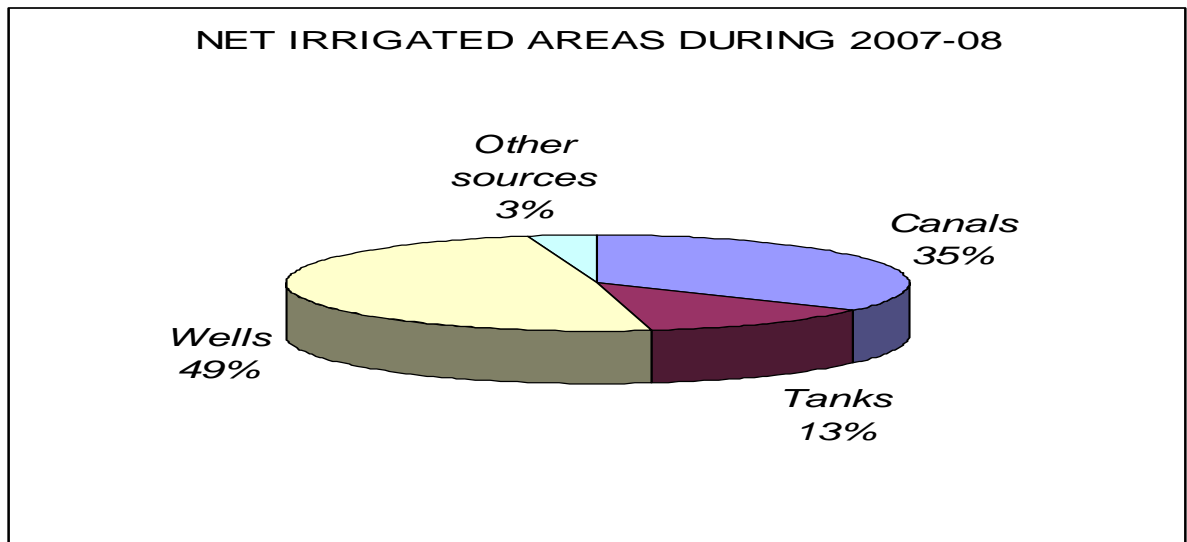
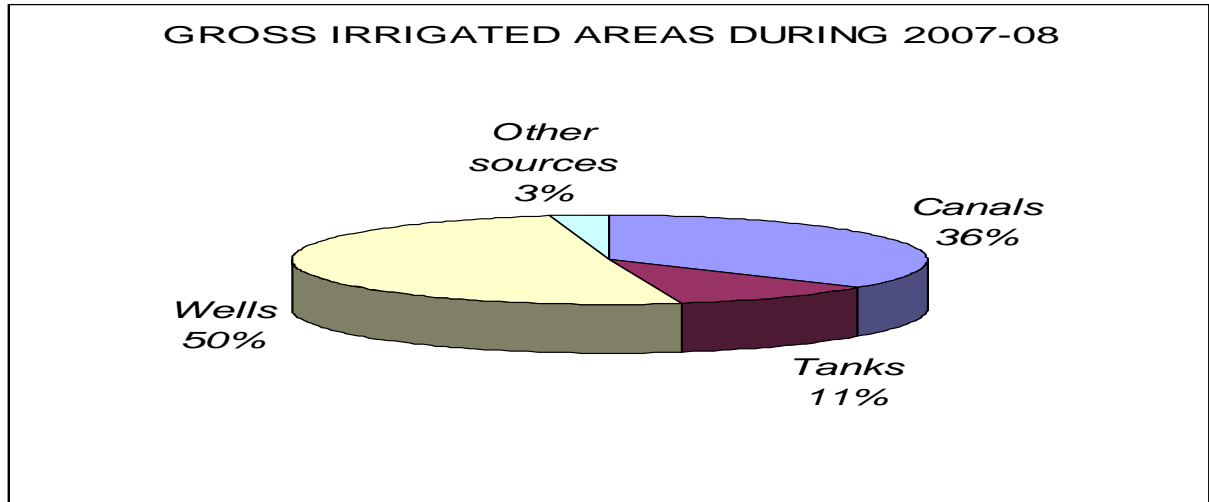
Source-wise irrigation

(in lakh hectares)

S.No	Source of irrigation	Gross irrigated area		Net irrigated area	
		2007-08	2006-07	2007-08	2006-07
1	Canals	22.50	22.98	16.10	16.22
2	Tanks	6.69	6.96	5.85	6.02
3	Wells	31.74	28.91	22.87	20.73
4	Other sources	1.92	1.84	1.62	1.55
	Total	62.85	60.69	46.44	44.52

The net area irrigated in the State increased to 46.44 lakh ha. during 2007-08 from 44.52 lakh ha. during 2006-07. Net area irrigated during 2007-08 under wells accounted a share of 49 % (22.87 lakh ha.), followed by canals 35% (16.10 lakh ha.) and tanks

13%(5.85 lakh ha.) and other sources accounted a share of 3% (1.62 lakh ha.). About 64.82 lakh ha. was area covered under irrigated conditions during the year 2008-09. 3.13 % increased over 2007-08 due to brought the irrigated areas through the projects through JALAYAGNAM.



*Source: A note by Agricultural Dept, Govt. of India

Agriculture Debt Waiver & Relief Scheme – 2008

In the above scheme **63.41 lakh Farmers** are benefited against the total farmers of **100.72 lakhs** availed bank finance in the State.

- Outstanding Agriculture Advances as on 31.12.2007 is Rs. 37000 Crores
- Amount eligible under the scheme is Rs.11354 crores (30% of outstanding)
- Out of above amount reimbursable is Rs.9383.83 crores - No. of Farmers are 56.41 lakhs.
- Amount not reimbursable is Rs.1,970 crores. No of Farmers are 7.00lakh
- 37.59 lakhs farmers who are not covered under this scheme, Government of Andhra Pradesh have provided Rs.5000 to each farmer with a budget of Rs. 1821.57 Crores. Andhra Pradesh is the only State which has implemented the scheme.
- Thus, out of total 1.05 crore farmers in the State 1.01crore are benefited under either GOI scheme or the scheme of Govt. of A.P.

Government of India extended the time limit for repayment of 1st installment by the “Other Farmers” under above scheme from 30.09.2008 to 31.03.2009. The dates of payment of 2nd and 3rd installments i.e. 31.03.2009 and 30.06.2009 respectively, as provided in the Guidelines of the ADWDR Scheme 2008, shall remain unchanged.

It is clarified by RBI that additional period of one month from the period of due date, permitted to the farmers eligible under Debt relief scheme, for paying their share of the settlement, without affecting the Standard asset classification status of relevant account, shall be available only for the first two installments. No grace period is permitted for the installment payable by June, 30, 2009 to retain the standard asset status.

The matter has come for discussion in the Steering Committee of SLBC of Andhra Pradesh held on 07.04.2009 and the Bankers present have felt that there is need to extend time of repayment for payment of installments by the other farmers. It was resolved in the meeting as under.

- SLBC may write to RBI / Ministry of Finance on extension of time up to September, 2009 for payment of 1/3 of repayments instead of April, 2009 as the realization of crop proceeds mostly will be received between July to September.

SLBC requested Government of India to look into the matter and permit the Banks to collect the installment to be paid by April, 2009 up to September, 2009 as the realization of crop proceeds will be from July to September. The installment due on 30.06.2009 may also be permitted to be collected by 30.09.2009.

The Ministry of Finance, Department of Financial Services, Government of India, issued clarifications vide their Ir. no .F. No. 3/9/2008-AC Dt. 12.06.2009.

- i. Whether 25% relief can be extended to a farmer who pays his 75% share before 30.06.2009 not necessarily adhering to the three due dates stipulated under the Scheme.
- ii. The eligible farmers have come forward to pay the balance amount of eligible amount of OTS as per the recovery scheme approved by the bank; where the share of their payment would be less than 75%. For this purpose, the Banks are agreeable to bear the difference through written off. In this regard, the banks have sought Government's clarification to consider such proposal at the same time allowing the bank to claim 25% of eligible amount (overdue as on 31.12.2007) from the Government under Agriculture Debt Waiver and Debt Relief Scheme, 2008.
- iii. To issue necessary guidelines so that banks can submit supplementary claims in respect of the changes, if any, made by the orders issued by the GROs in respect of the grievances received up to 31.03.2009.

The Government, after careful consideration, has now decided the following.

- i. The Scheme stipulates that a farmer covered under the OTS Scheme should pay 75% of the overdue portion (covered under the ADWDR Scheme) by 30.06.2009 after which he is eligible for 25% relief under the Scheme from GoI. The ultimate objective of the ADWDR Scheme is to provide relief to the individual farmer by de-clogging the line of credit and making these farmers eligible for fresh finance. Hence, the suggestion to enable the farmers to pay their entire 75% as one single installment is agreed to provide 75% of the overdue portion is deposited by such farmers till 30.06.2009 to make their accounts eligible for a debt relief of 25% from Government of India. The banks will not charge any interest on the eligible amount till 30.06.2009.
- ii. The Banks / lending institutions are allowed to receive even less than 75% of the eligible amount under OTS provided the banks/ lending institutions bear the difference themselves and do not claim the same either from the Government or from the farmer. The Government will pay only 25% of the actual eligible amount under debt relief.
- iii. The last date of receipt of grievances by GROs has been extended up to 31.07.2009. Hence, it is obvious that there could be some instances, which may cause modification/ alteration in the financial implication under the ADWDR Scheme. As such, the banks/ lending institutions are allowed to carry out any modification / alteration in the total financial implication of the ADWDR Scheme due to such grievances.

Clarifications given by Union Ministry of Finance

The Union Ministry of finance has given certain clarifications in respect of the captioned scheme vide their letter F. No. 3/9/ 2008- AC dated 12.06.2009.

Subsequently, RBI vide their circular DBOD. No. BP.BC.140/21.04.048/2008-09 dated 25.06.2009 has communicated these guidelines.

Content of the circular received placed below.

As per the guidelines, banks are permitted to receive even less than 75% of the eligible amount under OTS provided the banks bear the difference themselves and do not claim the same either from Government or from the farmer.

It is generally expressed by the bankers that there is need to seek some more time from the GOI and/or RBI as the Government decision was communicated only on 12.06.2009 and RBI circular date is 25.06.2009. Many Banks are yet to take decision on the matter of allowing further concession to the farmers.

Government of India has decided to make the accounts of "other farmers" eligible for debt relief of 25% from GOI, even if they pay their entire share of 75% as one single installment, provided the same is deposited by such farmers till 30.06.2009. Banks will not charge any interest on the eligible amount till June 30, 2009.

SLBC has reviewed the position obtaining in the State and it is observed that some banks have taken policy decision to extend some more relief to the farmers and some banks are yet to take policy decision on the matter as the decision is having financial impact. varying from bank to bank.

Further banks have expressed that the decision has reached the branches towards the last week of June, 2009 and to realize the impact of GOI decision some more time is required as large number of farmers are involved.

In view of the above position, we requested the Government of India, to extend the time up to the end of August, 2009 for recovering 75% of the OTS amount from the farmers.

Action Plan



- Govt. of India, Finance Department is requested to look into the matter to extend the date upto the end of August, 2009
- All the banks are requested to gear up the machinery and recover the amount in full, so that the accounts can be avoided to become NPAs by September, 2009.

**BENEFIT OF Rs. 5000/- GIVEN BY GOVERNMENT OF ANDHRA
PRADESH TO THE FARMERS WHO ARE NOT BENEFITED
UNDER AGRICULTURE DEBT WAIVER/ RELIEF SCHEME 2008**

Total Amount provided by Govt. of AP to All Banks	Rs.1719.48 Cr
Utilisation Certificates given by Banks	Rs.1470.99 Cr
Balance Amount or UCs to be submitted Banks	Rs. 248.48 Cr

* Detailed Statement of Agril. Dept. is enclosed

Action Points:

-  Many Banks are yet to submit the Utilisation Certificate to Government of Andhra Pradesh.
-  Banks are advised to submit the Utilisation Certificate and/ or return the unutilized amount immediately to Government of Andhra Pradesh

**Prime Ministers Relief Package
Package of Relief Measures
for Debt Stressed farmers of 16 districts in A.P
announced by RBI.
(Status Report as on 31. 03.2009)**

The Hon'ble Prime Minister of India announced a Relief Package for the Debt Stressed Farmers 25 Districts in India and 16 Districts of Andhra Pradesh in the month of October, 2006. As per Reserve Bank of India vide Lr. No. RPCD.PLFS.NO. BC.31/05.04.02/2006-07 Dated 18.10.2006 has stated that Government of India has approved a rehabilitation package in respect of Agriculture Credit containing (a) waiver of entire interest on overdue agricultural loans up to 01.07.2006 (b) rescheduling of loans (c) providing fresh loans to the farmers.

The guidelines for claiming interest waiver by banks were issued by Reserve Bank of India.

As per G.O. Rt. No.3148 dt.17.08.2007 of Finance (IF) Department, Government of Andhra Pradesh, has released 75% of claim amount i.e. Rs.428.5780 lakhs to all Banks.

Reserve Bank of India vide Lr. No. RPCD (H)/ LBS/2504/02.03.020/2008-09 dated 30.03.2009 has requested Government of Andhra Pradesh to release 25% of claim amount.

Government of Andhra Pradesh has released G.O.Rt.No.1474 Dt. 31.03.2009, for 25% of Claim amount i.e. Rs.125,37,71,209/40 to all banks.

The Reserve Bank of India has released the funds as per the details given below:

**Prime Ministers Relief Package for the Debt Stressed Farmers of 16 Districts of
Andhra Pradesh**

Sl No	Name of the Bank	Amount of Int. overdue	50% share (State Govt.)	Amount already stated to have been recd by banks from State Govt. directly	Amount to be paid from State Govt. share (50%) after adjusting payments received earlier	Amount paid from State Government share as per GoAP orders dated 17-8-2007 and 20.11.2007	Balance amount to be paid from State Govt. share after making the payments
Public Sector Banks							
1	State Bank of India	3659714710.00	1829857355.00	0.00	1829857355.00	1372393016.00	457464339.00
2	State Bank of Hyderabad	1026342675.00	513171337.50	9568965.00	503602372.50	377701779.40	125900593.10
3	Andhra Bank	921032137.00	460516068.50	0.00	460516068.50	342256685.30	118259383.20
4	Bank of Baroda	59411795.00	29705897.50	396619.00	29309278.50	21981958.88	7327319.62
5	Bank of India	93136776.00	46568388.00	2368548.00	44199840.00	33134880.10	11064959.90
6	Bank of Maharashtra	22789393.00	11394696.50	245864.00	11148832.50	8361624.37	2787208.13
7	Central Bank of India	434702499.00	217351249.50	0.00	217351249.50	162344891.60	55006357.90
8	Corporation Bank	125537363.00	62768681.50	660635.00	62108046.50	48003682.50	14104364.00
9	Indian Bank	192986771.00	96493385.50	1320421.00	95172964.50	71379723.38	23793241.12
10	Indian Overseas Bank	320388590.00	160194295.00	3038687.00	157155608.00	118024654.10	39130953.90
11	Syndicate Bank	842575566.00	421287783.00	2458812.00	418828971.00	312421488.80	106407482.20
12	UCO Bank	61478045.00	30739022.50	0.00	30739022.50	23054266.88	7684755.62
13	Vijaya Bank	104968883.00	52484441.50	0.00	52484441.50	24436830.75	28047610.75
14	State Bank of Mysore	6728530.00	3364265.00	0.00	3364265.00	2523198.75	841066.25
15	Union Bank of India	665094820.00	332547410.00	3110296.00	329437114.00	201448747.90	127988366.10
16	Dena Bank	6660117.00	3330058.50	0.00	3330058.50	2881094.25	448964.25
17	Canara Bank	262329549.00	131164774.50	1357764.00	129807010.50	31202323.00	98604687.50

18	Allahabad Bank	40370912.00	20185456.00	0.00	20185456.00	4947436.80	15238019.20
19	Punjab National Bank	34130537.00	17065268.50	9916.00	17055352.50	17612754.00	0.00
	Total	8880379668.00	4440189834.00	24536527.00	4415653307.00	3176111036.76	1240099671.74
	Refund from State Bank of India					489600.50	
	Refund from Punjab National Bank					557401.60	
	Sub Total	8880379668.00	4440189834.00	24536527.00	4415653307.00	3175064034.66	1240099671.74
	Private Sector Banks						
1	Axis Bank	8249611.00	4124805.50	0.00	4124805.50	3337065.00	787740.50
2	City Union Bank Ltd	11307.00	5653.50	0.00	5653.50	4240.12	1413.38
3	ING Vysya Bank Ltd	80047979.00	40023989.50	1861593.00	38162396.50	28612531.88	9549864.62
4	Karnataka Bank Ltd	3047278.00	1523639.00	0.00	1523639.00	924342.75	599296.25
5	ICICI Bank Ltd	12976967.00	6488483.50	0.00	6488483.50	4866362.62	1622120.88
6	The South Indian Bank Ltd	1244395.00	622197.50	2991.00	619206.50	464404.87	154801.63
7	The Federal Bank Ltd	4006605.00	2003302.50	0.00	2003302.50	0.00	2003302.50
	Sub Total	109584142.00	54792071.00	1864584.00	52927487.00	38208947.24	14718539.76
	Grand Total	8989963810.00	4494981905.00	26401111.00	4468580794.00	3213272981.90	1254818211.50


* Source RBI, Hyderabad

The Scheme is Extended by Government of India till September, 2011.

The following 16 districts have been identified in Andhra Pradesh to implement the package

1. Guntur	5. Kadapa	9. Karimnagar	13. Nalgonda
2. Prakasham	6. Ananthapur	10. Khammam	14. Nizamabad
3. Nellore	7. Kurnool	11. Mahaburnagar	15. Rangareddy
4. Chittoor	8. Adilabad	12. Medak	16. Warangal

Action Points:

 All the Banks may note the change and implement the scheme

FINANCIAL INCLUSION IN ANDHRA PRADESH

In Andhra Pradesh a total of 6989 Bank Branches are functioning, Of these Rural - 2733, Semi Urban – 1754, Urban - 1601 and Metro – 911 Branches.

The Overall CD Ratio in the State is 102.13% ..

<p>1.OPENING OF SAVINGS BANK A/CS (NO FRILLS A/CS)</p> <p>TOTAL DISTRICTS- 22 (OTHER THAN HYDERABAD)</p> <p>100% COMPLETED - 09 75-100% - 13</p>	<p>OUT OF 23 DISTRICTS IN ANDHRA PRADESH STATE, IN 22 DISTRICTS THE EXERCISE OF OPENING OF NO FRILLS ACCOUNTS IS BEING TAKEN UP (OTHER THAN HYDERABAD).</p> <p><u>100% COMPLETED (09 DISTRICTS)</u></p> <ol style="list-style-type: none"> 1.SRIKAKULAM DISTRICT 2. NIZAMABAD DISTRICT 3. RANGA REDDY DISTRICT 4. NELLORE DISTRICT 5. KADAPA DISTRICT 6. KURNOOL DISTRICT 7. PRAKASAM DISTRICT 8. ANANTAPUR DISTRICT 9. WARANGAL DISTRICT <p><u>75-100% COMPLETED (13 DISTRICTS)</u></p> <ol style="list-style-type: none"> 1. GUNTUR DISTRICT 2. WEST GODAVARI DISTRICT 3. NALGONDA DISTRICT 4. CHITTOOR DISTRICT 5. MAHABOOB NAGAR 6. KARIMNAGAR DISTRICT 7. VIZIANAGARAM DISTRICT 8. VISAKHAPATNAM DISTRICT 9. KHAMMAM DISTRICT 10. KRISHNA DISTRICT AND 11. EAST GODAVARI DISTRICT 12. MEDAK 13. ADILABAD <p>ALL THE BANKS/ LDMS WERE ADVISED TO COMPLETE THE TASK OF 100% OF OPENING OF ACCOUNTS BY SEPTEMBER, 2009 AND SLBC IS MONITORING.</p>
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<p>2. Strengthening SHG lending</p>	<p>Our State is having 9,00,798 SHGs, covering about 1.00 Crore women beneficiaries, which is highest in the country</p> <p>All the Banks are giving priority for SHG lending and many innovations in the SHG lending have emanated from Andhra Pradesh.</p> <p>Depending upon the stage of financing, Banks are allowing total loan of - Rs.175000/- (1st dose), Rs.250000/- (2nd dose), Rs.5.00 lakhs (3rd dose).</p> <p>Apart form investment credit; banks are allowing additional loans to cover debt swapping to the extent of 50% of eligible regular loan.</p> <p>Corresponding component for debt swapping is Rs.25000/- (1st dose), Rs.50, 000/- (2nd dose) and 40% of regular loan (3rd dose) respectively.</p> <p>Banks are also allowing additional term loan of Rs. 1.00 lakh for housing purpose (@ Rs.20000/- to 5 members) in all stages of financing</p> <p>Present Outstanding lending is Rs. 8,200 Crores</p> <p>By the end of the March,2009 Banks have extended Rs.1146 Crore to the SHGs under the Debt Swapping.</p> <p>With the developments in the technology, banks have started giving smart cards to SHGs</p> <p>Contributory Pension scheme The State Government has introduced contributory pension scheme to all the members of SHGs and the scheme is to be launched from 15.02.2009. Under the scheme, the member will contribute Rs.1/- per day and matching grant will be given by State government.</p>
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	<p>This amount will form corpus and on attaining 60 years age the member will get pension of Rs.500/-pm or above depending upon the number of years of contribution and quantum of contribution by the member.</p> <p>Liability Insurance: This is another initiative of State Government. Under the scheme to the extent of loan availed, the member is covered. The premium is Rs.75/-. In any unfortunate event of death, the loan amount will be covered and nominees will get the benefit under Janasree Bima Yojana.</p>
4. Mapping indebtedness of the farmers and to identify unindebted farmers.	<p>New Farmers are being encouraged for financing and SLBC is regularly taking up with all Banks for achieving the set targets.</p> <p>Each Rural and Semi Urban branch is taking up financing to 100 new farmers.</p> <p>During the last 4 years 24,10,652 farmers have been financed against target of financing 16.90 lakh farmers.</p> <p>In the State, out of total of 1.05 Crore farmers, 1.01 crore farmers are already covered by Bank finance.</p> <p>Banks have implemented PM Relief package in 16 debt stressed districts. Under the scheme interest waiver of Rs. 1962.56 Cr and restructuring of loans to the extent of Rs.7651 Cr has been allowed.</p>
5. Coverage of Tenant Farmers/ share croppers (Target: 2.5%)	<p>1, 67,532 Tenant Farmers were financed up to March, 2009. The amount Financed is.734.51 Crores. (3%)</p>
6. Defaulters cleansing mechanism	<p>Agriculture Debt Waiver & Relief Scheme – 2008</p> <p>In the above scheme 63.41 lakh Farmers are</p>

	<p>benefited against the total farmers of 100.72 lakhs availed bank finance in the State.</p> <ul style="list-style-type: none"> ➤ Outstanding Agriculture Advances as on 31.12.2007 is Rs. 37000 Crores ➤ Amount eligible under the scheme Rs.11354 crores (30% of outstanding) ➤ Out of above amount reimbursable is Rs.9383.83 crores - No. of Farmers are 56.41. ➤ Amount not reimbursable is Rs.1,970 crores. No of Farmers are 7.00lakh ➤ 37.59 lakhs farmers who are not covered under this scheme, Government of Andhra Pradesh have provided Rs.5000 to each farmer with a budget of Rs. 1821.57 Crores. Andhra Pradesh is the only State which has implemented the scheme. ➤ Thus, out of total 1.05 crore farmers in the State 1.01crore are benefited under either GOI scheme or the scheme of Govt. of A.P. <p>To the farmers affected by natural calamities, Banks are regularly implementing relief measures based on RBI guidelines.</p>
7. IT connectivity	<p>All the Banks are using IT for providing Banking Services even in Rural areas. SLBC has taken up the matter to make the KCCs compatible with ATMs.</p> <p>With the implementation of Smart Card project in the State, IT connectivity will be achieved to a large extent in the State.</p> <p>Banks in the State have introduced Bio metric ATMs to help the illiterates use the technology.</p>

<p>8. Micro Insurance</p>	<p><u>FARMERS</u> 81.63 lakh Farmers are covered under Accidental Insurance Scheme as all Kisan Card holders are covered under the scheme.</p> <p>Under the scheme, the beneficiaries are bearing Rs. 5/- and Rs.5/- is being borne by the Banks.</p> <p><u>SHGs</u> 81.26 lakh are covered under Jana Shree Bima Yojana, Aam Admi Yojana and Other General Insurance schemes with Subsidy Premium from Government of Andhra Pradesh through Mandal Samakhyas.</p> <p>Janasree Bima Yojana - 19.51 lakhs The scheme is meant for the spouses of SHG member or any unmarried, widow or divorcee. The scheme is being implemented in collaboration of LIC. The total premium is Rs. 175/- and 50% is contributed by Central Govt.</p> <p>Aam Admi Yojana -- 38.00 lakhs The scheme is being implemented in collaboration with LIC and the Premium is Rs.200/- per anum of which 50% is being borne by central Govt. and the remaining 50% by State government.</p> <p>Other Group Insurance scheme - 23.75 lakhs Tailor made for SHG women. Composite scheme being implemented in collaboration with LIC and United India Insurance Co.</p> <p>The premium is Rs.158/- per member</p> <p>Contributory Pension scheme for members of SHGs The State Government has introduced contributory pension scheme to all the members of SHGs and the scheme was introduced from February,2009. Under the scheme, the member will contribute Rs.1/- per day and matching grant will be given by State government. This amount will form corpus and on attaining 60 years age</p>
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	<p>the member will get a pension of Rs.500/-pm or above depending upon the number of years of contribution and quantum of contribution by the member.</p> <p>Liability Insurance for members of SHGs Under the scheme to the extent of loan availed, the member is covered. The premium is Rs.75/-. In any unfortunate event of death, the loan amount will be covered and nominees will get the benefit under Janasree Bima Yojana.</p>
9. Issue of General Purpose credit cards (GCC).	<p>5000 Cards have been issued in Andhra Pradesh. (of which Andhra Bank has issued 1330 Cards).</p> <p>Due to inbuilt financing pattern including debt swapping is being implemented for SHGs and farmers, the scheme has not picked up in Andhra Pradesh.</p> <p>For SHGs, in the micro Credit Plan, the consumption needs are taken into account and Andhra Pradesh is leading in the country in the SHG – Bank linkage program.</p> <p>Similarly over 1.00 Crore farmers are already covered with Bank finance in the State out of 1.05 Crore farmers in the State and in the Kisan Credit Scheme, the consumption needs are also in built.</p>
10. Opening Financial Literacy Centers	<p>The basic objective of the FLCCs is to provide financial literacy / education and credit counseling.</p> <p>Andhra Bank has opened 4 centers in its Lead districts in the State – Srikakulam, Guntur and East Godavari & West Godavari</p> <p>Remaining Lead banks in the State viz., SBI, SBH, Syndicate bank and Indian Bank were advised to take steps to open Financial Literacy centers immediately in all their Lead districts.</p>

Action Points:

- All the 13 districts which have completed in implementation of financial inclusion between 75%-100% are advised to complete the task of completing 100% by 30.09.2009.
- All the banks which have completed 100% financial inclusion by opening of “No Frill “ accounts are advised to issued **General Purpose Credit Card with a overdraft facility** in a phased manner and first part should be completed by 30th Sept, 2009.
- Recovery machinery for recovery of Agrl.Debt Relief scheme to be created by Government, covering dues under Housing Loans under VAMBAY and Indiramma Housing schemes.
- Government to focus Recovery of SHG lendings
- Government & Banks to jointly workout strategies to finance more to tenant farmers.
- Banks to open FLCCs in their lead district by Sept, 2009.
- SBI to open RSETIs in 5 of their Lead Districts.

Smart Card Project

The Smart Card Project will be for supporting the disbursement of money under various schemes by Rural Development Dept., Govt of Andhra Pradesh under its various schemes such as Social Security Pensions Scheme (SSP), National Rural Employment Guarantee Scheme-AP (NREGS) in the designated districts.

Members who would be coming under the purview of the above schemes of Government would be provided with a smart card for availing branchless banking.

The Govt benefits for the present include small value Social security Pensions (@ Rs 200/- per member per month); Wages to Wage earners of NREGS (@Rs 80/- per day/member)

Smart Cards consists of chip-based cards carrying the photographs of the card holder and other details, with reliable fingerprint identification facility, having provision to support multiple accounts and other financial services. Till now, Banks have confined the payments through Smart cards to the members of Government's Social security scheme and NREGS.

Smart Card Pilot Project:

In the year 2007, Govt of A.P. implemented the Smart Card pilot scheme in Warangal district involving six Banks. (Andhra Bank, APGVB, Axis Bank, SBH, SBI and Union Bank of India). Each Bank was allotted one Mandal and all the identified members in the Mandal for Social Security Pensions and Wage earners of NREG scheme were enrolled and issued smart cards through the use of intermediaries i.e., Business Correspondents. The beneficiaries of the above two programs were paid cash through the smart cards at their villages. The Banks used the technology support and Business correspondents functions from outside agencies.

Smart Card Scheme - A.P. Government's initiative

The Rural Development Dept., Government of Andhra Pradesh, took initiative to cover the Social Security Pensioners (SSP) and Wage earners of National Rural Employment Guarantee Scheme (NREGS) through banking net work and thereby arranged the payments to these people at their door step through Smart Cards.

Roll out of the Smart Card Project:

After successful implementation of the Smart card pilot scheme, Govt of Andhra Pradesh decided to roll out the project to other districts. In six districts namely, **Karimnagar, Medak, Mahaboobnagar, Chittoor, East Godavari and Warangal** the roll out of the project was designed to operate on 'Service Area Mode' wherein Banks have to issue

Smart Cards to the members in their respective villages. In addition, Govt of Andhra Pradesh proposed '**One District One Bank**' model for the Smart Card project in Andhra Pradesh. In these districts, Banks have to take up the responsibility of issuing Smart Cards to the members SSPs/ NREGS in all the villages.

All the 23 districts were allotted to various banks in Andhra Pradesh to execute the Smart Card Project by Govt. of Andhra Pradesh. All the banks have started working on this project and the implementation of the project at various stages in all allotted banks.

Action Points :

- All the banks are requested to issue **Smart Cards** who have enrolled as members in the scheme for all categories of borrowers including SHGs/farmers/weaker section borrowers.
- A time bound Programme is to be adopted for issuing Smart Cards.

Andhra Pradesh
Un Banked and One Banked Areas

INFORMATION IN RESPECT OF UN-BANKED BLOCKS (MANDALS)

S.NO.	NAME OF THE DISTRICT	Name of the Mandal	Total Geographical Area of the Mandal	Total populaton of the Mandal	Remarks
01	SRIKAKULAM	NIL	NA	NA	
02	EAST GODAVARI	Gangavaram	613.40 Sq.Kms.	25,938	Agency Mandal
		Maredumilli	914.27 Sq.Kms.	18,010	Agency Mandal
03	WEST GODAVARI	NIL	NA	NA	
04	GUNTUR	Veldurti	42038	45927	
05	VIZIANAGARAM	NIL	NA	NA	
06	VISAKHAPATNAM	NIL	NA	NA	
07	MEDAK	NIL	NA	NA	
08	MAHABOONNAGAR	NIL	NA	NA	
09	WARANGAL	Chennaraopet	129.00	50687	
10	RANGAREDDY	NIL	NA	NA	
11	NALGONDA	NIL	NA	NA	
12	NIZAMABAD	NIL	NA	NA	
13	KHAMMAM	NIL	NA	NA	
14	KARIM NAGAR	Tadicherla			
		Mahamu tharam			
15	ADILABAD	NIL	NA	NA	
16	PRAKASAM	NIL	NA	NA	
17	NELLORE	NIL	NA	NA	
18	KURNOOL	NIL	NA	NA	
19	ANANTAPUR	NIL	NA	NA	
20	CUDDAPAH	NIL	NA	NA	
21	KRISHNA	NIL	NA	NA	
22	CHITTOOR	Tottambedu	198.24	412.30	

INFORMATION IN RESPECT OF MANDALS WITH ONLY ONE BANK BRANCH
Scheduled Commercial Banks / Regional Rural Banks

S.N O.	NAME OF THE DISTRICT	Name of the Mandal	Total Geographic al Area of the Mandal (Sq.K.M.)	Total populati on of the Mandal	Bank Branch SCB or RRB	Remar ks
01	SRIKAKU LAM	L.N.Peta	64.21	27141	A.P.G.Vikas bank	
		Vanagra	115.30	47879	State Bank of India	
02	EAST GODAVA RI	Devipatnam	517.39	27898	Vijaya Bank	Agenc y
		Y.Ramavara m	784.65	27950	Andhra Bank	Agenc y
		Rowthulapud i	132.54	48908	Central Bank of India	Newly formed
03	WEST GODAVA RI	NIL	NA	NA		
04	GUNTUR	Bellamkonda	30448	30791	State bank of India	
		Bollapalli	55194	55378	Canara Bank,Vallatur	
05	VIZIA NAGARA M	Kota	269	50673	A.P.G.Vikas.Ba nk	
		Dattirajeru	168	54786	A.P.G.Vikas Bank	
		Pachipenta	309	43975	A.P.G.Vikas Bank	
06	VISAKHA PATNAM	Rolugunta	135	45545	A.P.G.Vikas Bank	
		Koyyuru	644	52437	A.P.G.Vikas Bank	
		Ananthagiri	496	44192	State bank of Hyd.	
		G.Madugula	544	50685	A.P.G.Vikas Bank	
		G.K.Veedhi	1050	56150	Union Bank of India	
		Hukumpeta	625	50115	Vijaya Bank	
		Munchangipu t	561	43918	A.P.G.Vikas Bank	
		Dumbriguda	267	44873	State Bank of India	

07	MEDAK	Jagdevpur	256	44520	State Bank of India	
		Kangti	293.2	44769	A.P.G.Vikas Bank	
		Manur	227.7	52836	A.P.G.Vikas Bank	
08	MAHABUB NAGAR	Lingal	227.61	28874	State Bank of India	
		Uppununthala	201.56	29208	A.P.G.Vikas Bank	
		Narva	286.85	46052	A.P.G.Vikas Bank	
		Dharoor	320.35	55679	A.P.G.Vikas Bank	
		Veldanda	321.75	40798	State Bank of India	
		Bomraspet	244.33	48037	State Bank of Hyd.	
		Kodair	206.71	32540	Andhra Bank	
		Weepanagandla	404.24	45535	Indian Overseas bank	
		Damaragidda	215.01	49221	State Bank of India	
		Utkoor	261.84	48473	State Bank of Hyd.	
		Gopalpet	244.11	55907	A.P.G.Vikas Bank	
		Peddmandadi	180.15	31635	A.P.G.Vikas Bank	
09	WARANGAL	Shayampeta	121.00	41410	State Bank of India	
		Regonda	234.90	59989	A.P.G.Vikas Bank	
		Venkatapur	246.10.	36559	A.P.G.Vikas bank	
		Kothaguda	205.40	36321	Indian Bank	
		Nallabelli	143.3	36909	A.P.G.Vikas bank	
		Bachannapeta	196.40	43521	Central Bank of India	
		Nellikudur	200.10	57384	State Bank of India	
10	RANGAREDDY	Peddumul	23000 acres	37500	Vijaya Bank	
11	NALGONDA	Turkapally	Turkapally	32142	State bank of India	

		Kethepally	Kethepally	34844	A.P.G.Vikas Bank	
		Gundala	Gundala	36279	State Bank of Hyderabad	
		Narayanpur	Narayanpur	41064	A.P.G.Vikas Bank	
12	NIZAMABAD	Jukkal	No.of villages 34	46300	Nationalised Bank	
		Lingampet	No. of villages-23	43559	Nationalised Bank	
13	KHAMMAM	Gundala			State Bank of Hyd..	
		Julurupadu			A.P.G.Vikas bank	
		Mulakalapalli			A.P.G.Vikas bank	
		Tekullapalli			A.P.G.Vikas bank	
		Velerupadu			A.P.G.Vikas bank	
		Wazeedu			A.P.G.Vikas bank	
14	KARIM NAGAR	Pegadapalli			State Bank of Hyderabad	
		Medipalli			Andhra Bank	
		Ibrahimpattanam			Union Bank of India	
		Julapalli			Andhra Bank	
		Eligaid			State Bank of Hyderabad	
		Srirampur			State Bank of Hyderabad	
		Mutharam			State Bank of Hyderabad	
15	ADILABAD	B.Hathnur	382	31000	D.Grameena Bank	
		Bejjur	263	26000	D.Grameena Bank	
		Dehegoan	332	31000	D.Grameena Bank	
		Dandepalli	317	30000	D.Grameena Bank	

		Jainur	421	23000	State bank of Hyd.	
		Kerameri	374	18000	D.Grameena Bank	
		Kothapalli	284	18000	D.Grameena Bank	
		Naredgonda	396	36000	D.Grameena Bank	
		Sirpur T.	431	28000	State Bank of Hyd.	
		Sirpur U.	321	16000	D.Grameena Bank	
		Kuber	321	29000	Union Bank of India	
16	PRAKASAM	NIL	NA	NA		
17	NELLORE	Pellakur	8208HA	33746	Andhra Pragathi Grammena Bank	One SCB is coming shortly
18	KURNOOL	Gonigandla	364.02	39337	A.P.Grameena Bank	
		Uyyalawada	201.38	28098	A.P.Grameena Bank	
		Dornipalem	118.25	25447	A.P.Grameena Bank	
		Peddakadapur	216.44	47984	A.P.Grameena Bank	
		Nandavaram	264.97	51767	Syndicate bank	
		Midtur	288.40	38938	A.P.Grameena Bank	
		Kothapalli	229.59	29126	State Bank of India	
		Krishnagiri	461.12	41666	A.P.Grameena Bank	
19	ANANTAPUR	Amadagur	225.10	26093	A.P. Grameena. Bank	
		Atmakur	268.20	35995	Syndicate Bank	
		B.K.Samudram	271.20	52985	State Bank of India	
		Kundurpi	274.40	48205	Syndicate Bank	

		Lepakshi	147.10	42101	A.P.Grameena Bank	
		N.P.kunta	285.60	30134	A.P.Grameena Bank	
		Peddavadagur	286.70	42012	Andhra bank	
		Putlur	318.30	36814	A.P.Grameena Bank	
		Rolla	163.70	34888	A.P.Grameena Bank	
20	CUDDAPAH	Atloor	191.81	29406	A. Pragathi G.Bank	
		B.Kodur	129	19450	A. Pragathi G.Bank	
		B.Mattam	396	34396	A. Pragathi G.Bank	
		Gopavaram	181	45330	Andhra Bank	
		Kalasapadu	316	31922	A. Pragathi G.Bank	
		Ramapuram	163	33271	A. Pragathi G.Bank	
		Vallur	138	27577	A. Pragathi G.Bank	
		Vemula	214	25578	A. Pragathi G.Bank	
		V.N.Palli	293	30938	A. Pragathi G.Bank	
		Thondur	246.88	2221	A.Pragathi G. Bank	
21	KRISHNA	NIL	NA	NA	NA	NA
22	CHITTOOR	Palasamudram	67.22	20948	Saptagiri G.Bank	
		Vadamalpet	83.74	31291	State bank of India	
		B.N.Kandriga	163.87	30885	Saptagiri G.Bank	
		NIndra	99.27	27905	Saptagiri G.Bank	
		Nimmanapalli	194.75	31166	Indian Bank	

		Tamballapalli	280.26	38693	Indian Bank	
		K.V.Palli	288.68	43353	Indian Overseas Bank	
		Rompicherla	126.46	27359	Ing.Vysya Bank Ltd.,	
		Yerravanipalem	185.29	25173	Saptagiri G.Bank	
		Gudupalle	145.27	38480	Saptagiri G.Bank	

Points for Discussion:






At the State Level in 7 Mandals there is no bank branch and in 109 Mandals, there is only one bank branch as per the information given by LDMs in the State.

The above scenario is very much disturbing considering the overall banking out reach of our state. This is an indicator for Regional Imbalance and should not be allowed to any further.

In the draft report on review of Lead Bank Scheme, the High Level Committee has recommended that “in every district, a sub committee of the DCC may be constituted to draw up a road map to provide banking services through a banking out let at least once in a week at every gram panchayat. In the first instance, a banking out let may be accessible to each village having population of over 2000, at least once in a week on a regular basis. The services may not be necessarily being through a brick and mortar branch but can be provided through various forms of branchless banking including through business correspondents (BCs). The sub committee should come out with a time frame within which this can be achieved but such time frame should not be later than March, 2011.

Action Points:

In the light of the above scenario and the recommendations of the High Level committee of the RBI, all the LDMs are advised to –

-  Place the item for discussion in the ensuing DCC meeting and draw the attention of all the concerned.
-  Ensure Provision of banking services in all the 7 unbanked mandals by the end of December, 2009.
-  Take steps for improving the banking services in all the 109 Mandals where only one bank branch functioning.
-  Collect data on the villages with population of 2000 and above and collect information whether banking services are available in the village or not.
-  Constitute a sub committee of DCC and arrive at an action plan before October, 2009 keeping in view the broad recommendations of the High Level Committee.

- ✚ Enlist the available Business Correspondents in the districts.
- ✚ Inform the proceeding of DCC meetings on this point to SLBC on regular basis.
- ✚ Where the Mandal has become unbanked/ One banked due to closure of bank branch or shifting of the bank branch is effected is advised to de closure of the bank branch or shifting the bank branch to the previous place duly after discussing in the DCC.
- ✚ A comprehensive plan has to be discussed in the DCC and by March, 2010, **no unbanked Mandal** is existing.
- ✚ Also where there is one bank branch in the mandal, ascertain to establish another bank branch.

The Lead Bank Scheme - High Level Committee Recommendations in brief

Reserve Bank of India has constituted a High Level Committee under the Chairman ship of Smt. Usha Thorat, Deputy Governor, Reserve Bank of India in terms of announcement made in the mid-term review of Annual Policy for the year 2007 – 2008.

The Committee was asked to review of the Lead Bank Scheme with focus on Financial Inclusion and recent developments in the banking sector. The committee has submitted its report and the draft report is placed on the website of Reserve Bank of India.

The National Institute of Rural Development (NIRD), Hyderabad has conducted one day consultation meet on 06-06-2009 on the recommendations involving RBI, NABARD, Public Sector Banks and RRBs. The recommendations made were discussed in detail.

The Summary of the recommendations and the views of the NIRD are given below.

Introduction:

- ✚ The Lead Bank Scheme (LBS) is useful and needs to continue. The SLBC and the various fora under LBS should focus on addressing the 'enablers' and 'impeders' in achieving greater financial inclusion and flow of credit to priority sectors, while continuing to monitor subsidy linked government sponsored schemes.
- ✚ The overarching objective of LBS shall be to enable banks and State Governments to work together for inclusive growth.
- ✚ It is necessary to broad base the scope of the scheme to cover initiatives for financial inclusion, role of State Governments, financial literacy and credit counseling as also 'credit plus' activities, formulate action plans to facilitate 'enablers' and remove / minimize 'impeders' for banking development for inclusive growth, develop grievance Redressal mechanism, etc.

Sub Committees:

- ✚ In every district, a Sub Committee of the DCC may be constituted to draw up a road map to provide banking services through a banking outlet at least once a week at every gram panchayat. In the first instance, a banking outlet may be accessible to each village having population of over 2000, at least once on a regular basis. The services may not necessarily be through a brick and mortar branch but can be provided through various forms of branchless banking including through business correspondents (BCs). The sub committee should come out with a timeframe within which this can be achieved but such time frame should not be later than March 2011.

- ✚ A Sub – Committee of DCC may be formed to work intensively on specific issues. There could be different sub-committees to deal with role of SHGs/ MFIs, IT based financial inclusion, MSE sector, etc.

- ✚ In view of the large membership of the SLBC, it would be desirable for the SLBC to constitute sub committees for specific tasks. In addition to the sub committees already in existence, these could include IT enabled financial inclusion, financial inclusion in urban areas, action plan for financial literacy, improvement in land records/ other evidence for land ownership/occupation, improving recovery systems, measures to deal with downturn, promoting bank/SHG linkage and addressing issues relating to provision of microfinance in the State, etc., which may examine in-depth the specific issues and come out with solutions/ recommendations for consideration of the SLBC. The composition of the sub-committee and subjects/issues to be deliberated upon will clearly vary from State to State and may be decided by the SLBC. One of these sub-committees should be entrusted with evaluation/impact assessment studies in regard to various development initiatives taken by the Government/Reserve Bank/ other apex level institutions/banks in the state.

Monitoring:

- ✚ A monitoring system may be instituted by the DCC to periodically assess the position regarding achieving the roadmap and report the same in each meeting of the DCC.

- ✚ The Banking Sector Development Plan shall be monitored at quarterly intervals in the DCC meetings, through a core committee convened by District Development Manager of NABARD with Chief Executive Officer of the Zilla Parishad as chairman. The SLBC may evolve a suitable format for the purpose and monitor the actions entrusted to each stake holder. It may also consider asking external evaluation agencies to carry out specific surveys by adopting standard methodology for ascertaining and giving feed back on the situation at the ground level. Conduct of regular Social audits may also be considered in this regard.

- ✚ The various fora at lower levels should give adequate feedback to the SLBC on various issues that needed to be discussed on a wider platform. Important issues/ discussions of the BLBC, DCC and DLCC should be placed before the next meeting of the SLBC, so that these receive adequate attention at the State Level.

Information Technology Based Management Information:

- ✚ State Governments to ensure road and digital connectivity to all centers where penetration by formal banking system is required. The achievement of such connectivity may be monitored by the sub group of the DCC/ SLBC referred to above. Full advantage may be taken of the special scheme High Level Committee to Review the Lead Bank Scheme offered by Reserve Bank to provide satellite connectivity through small V-SAT in remote areas.

Credit Plus:

- ✚ Lead banks are expected to open a Financial Literacy and Credit Counseling Centre (FLCC) in every district where they have lead responsibility.
- ✚ The DLCCs/ SLBCs may monitor initiatives for providing 'credit plus' services by banks and State Government. The lead banks would need to take expeditious steps to set up RSETIs as per the plan projections. As recommended by the Working Group on Rehabilitation of Sick SMEs (Chairman: Dr. K.C. Chakrabarty, April 2008), a scheme for utilizing specified NGOs for providing training and other services to tiny micro enterprises may be launched by the Government.
- ✚ Every quarter, the lead bank may organize an awareness and feedback public meeting in its district. Wide publicity may be given to these meetings so that people's / media representatives, local leaders as also NGOs / CSOs working in the district attend these meetings. Such meetings may be chaired by the District Collector or the CEO of Zilla Parishad or any other person considered suitable by the lead bank and should be attended by the Regional Managers / Controlling Officers of the bank branches and all the branch managers.
- ✚ The Reserve Bank LDO should attend these public meetings and give a feed back to the respective Regional Office of the Reserve Bank as also to the Banking Ombudsman in the State on the grievances raised during such meetings and the manner of their resolution. The LDM may invite the Banking Ombudsman (BO) for such meetings who may attend the same at his/her convenience.
- ✚ Each lead bank is expected to open a Financial Literacy and Credit Counseling centre (FLCC) in every district where it has lead responsibility by following the recent guidelines issued by RBI in this regard. Suitable grant may be provided out of the Financial Inclusion Fund (FIF) to set up such centres in districts identified as being financially excluded by the Committee on financial inclusion. Necessary action may be taken by NABARD for drawing up a scheme for this purpose.
- ✚ A special Group of each SLBC consisting of bank and Government representatives may undertake a detailed analysis of the various land ownership and tenurial systems prevailing in the State and make recommendations for

developing a computerized data base on ownership and lease holdings including encumbrances thereon. The plan may also include specific actions that have to be taken to create transferable rights in the land or documents that will certify that the borrower has the right of the usufruct on the land as in case of oral lessees and share croppers this often acts as obstacle to bank lending.

- ✚ Bank's linkage with such NGOs/Corporate houses operating in the area to ensure that the NGOs/ Corporate provide the necessary 'credit plus' services can help leverage bank credit for inclusive growth. Outstanding cases could be presented in DCC/SLBC meetings to serve as models that could be replicated.
- ✚ As part of its financial literacy efforts Reserve Bank may bring out small publications in various local languages in easily comprehensible language on different areas on which instructions are issued by it. The publication may be in a simple language with extensive use of graphics and placed on its website apart from making sufficient copies for those who want it. The SLBCs may, in turn, make available such material on their respective websites for wider dissemination and request copies from Reserve Bank for distribution as deemed fit.

Credit Planning:

- ✚ The PLP should be incorporated in to the DCP with the NABARD and Lead Bank Offices taking in to account the commitments made by the various Departments of the State Government regarding backward and forward linkages, provision of infrastructure, etc. There is a need to have a Monitorable Action Plan based on the converged PLP and DCP which may be prepared by NABARD, taking into account the inputs of the State Government.
- ✚ A one-time comprehensive State Level / District Level Banking Sector Development Plan (BSDP) for all districts on the lines recommended for the North Eastern Region may be formulated indicating roles and responsibilities of banks, State Government and other stakeholders to ensure banking development for inclusive growth. The State level plan may be prepared by a sub committee which would be headed by convenor of SLBC and include officials from the State Government, RBI and NABARD besides the major participating banks. At the District Level, the LDM may be the convenor and prepare such a plan. RBI and NABARD may provide necessary guidance.
- ✚ While preparing the credit plans under the Lead Bank Scheme, the annual plans/ five year plans prepared under the District Planning Process by the DPC may be referred to for having a dovetailed approach towards the development process as envisaged by the Gram Panchayats / Municipalities.
- ✚ The Monitorable Action Plans (MAPs), among others, should clearly indicate the proposed coverage for SCs/STs, minorities and promotion of SHGs in the district.

The MAP should be available by March of each year. The ACPs should fully reflect the targets/projects/schemes incorporated in the MAP. These should also be incorporated in the branch targets, which should be monitored by Regional Offices of the banks. Specific bankable schemes may be included in the MAPs incorporating assistance from the State Government for vulnerable groups and areas as having large population of financially excluded.

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- ✚ NABARD may identify strategic investments in agriculture and allied activities depending on the comparative advantage and incorporate schemes that may be taken up by banks for financing. In particular, NABARD may focus on districts identified by the Committee on Financial inclusion (Chairman : Dr.C.Rangarajan, January 2008) as being financially excluded.

Training / Reservation

- ✚ It would be useful if the SLBC/ DCC identifies academics and researchers engaged in research and development studies who could be invited occasionally to the meetings of these bodies, both for adding value to the discussion and also be associated with studies and product formulation for the State / District.

Role Of LDM – Infrastructure Support etc.

- ✚ The role of LDM should cover convening meetings of the DCC and DLRC, periodical meetings of DDM/LDO/ Government Officials for resolving outstanding issues, facilitating setting up of Financial Literacy and Credit Counseling Centers (FLCCs) by banks, holding annual sensitization workshops for banks and government officials where NGOs/ PRIs can also participate, grievance redressal, credit planning at the district level through preparation of the annual District Credit Plan and Monitoring implementation of the annual credit plan and Monitoring implementation of the annual credit plan.
- ✚ LDMs office being the focal point for successful implementation of the Lead Bank Scheme, due case should be taken in selecting the incumbent and posting should be made a coveted one.

- ✚ LDM should be at a senior level, preferably in Scale V, but in any case not below Scale IV. In order to enable the LDM to discharge his duties in an efficient manner; he should be provided with necessary support staff and infrastructure, commensurate with his role and responsibilities.
- ✚ There is a need for putting in place a mechanism to facilitate greater co-ordination between LDM, LDO and DDM outside the scheduled DCC/DLRC meetings, on an ongoing basis, which will, inter alia, also help in Redressal of grievances of the users of banking services. The Regional Directors of the RBI may review the sufficiency of the support available to the LDMs and competence of the LDMs in discharging their role. LDMs should be sufficiently empowered and delegated with powers to discharge their responsibilities. Exceptional performance should be suitably recognized / rewarded.

SLBC – Agenda:

- ✚ In all DCC meetings, the first item on the agenda could be a presentation in brief of the major guidelines issued since the last meeting by RBI, Government and IBA having a relevance to the objective of banking development for inclusive growth.
- ✚ At State level, DG/ED of RBI may participate in the special SLBC meeting to discuss State Policy issues at least once a year.
- ✚ The Chief Secretary should co-chair the SLBC with the CMD of the convenor bank. The Chief Minister/Finance Minister should be invited to attend the meeting and where he/she does so, may be requested to chair the same.
- ✚ The main agenda of the SLBC should be focus on the implementation of the Banking Sector Development Plan for inclusive growth.
- ✚ In order that the recovery climate is strengthened, the sub group may also review the recovery laws, machinery and recommended suitable measures for inducing a better recovery mechanism and credit culture. The SLBC may consider the recommendations of the sub group and take suitable follow up action.
- ✚ The Secretariat/Offices of SLBC should be sufficiently strengthened and the SLBC convenor bank should have a full fledged secretariat for effective discharge of its functions. The Secretariat should be well equipped with staff and provided all necessary facilities to help in effectively discharging its duties.
- ✚ As implementation issues are common across States, best practices and experiences of SLBCs in different States should be shared among themselves on a continuous basis. The websites of the SLBCs may be regularly updated and used for this purpose

- ✚ Every SLBC should have its own website where all instructions pertaining to the Lead Bank Scheme as well as other instructions issued by Reserve Bank and Government Schemes for the benefit of common person are made available. The website should carry the instructions in the local language. The SLBCs website may have a link for the common person where the gist of the instructions issued by the Reserve Bank for the common person is made available. This site could also be used for financial education and could carry a FAQ section to answer all possible queries relating to various products and services.
- ✚ Each SLBC may have a dedicated Financial Literacy Division to propagate the various instructions. The SLBC may conduct a periodic publicity drive on different subjects related to banking and the common person and use the local media especially newspapers for issuing advertisements on matters such as procedure for opening bank accounts, Reserve Bank instructions relating to priority sector lending etc., in a language easily understood by the common person. The local media should be encouraged to frequently interact with the Financial Literacy Division and its help taken to reach out to the common persons.
- ✚ The products and services offered by banks may be appropriately modified to suit the local conditions. The SLBCs can identify such needs and offer solutions or products that could be uniformly adopted by the banks in the region.
- ✚ Exposure visits may be arranged by the Lead Bank for District Collectors, Block Development Officers, Bank Officials, SHGs at various levels to leverage upon success stories.
- ✚ Functionaries of PRIs, especially gram panchayats should be familiarized with preparation of bankable schemes, so that budgetary funds for livelihood promotion can be leveraged for promoting financial inclusion and increasing credit absorption capacity. The LDM/ DDM could take initiatives in this regard.
- ✚ Training and sensitization programmes for the DMs and other State Government functionaries may be provided. The IAS probationers may be considered for two to three weeks orientation programme on Lead Bank Scheme before taking charge in the districts or immediately thereafter; such orientation can be provided by attaching them to SLBC convenor's office in the State to which they are posted.
- ✚ Bank probationers may be given two or three weeks attachment at Zilla Parishad/ Collectorate for familiarization with government's role and functioning with regard to the developmental programmes.
- ✚ Bank Managers should also visit the SHG meeting places to help understand SHGs better.

- ✚ Staff at the operational level of banks and government agencies associated with implementation of the Lead Bank Scheme need to be aware of latest developments and emerging opportunities. There is need for staff sensitization/ training/ seminars etc., at periodic intervals on an ongoing basis. Training institutions of individual banks together with national level training colleges of RBI and NABARD should develop suitable modules for this from the current year.
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State Government Support:

- ✚ State Governments to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and irrigation facilities. In centres where bank branches are required by the State Government for currency, forex and government business, and banks are constrained in open branches due to lack of infrastructure, absence of viability and security concerns, State Governments will need to extend support by providing premises, security etc.
- ✚ In the implementation of subsidy linked credit schemes, State Governments may consider giving preference to the previous year's uncovered trainees for loans in the following year, list out negative activities for loan purposes, prepare a centralized information on defaulters and recovery status, ensure adequate due diligence in selection of beneficiaries and try to bring in participation by private sector banks in various government sponsored schemes.
- ✚ The State Government machinery may support the efforts made by banks for financial literacy. Towards this, State Government may proactively provide the assistance of the government machinery, especially at the grass root level such as schools, Panchayat, etc., for dissemination of the products and services of the banks.
- ✚ In order to reduce use of cash/ cheques, State Governments may take initiative to make their bulk payments like salaries, pensions through mechanisms like ECS as they are cost effective and operationally efficient. In addition, as indicated above, the use of IT solutions for disbursement of NREGA and social security payments such as National Old Age Pension Scheme through bank accounts may be expedited taking advantage of the incentive scheme introduced by RBI for funding a part of the cost of opening such bank accounts.

- ✚ Support to banks for recovery drives may be extended by the State Government and the recovery teams may include Government Officials. Cases of willful defaults/absconding/misutilisation of loan/subsidy amount in respect of Government Sponsored Schemes, etc. should be treated as an economic offence and dealt with accordingly.
- ✚ State Governments should be able to leverage on the benefits of undertaking government business by banks to incentivize their involvement in Government Sponsored Schemes and Programmes which may not always have business benefits.
- ✚ In Urban areas, the State Governments machinery may assist in the opening of bank accounts where there are large settlements of households and obtaining proof of address and identity may be difficult. The Committee would urge that RBI and GOI may together work on ways to simplify KYC norms for opening bank account for small value accounts viz. where balances do not exceed Rs.50000/-, annual credits do not exceed Rs.1,00,000/- on the basis of a affidavit and photograph, as indicated in the Mid-term review of RBI Annual Policy 2005-06. Till such time, banks may take advantage of the simplified norms for KYC for such accounts contained in the RBI circular of August 23, 2005. Further, banks having the largest presence in each city with more than one million population (to start with) may take the leadership in convening a meeting of bankers and allocating responsibility for various wards to different banks, to ensure that all urban households have easier access to bank accounts and banking services. Regional Directors of RBI at different centres may facilitate the setting up of such a forum.

NPA Recovery

- ✚ Banks should involve themselves actively in the selection of beneficiaries and focus on the bankability and viability of the scheme in the overall interest of ensuring better recovery and ensuring that the subsidy is effectively used for the intended purpose. Governments should evaluate outcomes rather than whether the amounts allocated are fully spent.
- ✚ In order that the recovery climate is strengthened, the sub group may also review the recovery laws, machinery and recommend suitable measures for inducing a better recovery mechanism and credit culture. The SLBC may consider the recommendations of the sub group and take suitable up action.

Financial Inclusion

- ✚ The banks should cooperate fully in opening and operating a weekly banking outlet through any permitted channel for ensuring 100% financial inclusion in the villages of over 2000 population allocated to them by the sub committee of the DCC. The no frills accounts should be backed by GCC/simple overdrafts,

Savings, Insurance, Loan and remittance products and financial literacy should be a part of achieving deeper financial inclusion.

IT for On Lending through Agency Apartments

- ✚ Banks need to take the maximum advantage of available IT solutions. The funding arrangements available under Financial inclusion Technology Fund (with NABARD) or other options such as the support for RRBs suggested by the RBI working Group may be explored for this purpose. Since State Governments are also keen to disburse NREGA and social security funds through banks accounts, partnerships can be explored between banks and State Governments with support offered from RBI and leverage the same infrastructure for enhancing financial inclusion.
- ✚ Although permitted, PACS are not being used as BCs. Concerted efforts may be made for using PACS as BCs where such PACS are running well.
- ✚ As soon as Reserve Bank instructions are placed on its website, banks may communicate the same to their branches electronically so that the relative instructions come into operation immediately.

Private Sector Banks

- ✚ Private Sector Banks may actively involve themselves with the DCC and Action Plans where they have a presence and extend their services through permitted channels in under-banked and unbanked areas. This will also help these banks achieve their priority sector lending targets.



Self Help Groups

- ✚ NABARD may make a detailed review of the SHG-bank linkage programme and come up with revised guidelines to facilitate migration of members of mature groups to become micro entrepreneurs and increase the scale of lending through such groups.


MIS On Credit Plan

- ✚ The revised SAMIS reporting system may be implemented on a pilot basis in one/two States and thereafter in other States. The Indian Banks' association may devise software for consolidation and generation of bank-wise, block-wise, district-wise, sector-wise, activity-wise reports by SLBC convenor banks on an urgent basis.

RBI Annual Conference

-  An annual conference of Chief Secretaries/Development Commissioners, CMDs of SLBC convenor Banks may be convened by the Reserve Bank to discuss important policy issues in the area of financial inclusion and priority sector lending. In each State, a full day sensitization workshop may be convened in April/May every year.
-  Reserve Bank may review the extant guidelines on BCs. The committee has noted that in the Annual Policy Review of 2009-10, Reserve Bank has announced that it will constitute a group to review the eligibility of persons who can act as BCs. The Committee would highlight the need to take into account the experience of a few large BCs, the need to facilitate recycling of cash, apart from the regulatory and consumer protection perspectives. RBI may consider allowing banks to use mature SHG group leaders as BCs with IT solutions in place to ensure requisite safeguards.

Monitoring & Review

-  A small committee, comprising representatives of RBI, Central Office, IBA, and the Regional Director RBI of the State concerned may review the performance of the SLBC convenor banks and lead banks with a view to recommending the continuance of the assigned responsibility to the respective Banks.

DRAFT REPORT OF THE HIGH LEVEL COMMITTEE TO REVIEW THE LEAD BANK SCHEME FOR PUBLIC COMMENTS -- NIRD

We invite reference to press release dated 2008-09/1903 of Reserve Bank of India calling public comments on the draft recommendations of the above committee displayed in RBI website on 21st May, 2009.

NIRD as the apex training and research institution in the area of Rural Credit is interested in improving the flow of credit for Rural Development and towards livelihood support schemes for self employment.

NIRD had therefore called for one day consultation on 6th June, 2009 with other stakeholders viz., Farmers Association, Sr. Executive of Public Sector Banks, RRBs, RBI and NABARD. 24 participants as per list enclosed discussed various recommendations on the High Level Committee and the following recommendations are made on the basis of deliberations held in the meeting.

NIRD welcomes and appreciates the effort of RBI in having set up a high power committee for reviewing the Lead Bank Scheme. The committee's recommendations on the whole covering the entire gamut of Rural Credit are welcome. Specific modifications/fine tuning in respect of the following may be considered.

1. SLBC/DCC :- The working of the committees to be streamlined ensuring attendance by the concerned and appropriate authorities of Banks and Govt. Departments. SLBC to be presided by Chief Secretary of the state facilitating discussions and decisions on all relevant departmental issues. SLBC could co-opt senior retired Bank Executives at the level of General Managers and above so that their expertise and experience would be available in sorting out issues relevant to rural credit. The SLBC to invite Farmers Federations Associations for hearing their grievances on field level issues. Similarly, at district level DCC to hear the problems of farmers, artisans etc. The decisions taken by SLBCs in the presence of Executives of the various Banks should be binding on the branches of Banks at the field level. RBI may issue appropriate guidelines in this regard.

2. Sub Committee:- The recommendations regarding sub committee are welcome. It is felt that the Sub Committees should be designated with specific agenda. There could be a sub committee on disaster management, implementation of Govt. sponsored schemes, Financial Inclusion and review and monitoring of NPAs. Flow of Agricultural Credit etc.

3. Lead Bank Scheme:- It is relevant to strengthen and activate the Lead Bank Scheme at various levels. It is suggested that there may be a national committee to review the functioning of state level committees preferably headed by the Finance Secretary or the Finance Minister, GoI. The regional consultation committees provided for in the Lead Bank Scheme may be revived since it provides for coordination and convergence among the states at regional levels.

4. Management Information Systems:- The MIS under the Lead Bank Scheme continues to be a weak link. The priority sector figures reviewed are almost six months old data. It is therefore necessary to ensure online collection of data with appropriate IT inputs.

5. Role Of State Governments :- The State Governments in a welfare state have a major role to play to support the financing Banks in the area of Rural Credit deployment. It is therefore necessary that State Governments at the state level and district level should have nodal agencies/officers designated to ensure coordination. Such an effort would enable appropriate team work among the officers of Government, Public Sector Banks, Panchayat Raj Institutions etc.

6. Credit Planning: - Credit planning should be a realistic exercise for identifying credit gaps and projecting need based credit inputs for the various sectors. The present exercise of Potentiality Linked Credit Plan and Annual Action Plan at district level requires fine tuning to ensure decentralized and realistic assessment of credit requirements. It is felt that at the all India level, there is considerable regional imbalance resulting in developed states securing higher share of credit support compared to under developed states receiving minimal inputs. The committee may consider appropriate initiatives to ensure balanced flow of credit. It needs to be examined as to whether the Five Year Plans of the Govt. of India and State Governments could be dovetailed with relevant credit projections relating to investment credit on agriculture sector,

infrastructure and other development investment requirements covered under the national planning process. Decentralized planning mechanism should operate at Block/District level facilitating identification of investments and quantification of plan/credit allocations for such requirements. Panchayat Raj Institutions may be enabled to borrow for viable infrastructure investments through appropriate amendments to the state level acts so as to provide them borrowing powers.

7. Rural Branch Expansion :- The 100% Financial Inclusion for Inclusive Growth is a commendable initiative taken by the Govt. of India and RBI. All Banks should provide support for such a common building activity. While doing so, Lead Banks should continue to identify growth centres for opening branches in rural areas in tune with increase in population and economic activity requiring further spread of branches.

8. Training and Research in the Area of Rural Credit / Rural Development

- ✚ With the increasing emphasis and requirements of the rural economy, the role of Public Sector Banks and RRBs in supporting rural development through credit has become a national priority. The credit institutions face field level problems in implementing various schemes within the relevant rules and regulations covering Banking, Law and Practice.
- ✚ It has become necessary to ensure that priority sector lending and profitability of PSBs are complementary to each other. To facilitate compliance of relevant parameters in the area of priority sector lending, Banks have to ensure appropriate capacity building of their officers and staff at various levels. The existing infrastructure at the national level covering BIRD in Lucknow and CAB in Pune has exclusive centres for training in Rural Credit is inadequate.
- ✚ NIRD as the apex organization under MoRD in the area of Training and Research in Rural Development has now set up an exclusive 'Centre for Rural Credit Development Banking and Micro Insurance' and the initiative has been supported by the Govt. of India and RBI. SLBCs and Public Sector Banks should make use of facilities available in the exclusive 'Centre on Rural Credit for training their officers.

9. Training & Sensitization of LDMs and Govt. Functionaries :-

- ✚ Training and Sensitization of LDMs is a major essential and critical input so that the LDMs are adequately equipped to discharge their catalytic role play towards improving flow of credit.
- ✚ Training of Lead Bank functionaries being a major input required for successful implementation of LBS.
- ✚ NIRD's experience with regard to certain under developed states reveal that the LDMs are not adequately trained and on that basis credit allocation and disbursements are comparatively low resulting in regional imbalance. Therefore, NIRD has a major role in capacity building of LDMs.

- ✚ The recommendations regarding sensitization of District Collectors and other functionaries on Lead Bank Scheme are welcome. NIRD could initiate action this regard.
- ✚ Training the Chairmen and other functionaries of RRBs in tune with policy initiatives of Govt. of India regarding strengthening of RRBs requires priority consideration.

10. **Coordination :-**

- ✚ Coordination among lending agencies is a major requirement to maintain and ensure financial discipline and to provide for responsibility regarding obligations for implementation of govt. sponsored schemes and achievement of projections under Potentiality Linked Credit Plan/District Level Annual Credit Plan. It is therefore necessary to **reintroduce the service area approach** which is the only answer for ensuring systematic and coordinated flow of credit, ensuring accountability and coordination.

11. **Lead District Manager :-**

- ✚ The LDM in Scale-V may be posted in districts with more than 200 branches while in other districts officers in Scale-IV may be posted, covering necessary second line officers, clerical, EDP Assistants apart from four wheeler and driver with communication facilities of cell phone, residence telephone etc.
- ✚ The role plays of district functionaries LDM, LDO-RBI and AGM-NABARD to be defined to facilitate team work.
- ✚ The requirement of infrastructure support to the LDM should be specifically mentioned.
- ✚ Identification of LDM should be on the basis of assessment of suitability with regard to relevant qualification in rural branch experience and relevant managerial skills with a **pro-poor attitude to work in coordination with Govt. departments.**
- ✚ The services of the LDMs should be exclusively utilized for his role play as a Lead Bank functionary and the Lead Bank should not give them other responsibilities including deposit mobilization, follow up of closing of accounts etc.

The recommendations regarding Credit Plus initiatives are important so as to ensure Inclusive growth through Financial Inclusion and concurrent financial literacy. These functions cannot be mere responsibilities of participating Banks, but have to be achieved in coordination with extension agencies of State Governments. Therefore, the DCC at the district level and SLBC at the state level has to prepare an appropriate road map for achieving results within reasonable time frame. The District Collectors and Project Officers of DRDAs and Chief Executives of Panchayats have responsibility in achieving results in these areas through coordinated team effort. To enable them to achieve results they also need appropriate sensitization and motivation wherein NIRD has a role to play.

12. Micro Insurance:- Agricultural Insurance and Micro Insurance are relevant support initiatives facilitating social welfare & economic development and concurrently helping flow of credit. SLBC may review such support systems and Micro Insurance

initiatives and representatives of Insurance companies are invited to participate in SLBC/DCC meeting. Since small and marginal farmers cannot afford to pay the premium for crop insurance. The State Governments /Govt. of India should subsidize 50% of the premium and DCC to monitor the coverage of Micro Insurance with reference to loanee and non loanee farmers. Service area branch to be the nodal agency for collection of premium and settlement of claims in terms of MOU to be entered into with insurance companies.

13.Agricultural Credit :- On behalf of Farmers Federations, Sri Chengal Reddy, Chairman of Farmers Federation Association made the following observations:-

- (a) Farmers particularly small and marginal farmers including tenant farmers do not get credit from Banks.
- (b) Banks are still insisting on 'NOC' and farmers have to come from pillar to post.
- (c) The food security is a major requirement for economic growth act and Banks should support agriculture in a big way so that farmers could be motivated to produce better crops. Farmers are always at the receiving end since they are in the unorganized sector and hence their requirements are neglected.

The SLBC/DCC should look into field level problems in the area of flow of Rural Credit so as to create a congenial atmosphere for increasing growth in agricultural products

Agenda item

Cautioning the members of Public against fictitious offers of remitting cheap funds:

Reserve Bank of India communicated that Of late, it has been observed that the General Public are receiving fictitious emails/offers for release of cheap funds claimed to have been remitted by overseas entities to banks in India/ Reserve Bank of India.

Reserve Bank of India has already given wide publicity through print media to alert to be cautious in dealing with such fraudulent claims.

The copy of the letter and enclosures are enclosed.

Action Points:

All the Banks are advised to communicate the same to all the Branches to be more vigilant..

National Institute of Rural Development

(Ministry of Rural Development, Government of India)

Allowing Gold Loans – Observations of NIRD :

National Institute of Rural Development NIRD, has sent some of the observations regarding ground level flow of credit for Rural Development, financing of Jewel Loans for Agriculture and Other Priority / Non Priority purposes.

Government of India and RBI have improved liquidity in the system, they are concerned about the poor off take of credit for economic development towards supporting internal supply and demand.

Financial Inclusion for inclusive Growth is a priority area of national importance, NIRD have the following observations to be discussed in the SLBC meeting.

- NIRD quoted that in Kerala and Karnataka the Financial Inclusion in terms of opening of 'No Frills' A/c is set to have been achieved 100%, the off take of credit is not perceptible.
- Information regarding the quantum of the credit deployed to the 'No Frill' account holders, a data to be obtained quarterly and to be reviewed.
- NIRD felt that the credit flow from Commercial Banks and RRBs is not picking up due to competition from Non Banking Financing Companies (NBFCs) operating in the system. It is reported that NBFCs are lending to the extent of Rs. 900/- to Rs.1100/- per gram as against Rs.650/- to Rs.900/- per gram offered by Banks. Regarding Interest Rates Banks are charging interest around 12.14% and NBFCs are charging Interest around 26 to 28%.
- NIRD felt that it is worthwhile to increase the quantum of loan per gram with a reasonable margin of 20 to 25% so as to attract good customers and cover non – priority purposes also at a differential rate.
- NIRD expressed that since financing against pledge of gold ornament is a secured advance, it is necessary that Banks should increase the quantum so as to compete with other lending institutions facilitate flow of credit at affordable rates.
- In one of the Southern States, Kerala, it was observed that one of the NBFCs was planning to open 400 branches for financing against gold ornament, evidencing a major credit gap in the state.
- NIRD felt that the Public Sector Banks should identify appropriate strategies to improve lending under the scheme which will concurrently help in achieving Financial Inclusion and Economic Development.

- NIRD also informed, that some Banks are reportedly charging Rs.500/- at the time of closing of jewel accounts and such charges are not justified.

In Andhra Pradesh also though some of the districts have achieved Financial Inclusion in terms of opening of 100% 'No Frills' accounts, the off take of credit is not picking up. .

Action Points :

- All Banks are requested to discuss about the points to pass necessary resolutions.

NABARD

Activity Based Groups :

Across the policy making bodies and development institutions, there is concern about and a desire to push up the level of economic activity at the bottom of the pyramid. For which a few developmental organisations (including Non Governmental Organisations) are working on the lines of improve the economic well-being of small and marginal farmers as well as small scale activity based groups

As different developmental initiatives taken across, NABARD has also supported formation and linkage of self – help savings and credit groups and introduced a scheme for financing Joint Liability Groups as encouragement and support of similar activities.

Taking note of some of these initiatives, the Committee on Financial Inclusion has recommended for adoption of the concept Joint Liability Group purveying credit to small and marginal segment clients such as small farmers, marginal farmers, tenant farmers, hand-loom weavers and others engaged in specified activities in rural areas and thereby reduce their dependence on informal sources of credit. Most of these clients do not form part of the poorest among the poor and as a result their credit needs do not get fulfilled under SHG – Bank Linkage Programme nor are these clients accepted by the formal financial sector as individual clients i.e. without the joint liability or peer pressure factors of the group mode.

NABARD has taken different initiatives, support is available in one form or other for activity based group of farmers or artisans. With this background a scheme that integrates the multi – departmental efforts to support activity based groups has been introduced with the following features.

Purpose of the scheme:

To help formation and nurturing of small scale activity – based groups engaged in similar economic activities to improve the efficiency of their enterprises and getting better terms from the market through economies of aggregation and scale.

Activity Based Group Promoting Institutions (GPIs):

The activity based groups in addition to the basic support for group formation, maintenance and growth as provided to SHGs by SHPIs, also require organized support structures for provision of technical inputs, market intelligence, managerial and organizational support for taking up input / output market operations. This is not feasible unless there is a strong Resource Support Organization as in the case of our watershed initiative or the Cluster Development Association as in the case of the NFS initiative.

With this concept National Bank for Agriculture and Rural Development has formulated a scheme for supporting Joint Liability Groups and Activity Based Groups with an aim to carry forward this as a National Programme with speed and efficiency.

*The salient features of the scheme is enclosed for ready reference.

Action Points:

- | |
|--|
| <p>➤ Banks to discuss and implement the scheme</p> |
|--|

Dairy and Poultry Venture Capital Funds:

As per the information with SLBC, the Dairy and Poultry Venture Capital Funds is continuing during 2009 – 2010 also with separate allocation of Rs.38 Crore (Rs.5 Crore for NE States) and Rs.10 Crore for dairy and Poultry sectors respectively.

NABARD advised to refer their earlier Circular Nos.32/ICD-6/2004-05 dated 16 February, 2005 and 04/TSD-01/2008 dated 14 January 2008.

Eligible components for both and other terms and conditions are remain unchanged.

It is also reported that in their Mid term evaluation of the scheme indicated that some of the banks are not passing on the repayments received under the scheme to NABARD which will lead to depletion of the fund's corpus. Hence, all the banks may be advised to their implementing branches to pass on the repayments on a proportionate basis to NABARD.

A review made by NABARD that the Interest Subsidy claimed so far revealed that only 10% of the eligible claims were submitted by the banks. As Interest Scheme was envisaged to encourage regular repayments, the banks may advise the branches to submit claims for interest subsidy in respect of all regular loans under the scheme.

* Enclosing the letter from NABARD along with enclosures.

Loans to Denotified Nomadic Tribes (DNTs)


The National Commission for Denotified Nomadic and Semi-Nomadic Tribes (NCDNSNT) has interalia recommended that bank loans should reach Denotified Nomadic Tribes (DNTs) to enable them to undertake suitable economic activities and appropriate percentage be fixed for the group within the over target of PSL and the sub-target for weaker section. Further, the process of disbursement of loans to DNTs may be reviewed and monitored by the District Level Consultative committees and State Level Bankers Committee so as to ensure that the DNTs receive an equitable portion of the bank credit..

The Reserve Bank of India has written to IBA to identify and examine the operational problems/ issues that the banks may face and the support required from State Governments for identification / verification of beneficiaries as also other modalities in implementing the recommendation made by the committee.

Now, Indian Banks' Association requested all the SLBCs to examine the matter and place it for discussions at the SLBC meetings.

We enclose the copy of the letter No. RPCD.CO.Plan.3708/04.09.01/2008-09 dated 18th June is enclosed for reference.

Points to be discussed / Action Plan:

 All the Banks are requested to identify & examine the operational problems that the banks may likely to face while implementing the Programme in detailed.
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Advertisement Tax for displaying Sign Boards of Banks at premises of Branch / ATMs – by Government of Andhra Pradesh

Banks normally display the Boards at their premises to indicate the location of the Branches and ATMs.

The Contractors appointed by the Municipal administration are serving notices on Banks for payment of hefty tax for displaying sign boards at the premises of their Branches and ATMs.

The Banks are Public utility service organizations and the Boards are being displayed at the premises **only to identify** the Bank Branch / ATM by the Public. The display of the name board especially at ATMs are for the convenience of Public.

When ever the Banks are erecting hoardings for advertisement purposes, Banks are paying required charges.

The matter has come for discussion in the Steering Committee / SLBC Meetings on several occasions and the matter was also brought to the notice of Honorable Chief Minister of Andhra Pradesh and it was promised that the matter will be resolved and SLBC was asked to take up the matter with Department of Municipal Administration for amending the GO.

As per the resolution, SLBC has taken up the issue with the Department of Municipal Administration and Urban Development, Government of Andhra Pradesh several times.

The matter is yet to be resolved and the Contractors are once again serving notices on Banks for display of Boards at their Branch/ ATM premises and demanding for payment of Advertisement Tax.

- Dept. of Municipal Administration and Urban Development, Government of AP is requested to look into the matter and take steps for releasing orders and suitably advise the Contractors, not to collect Advertisement Tax for displaying Sign Boards of Banks at the premises of Branches and ATMs till the modification GO is issued.

Agenda Item

MICRO, SMALL and MEDIUM ENTERPRISES

Definition of Micro, Small and Medium Enterprises:

A. Enterprise engaged in the manufacture or production, processing or preservation of goods as specified below:

A Micro Enterprise is an enterprise where investment in Plant and Machinery does not exceed Rs. 25 lakhs;

A Small Enterprise is an enterprise where the investment in Plant and Machinery is more than Rs.25 lakh but does not exceed Rs.5 crore; and

A Medium Enterprise is an enterprise where the investment in Plant and Machinery is more than Rs.5 Crore but does not exceed Rs. 10 Crore

In case of the above enterprises, investment in plant & machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide their notification No. S.O.1722(E) dated October, 5, 2006.

B. Enterprises engaged in providing or rendering of services and whose Investment in equipment [Original Cost Excluding Land and Building and Furniture, Fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006] are specified below. These will include Small Road & Water Transport Operators (Owning a Fleet of vehicles not exceeding ten vehicles), Retail Trade (with credit limits not Exceeding Rs.10 lakhs) Small Business (whose Original Cost Price of the Equipment used for the purpose of business does not exceed Rs.20 lakhs) and Professional & Self Employed persons (whose borrowing limits do not exceed Rs.10 lakhs of which not more than Rs.2.00 lakhs should be Working Capital requirements except in case of professionally qualified Medical Practitioners setting up of the practice in Semi-Urban and Rural Areas, the borrowing limits should not exceed Rs.15 lakh with a sub-ceiling of Rs.3 lakh for working capital requirements).

- i. A Micro Enterprise is an enterprise where the investment in the equipment does not exceed Rs.10 lakhs.
- ii. A Small Enterprise is an enterprise where the investment in Equipment is more than Rs.10 lakh but does not exceed Rs.2 crore: and
- iii. A Medium Enterprise is an enterprise where the investment in Equipment is more than Rs.2 crore but does not exceed Rs. 5 crore.

Bank's lending to Medium Enterprises will not be included for the purpose of reckoning under the Priority Sector.

(As per RBI /2009-10/59 RPCD.SME & NFS.BC.No.10/06.02.31/2009-10 dated 01.07.2009, the above are the definitions.)

Definition of a Sick Small Scale Unit (MSE):

When any of the borrower accounts of the unit remains overdue for more than one year
Or

There is erosion the net worth due to accumulate cash losses to the extent of 50% of its net worth during the previous accounting year. And

The Unit has been in commercial production for at least two years.

Suggested Revision of Definition: (By Chakrabarty Committee)

Borrowal accounts remains overdue for three months Or

Erosion in NW up to 50% - - Emphasis on 'quick' identification of sickness.

A Sick Medium Enterprise:**Definition of Non-SSI Sick Unit:**

An industrial undertaking (regardless of type of incorporation) whose accumulated Losses, as at the end of the latest financial year, equal or exceed its entire net worth (viz. paid up capital and free reserves)

Viability of Sick Units:

A unit may be regarded as potentially viable if it would be in a position, after implementing a relief package spread over a period not exceeding five years from the commencement of the package from banks, financial institutions, Government (Central / State) and other concerned agencies, as may be necessary, to continue to service its repayment obligations as agreed upon.

Reasons for Sick Units:

There are innumerable reasons for SSI Units becoming Sick. The following are the board categories of sickness.

- a. Financial b. Managerial c. Technical d. Others

The General reasons for sickness are due to inefficient management, overstaffing or obsolete production equipment, methods and techniques.

Credit Flow to MSME Sector in Andhra Pradesh

Total Outstanding Credit as on 31.03.2009

Rs. in Crores	
Sector	Achievement
Total MSME	21,128
Micro Enterprises	5,440
Small Enterprises	12,143
Medium enterprises	3,545

Measures initiated by Reserve Bank of India

RBI has initiated a series of measures to overcome the knockdown affect of the global financial melt on the SME sector in India. The following measures are listed in its circular dated 16.12.2008.

Prudential guidelines on restructuring of advances were issued vide DBOD.No.BP.BC.37/21.04.132/2008-09 dated 27.08.2008.

Banks were advised to consider restructuring the dues of SMEs and continue disburse loans against the sanctioned limits vide DBOD.No.BP.BC.58/21.04.048/2008-09 dated 13.10.2008.

As one time measure second restructuring done by banks upto June 30, 1989 will also be eligible for exceptionally regulated treatment DBOD.No.BP.BC.93/21.04.132/2008-09 dated 08.12.2008

Introduced special refinance facility for a maximum period of 90 days and banks have been encouraged to use the facility for SME sector vide MPD.BC.309/02.01.009/2008-09dated 03.11.2008 and MPD.BC.311/02.01.009/2008-09 dated 18.11.2008

Banks were asked to contribute Rs.2000 Crore towards MSME refinance fund with SIDBI

Provided a refinance limit of Rs.7000 crore to SIDBI for incremental on lending to the sector

SLBC convenors were advised to hold special meetings of SLBC where representatives of MSME sector are involved

Banks were advised to apply the guidelines on lending to corporate borrowers vide IECD/5/08.12.01/2000-01dated 16.10.2000 reiterated vide IECD.No.20/08.12.01/2002-03 to MSE sector also

Enhanced export credit refinance facility from 15- 50% of outstanding export credit eligible

Period of pre - shipment credit extended to 270 days from the existing 180 day

Measures to be initiated by Banks as per direction of IBA

As per the direction of IBA, all the Public Sector Banks have to initiate the following steps

1. Public Sector banks will grant need based adhoc working capital demand loans up to 20% of the existing fund based limits in respect of units having over all fund

based credit facility up to Rs.10.00 Crore. The loan will be repayable in one year with a provision of moratorium of 6 months during which only interest is to be serviced.

2. Banks will be proactive and forthcoming in sanctioning adequate increase in working capital limits
3. Relief will be granted by reducing margin on receivables. Receivables up to 6 months will be reckoned for Book Debt financing
4. Cash margins on LCs and Guarantees will also be relaxed
5. Moratorium period will be extended where project implementation is delayed
6. In case of term loans repayment will be rescheduled/rephrased on a case to case basis with in overall loan policy of the Bank
7. Finance for purchase of Gensets will be made on soft terms
8. Second restructuring of SME accounts will be done on case to case basis
9. Interest rate on Micro enterprises will be reduced by 100 basis points for all existing and new loans. In case of Small and Medium enterprises, where banks have exposure up to Rs.10.00 Crore, Interest will be reduced by 50 basis points. This reduction is with reference to rates of interest prevailing on 30.11.2008
10. Each Bank will set up Regional MSME Care Center for grievance redress and list of these centers will be posted in IBA portal

Measures initiated by GOI and SIDBI (CGTMSE)

Measures initiated by GOI

1. Interest subvention of 2% up to 31.03.2009 for all pre shipment and post shipment credit to SME sector
2. Govt. is issuing advisories to all Public Sector Undertakings and requesting State Public Sector undertakings to ensure prompt repayment of Bills to MSME

Measures initiated by SIDBI (CGTMSE)

1. The present limit under CGTMSE scheme has been increased to Rs.1.00 Cr. from the present level of Rs.50.00 lakh for collateral free lending with guarantee cover of 50%
2. The lock in period for invoking claims is reduced to 18 months from the present 24 months

Industries Department, Govt. of A.P. initiatives.

There is need to augment credit flow to the Sector, Pavala Vaddi scheme announced by GoAP for term loans and is to be popularized Budget of Rs.10.00 Cr. is already earmarked for Pavala Vaddi Scheme.

Issues emerged in the Meeting convened by Industry Associations of A.P and Points raised by the Associations and Federations

- Enhancement of time frame for reckoning MSME accounts as NPAs from 90 days to 180 days.
- Interest Rates should be reduced to 6%.

- The system of Quarterly charging of the interest may be introduced in the place of present monthly system
- Thrust on Collateral security. Lending under CGTMSE scheme is very low.
- A liberal one time settlement for MSME to settle their NPA accounts to be taken up.
- One year Moratorium on the loans allowed to the Micro, Small and Medium Enterprises.
- Term loans along with the existing interest is to be restructured
- Industry feels that they are also to be provided sufficient loans (Including Working capital loans) at Pavala Vaddi.
- Interest Subvention of 2% for pre shipment and post shipment credit provided to all exporters from the SME sector, which has been withdrawn from 30th September, 2008 needs to be restored to contain the decline in exports from the MSME sector.
- Rural Entrepreneurship should be encouraged, on the loans up to Rs.5 lakhs the interest rate need to be same as for Agricultural short Term Credit (7%).
- Some of the decisions taken in the Meetings of SLIIC are not being honored by APSFC and some other institutions. Steps may be taken for enforcing the decisions.
- There is considerable advantage in involving Associations in appraising and entering mutual credit guarantee agreements to ensure flow of credit.
- Measures like removal of Charging of fixed charges for Electricity, Waiver of arrears of Sales Tax are to be taken by State Government
- Service charges by Banks may be waived
- Valuation of properties should be on the basis of actuals instead of other practices
- APSFC may open Sick Unit Rehabilitation Cell
- Clearance of Commissioner of Industries may be taken before seizing the Units by banks/ APSFC

Issues Raised by Banks:

- There is need to reduce or remove the fees for coverage under CGTMSE scheme and claim amount should also be increased. The Govt. may bear the cost of premium and service charges
- The provision of compulsory recovery proceedings for submission of claims under CGTMSE scheme may be removed and the opinion of bank in this regard should be taken into consideration as Banks have to incur huge legal expenditure without any result
- The NPA norms are to be relaxed in the period of economic slow down as a special case, other wise the Banks are burdened with huge provisions.
- The Government machinery should improve the creation of infrastructure for marketing and other backward linkages.
- The legal and documentation frame work may be simplified for the institutional lending as considerable time of banks is being spent on it.

- The Industry Associations have to create infrastructure to monitor the cases of Sick units and to assist the banks in reviving them and they should help the Banks in recovery of NPAs
 - Down ward revision of sub target to Micro Enterprises from the present level of 60%
 - Fixing interest rate for Micro Enterprises up to Rs. 25 lakhs without linking to BMPLR
1. In the project financing, the cost of raw material has gone up enormously because of unprecedented inflation rate and necessary steps are to be taken by banks for revising the project costs wherever necessary.

Lending Progress under CGTMSE Scheme

In the Advisory Committee Meeting of MSME – DI held on 10.12.2008, the subject has come for discussion.

It is informed by the SIDBI that the cumulative progress under the scheme is only 7938 units in the State(Rs.149 Crore).

(Rs. Cr.)

Year	2007-08	2008-09	Cumulative
Accounts	1150	1002	7938
Amount	34.25	47.47	148.76

SLIIC Meetings convened by RBI - issues

RBI is convening meeting of SLIIC every quarter to deal with sick industries rehabilitation and the cases are being referred to SLIIC sub committee in the first instance before finally discussing in SLIIC. As per the version of Industry Associations, the system is not working well as APSFC and some Banks are not implementing the decisions taken in the SLIIC.

Though considerable number of units is being shown by Banks under Sick category, the units referred to SLIIC are very limited in number.

The following suggestions are made in this regard.

- Representatives of RBI and Commissioner of Industries may participate in the SLIIC sub committee meetings.
- Decision making authorities only are to be represented from Banks and other institutions in the meetings
- The decisions taken in the SLIIC/ Sub Committee meetings may be made binding on the Banks/ APSFC, especially in respect of legal proceedings
- The Banks and APSFC have to give respect to the discussions/ decisions taken in the SLIIC/ Sub Committee meeting.

Interest Subsidy Eligibility Certificate Scheme

Under the scheme KVIC will give interest subsidy eligible certificates to the eligible institutions of KVIC. On the basis of the certificates, these institutions can approach banks for finance. The Institution will pay 4% interest to Bank and the remaining interest will be borne by KVIC.

Under this scheme a bank loan of Rs. 1101.36 lakhs is indicated.

SFURTI (Scheme of Fund for Regeneration of traditional Industries)

Industry clusters are functioning under the Scheme.

Guidelines of Union Ministry of Finance to Banks pertaining to MSME sector

The Union Ministry of Finance vide their letter dated 12.01.2009 have advised to conduct monthly meetings of SLBC between 5 -12 every month duly focusing primarily on the implementation of special package of IBA announced for MSME, Housing and Auto sectors.

Further vide their letter dated 14.01.2009, the issue of prompt payment of bills of MSMEs by Central and State Public Sector Enterprises is to be monitored in these meetings as State Government representatives will be present in the meetings.

For submission of data every month by all the banks, they have given a format and SLBC has already circulated the same to all banks.

- All the Banks are requested to note the guidelines and submit data every month before 5th to enable SLBC to submit data to the Ministry.
- Industry Associations are requested to inform in advance the issue of delay in payments by State/ Central Govt./ Electricity Board to Commissioner of Industries under copy marked to SLBC

Submission of data relating to MSME sector and dissemination of guidelines to all branches Guidelines

The prompt submission of data under the MSME sector is very important as the issue is being very closely monitored by Ministry of Finance and RBI.

It is being complained by the Industry Associations that there is communication gap at the Bank Branches in respect of guidelines given by RBI / IBA.

Action Points emerged in 79th & 80th SLIIC meetings.

- Wide publicity is to be given for the specialized SME branches among the entrepreneurs.
- Syndicate bank to open Specialized SME branches in Kadapa and Ananthapur Districts.
- Eligible applications are to be considered for financing under GGT MSE scheme

- Details of Sick and Viable MSME units with sanctioned/ outstanding limit of Rs.25.00 lakhs is to be referred to SLBC to enable them to convene meeting of SLIIC sub committee meeting.
- Similarly details of potential sick units details are to be given to Commissioner of Industries to enable him to instruct DICs to implement rehabilitation package.
- Banks have to inform the details of Accounts to Commissioner of industries which are reflected under “Sick – under nursing” in the quarterly RBI return. The commissioner of Industries will depute their staff and examine the cases to extend State Govt. incentives.
- SLBC to take steps to convene SLIIC sub committee meeting including the accounts referred by Commissioner of Industries and the cases referred by RBI or Industry Associations. It is clarified the decisions of SLIIC or Sub Committee are only advisory in nature.
- It is noted that in spite of several efforts by SLBC/ DCCs, the progress under implementation of CGTMSE scheme continue to be very low in the State. The Controlling Authorities of Banks to sensitize the Branch Managers. The Industry Associations may bring the cases to the notice of controlling Authorities of Banks and SLBC.
- The Banks to inform the details of such units to Industries Dept., so that the units will get benefit.
- Industry Associations to inform the details of the cases to be referred to SLIIC sub committee to SLBC. Such reference should be made well in advance instead of during advance legal proceedings.
- All Banks to sensitize the Branch Managers. SIDBI may hold district level work shops to Branch Managers in association with Lead Banks.

Restructuring of MSME Accounts - Progress

It was advised by Union Ministry of finance to submit monthly data to SLBC. The matter was again discussed in the Monthly meeting held on 07.02.2009 and 11.03.2009.

The prompt submission of data under the MSME sector is very important as the issue is being very closely monitored by Ministry of Finance and RBI.

SLBC has submitted data to Union Ministry of finance up to February, 2009 and the progress report submitted is enclosed for ready reference.

- All the Banks are requested to note the guidelines and submit data every month before 5th to enable SLBC to submit data to the Ministry.
- All the Banks to confirm that they have completed the restructuring exercise by the end of March, 2009.
- Banks to submit data as per RBI classification i.e. Micro, Small and Medium Enterprises for March, 2009 and also indicate Budgets for 2009-10 accordingly.
- Banks to create awareness among all their Branch Managers on Restructuring and other issues of MSMEs
- LDMs to review the matter in all Standing Committee/ DCC meetings and take up the issue in all JMLBC Meetings and give feedback to SLBC

- Industry Associations to inform the feed back to SLBC

RBI is conducting State Level Inter Institutional Coordination Committee SLIIC meeting every quarter.

Sick Units above Rs.25.00 lakhs are to be first discussed in the meeting of SLIIC sub committee meeting.

Further, such cases are to be referred to Commissioner of Industries for examining the extension of benefits under rehabilitation scheme of GoAP

SLBC requested all the banks to inform the latest position of Sick MSME Units with outstanding/ sanctioned limit of Rs.25.00 lakhs and above.

The following points were emanated in the 80th SLIIC Meeting convened by RBI on 30.03.2009.

- Banks have to inform the details of Accounts to Commissioner of industries which are reflected under “Sick – under nursing” in the quarterly RBI return. The commissioner of Industries will depute their staff and examine the cases to extend State Govt. incentives.
- SLBC to take steps to convene SLIIC sub committee meeting including the accounts referred by Commissioner of Industries and the cases referred by RBI or Industry Associations. It is clarified the decisions of SLIIC or Sub Committee are only advisory in nature.
- It is noted that in spite of several efforts by SLBC/ DCCs, the progress under implementation of CGTMSE scheme continue to be very low in the State. The Controlling Authorities of Banks to sensitize the Branch Managers. The Industry Associations may bring the cases to the notice of controlling Authorities of Banks and SLBC.
- The Banks to inform the details of such units to Industries Dept., so that the units will get benefit.
- Industry Associations to inform the details of the cases to be referred to SLIIC sub committee to SLBC. Such reference should be made well in advance instead of during advance legal proceedings.
- All Banks to sensitize the Branch Managers. SIDBI may hold district level work shops to Branch Managers in association with Lead Banks.

National Awards for MSM Enterprises – Wide Publicity

MSME Development Institute, Hyderabad has informed that Ministry of MSME, Govt. of India has been implementing the Scheme to give National Awards for promoting entrepreneurship and recognizing the achievements of successful entrepreneurs of MSMEs.

It is informed that the units which are suitable and interested may obtain applications from the Director, MSME Development Institute, Narsapur X Roads, Balanagar, Hyderabad – 500 037 or down load the same from www.dcmsme.gov.in and duly filled

in applications may be submitted to the MSME Development Institute, before 30.04.2009.

Special Package on MSME Sector

SLBC has submitted data to Union Ministry of finance up to March, 2009 and the progress report for the Month of April, 2009 is to be submitted.

It is observed that many banks are yet to submit the progress report for April, 2009 and all the banks are requested to ensure submission immediately.

- Banks to immediately submit progress on Special Package on MSME and Housing sector for April, 2009 immediately and ensure regular submission hereafter.
- Banks to submit data as per RBI classification i.e Micro, Small and Medium Enterprises for March, 2009 and also indicate Budgets for 2009-10 accordingly to enable review by various agencies.
- Banks to create awareness among all their Branch Managers on Restructuring and other issues of MSMEs
- LDMs to review the matter in all Standing Committee/ DCC meetings and take up the issue in all JMLBC Meetings and give feedback to SLBC
- Industry Associations to inform the feed back to SLBC regularly.

FINANCE EXTENDED AS PER SPECIAL PACKAGE OF IBA TO MSME, HOUSING and AUTO SECTORS

State: **Andhra Pradesh**

Position: **31st May 2009**

S. No.	Particulars	Performance	
		No. of Accounts	Amount (Rs. in Crores)
1	Credit Flow to MSME		
a	Sanction of Working Capital (New)	56385	3159.30
b	Sanction of incremental working capital loans (Existing units)	10750	1957.70
c	Restructuring of MSME accounts	29086	1214.00
d	Sanction of loans for purchase of Gensets on soft terms	22	39.35
2	Sanction of Housing Loans		
a	Loans up to Rs. 5.00 lakh	176329	4665.84
b	Loans from Rs. 5.00 lakh to Rs. 20.00 lakh	71855	4776.40
c	Loans above Rs. 20.00 lakhs	8024	2143.00
3	Sanction of Auto Loans	62609	1627.00

Other Information:

Interest Rates Charged on the Loans Sanctioned

MSME Loans	Housing Loans			Auto Loans
	Loans up to Rs. 5.00 Lakh	Loans from Rs. 5.00 lakh to 20.00 lakh	Loans above Rs.20.00 lakhs	
8.75 to 14.0	8.5 to 13.00	9.00 to 13	8.75 to 13	10.75 to 14.0

Credit Delivery to MSME Sector

Reserve Bank of India vide their circular RPCD. SME&NFS. BC.No.102/06.04.01/2008-09 dated 04.05.2009 has informed that they have constituted a working group under the chairmanship of Dr.KC Chakrabarthy, CMD, PNB with regard to rehabilitation of potentially viable sick units.

RBI has given the recommendations of the Committee to be considered by the GOI, State Governments and Banks.

In the light of the Recommendations all the Banks to undertake a review and put in place the following Policies for the MSE sector, duly approved by Boards.

- Loan Policy governing the extension of Credit facilities
- Restructuring/ Rehabilitation Policy for revival of potentially viable sick units/ enterprises
- Non discretionary OTS for recovery of Non Performing Loans

The Action Points pertaining to State Governments and Banks are given below

- Banks to undertake a review and put in place the following Policies for the MSE sector, duly approved by Boards.
- Loan Policy governing the extension of Credit facilities
- Restructuring/ Rehabilitation Policy for revival of potentially viable sick units/ enterprises
- Non discretionary OTS for recovery of Non Performing Loans
- The State Government of AP to initiate steps for implementation of Action Points
- All the banks to initiate steps for implementation of Action Points

Action pertaining to State Government/ SLBC Convener banks

- 1 Creation of a Central Registry by the State Governments for registration of charges of all banks and other lending institutions in respect of all moveable and immovable properties of borrowers incorporated as proprietorship, partnership, cooperative society, trust, company or in any other form.
- 2 Stamp duty is payable on assignment of actionable claims. Modification in these provisions for factors by way of exemption or prescribing a ceiling on the stamp duty would give impetus to the activity.
3. A scheme for utilizing specified NGOs to provide training services to tiny micro enterprises may be considered
4. Each State Government may also have a separate Ministry for MSME. In addition, the State Governments may also have long term and short term policy for development/promotion of MSME sector
5. State Government should provide preferential treatment to MSMEs in providing uninterrupted power supply. In case the same is not possible, the State Government may provide back ended subsidy on loans taken for purchase of DG sets.
6. The State Governments may be encouraged to provide land at 50% of the normal rate for setting up Industrial Estates exclusively for MSMEs. Further, 50% subsidy may be provided on the capital cost of common facilities like effluent treatment plant, power plant etc.
7. The need for obtaining any clearance except registration with DIC for individual SME units set up in Industrial Estates developed by the State Industrial Development Corporations or DICs or approved Industrial Estates developed by private entrepreneurs for SMEs may not be considered necessary as they are developed as per the approved layouts. Further the defunct Industrial Estates may be made active once again by putting in place the complete infrastructure putting national resources to good use.
8. The niche industry or the activities having good concentration in the area may be identified by the banks and DIC. The model cost of project for different sizes of commonly prevailing industry and overall viability of the activity may be assessed by a Committee comprising of 2-3 major banks of the District under the aegis of Lead Bank so as to obviate the need of any expert/professional to prepare TEV study in individual cases. The exercise may be carried out periodically after considering the price of machinery and other fixed assets required, sources of raw material, technical expertise and skilled labour availability, access to market etc. DIC may also be associated with the process. Small entrepreneurs may use these project profiles and not take help from professionals in preparation of time consuming and costly TEV study/viability report. While financing banks may not go for TEV study in individual cases. To begin with this

practice may be started for projects requiring terms loan up to 1 Crore which may be raised after review.

Action pertaining to banks

1. The model cost of project for different sizes of commonly prevailing industry and overall viability of the activity may be assessed by a Committee comprising of 2-3 major banks of the District under the aegis of Lead Bank so as to obviate the need of any expert/professional to prepare TEV study in individual cases. The exercise may be carried out periodically after considering the price of machinery and other fixed assets required, sources of raw material, technical expertise and skilled labour availability, access to market etc. DIC may also be associated with the process. Small entrepreneurs may use these project profiles and not take help from professionals in preparation of time consuming and costly TEV study/viability report. Sufficient delegation of powers for sanction/rehabilitation of SMEs should be made at the field level. Lead Banks may take necessary action.
2. Lending in case of all advances up to Rs 2 crores may be done on the basis of scoring model. Information required for scoring model should be incorporated in the application form itself. No individual risk rating is required in such cases.
3. Banks may start Central Registration of loan applications. The same technology may be used for online submission of loan applications as also for online tracking of loan applications.
4. The application forms, may be so designed that all documents required to be executed by the borrower on sanction of the loan form its part. The forms should invariably have a Checklist of the documents required to be submitted by the applicant along with the application and the formalities required to be completed, post sanction.
5. In case of all micro enterprises, simplified application cum sanction form (which should also be printed in regional language) be introduced for loans up to Rs 1 crore and working capital under Nayak Committee norms.
6. Banks who have sanctioned term loan singly or jointly must also sanction WC limit singly (or jointly, in the ratio of term loan) to avoid delay in commencement of commercial production. It may be ensured that there are no cases where term loan has been sanctioned and working capital facilities are yet to be sanctioned.
7. Centralized Credit Processing Cells may be introduced. These Cells may be utilized for single point appraisal, sanction, documentation, renewal and enhancement. The working of Centralized Processing Cell should be reviewed by the controlling office of the bank. CPC should act as the back office of the bank.
8. Committee Approach may be introduced for sanction of new loans as also rehabilitation cases. This will not only improve the quality of decision as collective

wisdom of the members shall be utilized, especially while taking decision on loan applications for green-field projects in the micro, small and medium enterprise sector or the rehabilitation proposals.

9. The banks may consider a combined level of stock and receivables and no separate sub limit for debtors may be fixed. Banks may allow CC/OD against stock and receivables under one facility.

10. In terms of the Nayak Committee norms, the banks are required to provide minimum 20% of the turnover to the business enterprises as bank finance and 5% is to be obtained as margin. This translates into a current ratio of 1.25.

11. Banks may develop appropriate Credit Appraisal and Rating Tool (CART) on the pattern of software developed by SIDBI or can take the help of such tools for processing the loan/working capital proposals of small and medium enterprises.

12. The banks may focus on opening more specialised micro, small and medium enterprise branches. The expansion of specialised branch network in all identified clusters and Industrial Estates may be completed in a time bound manner say within next 3-5 years.

13. The banks may use the platform provided by the technical institutions and send their staff to such institutions on a regular basis. Training is also required to be imparted to the branch managers and their loan officers for change in their mindset away from the perceived risk in financing MSMEs. A system of incentives for good performance in financing to MSMEs may be implemented, which could be by way of special mention in the Performance Appraisal, special training etc.

14. Banks may consider introduction of Factoring Services, particularly for MSMEs.

15. Intervention of technology may be adopted for correct identification and reporting of sick micro, small and medium enterprises.

MSME CARE CENTERS

As per the information available with the SLBC of AP, the following banks have opened MSME CARE CENTERS.


Sr. No.	Nodal Officer details	Address	Contact Nos.
Andhra Bank			
01	Asst. General Manager	Eluru	08812-223346 9440622707
02	Asst. General Manager	Guntur	0863- 2230608 9440908899
03	Dy. General Manager	Hyderabad – I	040-23468610 9848046409
04	Asst. General Manager	Hyderabad – II	040-23468614
05	Asst. General Manager	Kakinada	0884-2383955 9440908844
06	Asst. General Manager	Karim Nagar	0878-2236350 9704111311
07	Asst. General Manager	Kurnool	08518-248089 9848879933
08	Asst. General Manager	Tirupati	0877-2247936 9866518737
09	Asst. General Manager	Vijayawada	0866-2560406 9949494094
10	Asst. General Manager	Visakhapatnam	0891-2793767 9440908828
11	Asst. General Manager	Warangal	0870-2567977 9440908802
Central Bank of India			
01	Mr. M. K. Sinha ZO, Bank St., Hyderabad	Tel Nos. 040 23468911 - 917, 23468901, Fax: 23468902 www. Centralbankofindia.co.in email: 1) cbi-zo-hyd@eth.net 2) cbin_hyd01@infinet.org.in	

Indian Bank		
01	Circle Office, No. 10-3-74, PVN Complex, Seshapeeran St., Chittoor - 517001	08577 -232371 & 08577 -232408
02	Circle Office, M.G. Road, Labbipet, Vijayawada – 520 010	Tel Nos. 0891 2747403 & 2747405
03	Circle office, No.47-10-25/2, III Floor, Sai Trade Center, II Lane,Dwaraka Nagar, Visakhapatnam - 530016	0891- 2747403 & 0891 – 2747405
04	Circle Office, No. 3-6-365, 4 th Floor, Liberty Plaza, Himayat Nagar, Hyderabad – 500 029	Tel No. 040 23222810 & 23226205
State Bank of Hyderabad		
01	Chief Manager [Technical Consultancy Dept.] State Bank of Hyderabad, Head Office, Gunfoundry, Hyderabad – 500 001	Tel No. 040 23387292, 23387822 Fax: 23387771 E-Mail: cmconsultancy@sbhyd.co.in
02	Chief Manager [Credit Cell/ Advances] State Bank of Hyderabad, Zonal Office, Varakantam Complex, Kachjguda X Roads, Hyderabad – 500 027	Tel. No. 040-27561509, Fax; 040 – 27567145 E-Mail: dgmhyd@sbhyd.co.in
03	Chief Manager [Credit Cell/ Advances] State Bank of Hyderabad, Zonal Office, J.P.N. Road, Warangal – 506001	Tel No. 0870 – 2500508, 2500041 Fax: 0870 – 2557697 E-Mail: dgmwgl@sbhyd.co.in
04	Chief Manager [Credit Cell / Advances] State Bank of Hyderabad, ZO, Sec'bad, Prakash Nagar, Begumpet, Sec'bad – 500 016	Tel No. 040 – 27766527 Fax: 040 – 27708179 E-Mail: dgmsec@sbhyd.co.im
05	Chief Manager [Credit Cell/ Advances], State Bank of Hyderabad, Zonal Office, 2 nd Floor, KNAR Estate, Godown Road, Nizamabad – 503 002	Tel: 08462 – 252519, 252517 Fax: 08462 – 252518 E-Mail: dgmznzb@sbhyd.co.in

06	Chief Manager [Credit Cell / Advances] State Bank of Hyderabad, Zonal Office, D. No. 42-1-1, LIC Bldg., 7 th Floor, Jeevan Bheema Road, Visakhapatnam – 530 004	Tel: 0891 – 2714443, 2704514 Fax: 0891 – 2704453 E-Mail: dgmviz@sbhyd.co.in
07	Chief Manager [Credit Cell / Advances] State Bank of Hyderabad, Zonal Office, 19-3-13 (M), First Floor, Renigunta Road, Tirupati - 517502	Tel 0877 2220592 Fax; 0877 – 2220877 E-Mail: dgmtirupati@sbhyd.co.in

Karnataka Bank is not having any MSME Care Centers in Andhra Pradesh

Action Points:

-  All the Banks are requested to Establish MSME Care Centers and inform the details to SLBC immediately.

INDUSTRIAL CLUSTERS IN THE DISTRICT - CREDIT NEEDS

You are aware that as per the guidelines, the credit needs of Industrial Clusters functioning in the State are to be reflected in the District and State Credit Plans.

On review of the District Credit Plans, it is observed that the item was not specifically reflected in many of the plans.

SLBC of A.P has already advised all the Lead District Managers of A.P to furnish the information on Industrial Clusters vide lr.no.666/30/308/169 dt.16.06.2009.



Please furnish the following details :

1. The industry clusters functioning in the district with full particulars.
2. Credit Needs estimated for each cluster for the year 2009-10.
3. Any other information pertaining to clusters.

As per the information received by us there are no industrial clusters established in the following districts:

1. Eluru
2. Hyderabad

Action Points:




-  All LDMs are requested to send the details immediately.
-  All DICs in the District are requested to start process of establishing the Industrial Clusters in the District - Credit Needs.

Housing Loans

The economic slowdown has affected the Housing Sector also and the demand for purchase of houses / flats has come down. This affects many Industries like Iron & Steel, Cement and Tiles, which will result unemployment.

1. Keeping the economic situation in the country, Reserve Bank of India announced vide Press Release No.2008-2009/842 dated 06.12.2008, it has been decided that loans granted by banks to Housing Finance Companies (HFCs), approved by National Housing Bank for the purpose of refinance, for purchase / construction of dwelling units may be classified under priority sector, provided the housing loans granted by HFCs do not exceed Rs.20 lakh per dwelling unit per family. However, the eligibility under this measure shall be restricted to five percent of the individual bank's total priority sector lending, on an ongoing basis.
2. The above special dispensation shall apply to loans granted by banks to HFCs up to 31.03.2010. Such loans granted till 31st March, 2010 will continue to be classified under priority sector till they are repaid. ‘

Some of the Important Points of the Scheme:

Objective:	<p>The Provide New Housing Loans on liberalized terms to Borrowers up to and inclusive of Rs. 20 lakhs. The scheme will be applicable to all new Housing Loans availed up to 30.06.2009</p> <p> The Objective is for creation of new asset.</p> <p>The Scheme shall not apply to swapping of loans and for takeover of loans from other Banks/ Financial Institutions.</p>
Eligibility:	As per existing Housing Loan Guidelines
Loan amount:	The Scheme is applicable to New Housing Loan Borrowers up to Rs.20 lakhs only.
Rate of Interest:	8.50% to 9.25%
Tenor of the Loan:	Maximum Period of 20 years.
<p> NO PROCESSING CHARGES</p> <p> NO PRE-PAYMENT CHARGES / PENALTY.</p>	

- **Housing Loans:** Outstanding at the end of March 2009 is Rs: 19,835 crores. Disbursed Rs: 2,713 crores during 2008-09. An amount of Rs: 3,197 crores is earmarked for Housing Loans (including Rajiv Gruhakalpa Scheme) during the year 2009-10 and likely outstanding will be Rs.23,000 crores by March, 2010.

HOUSING SCHEMES


Government of India, Ministry of Housing & Urban Poverty Alleviation (MH & UPA), has recently launched the Interest Subsidy Scheme for Housing Urban Poor (ISHUP) to address urban housing shortage in the country. The scheme provides for interest subsidy of 5% per annum on loan of up to Rs. 1 lakh for the Economically Weaker Section (EWS) and lower income group (LIG) in the urban areas for acquisition/ construction of houses. The Scheme will leverage flow of institutional finance for the EWS and LIG segment and is expected to create an additional housing stock of 3.10 lakh houses for EWS/LPG segments over the next 4 years (2008-12). This is being done on a pilot basis, which may be scaled up in due course, in the light of the experience.

The scheme is proposed to be implemented by Scheduled Commercial Banks and Housing Finance companies. The National Housing Bank (NHB) and HUDCO have been designated as the Nodal Agencies for administration, on release of the subsidy.

Andhra Pradesh State Housing Corporation Limited is Nodal Agency for Andhra Pradesh.

The Government of Andhra Pradesh has decided to extend the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) Scheme to the beneficiaries of URBAN INDIRAMMA Housing Programme.

A target of 236613 has been proposed for the year 2009 – 2010 under this Programme.

 Guidelines of the Scheme were already communicated.

REVERSE MORTGAGE LOANS

Reverse Mortgage Loans provides an opportunity to house owners to avail of a monthly stream of income against the mortgage of his/her house. While remaining the owner and occupying the house throughout his/her lifetime. Without repayment or servicing of the loan. Realizing the potential benefits, the Union Budget 2007-08 announced the introduction of 'reverse mortgage' by NHB. National Housing Bank issued the final operational guidelines for reverse mortgage loans (RMLs) on May 31, 2007. Many banks have been already introduced RMLs. For tax purposes it has been clarified that reverse mortgage would not amount to "transfer", and stream of revenue received by the senior citizen would not be "income".

Salient Features:

- ✚ Reverse Mortgage Loan (RML) enables a Senior Citizen i.e. above the age of 60 years to avail of periodical payments from a lender against the mortgage of his/her house while remaining the owner and occupying the house.
- ✚ The Senior Citizen borrower is not required to service the loan during his/her lifetime and therefore does not make monthly repayments of principal and interest to the lender.
- ✚ RMLs are extended by Primary Lending Institutions (PLIs) viz. Scheduled Banks and Housing Finance Companies (HFCs) registered with NHB.
- ✚ The loan amount is dependent on the value of house property as assessed by the lender, age of the borrower(s) and prevalent interest rate.
- ✚ The loan can be provided through monthly/quarterly/half-yearly/annual disbursements or a lump-sum or as a committed line of credit or as a combination of the three.
- ✚ The maximum period of the loan is 20 years.
(The maximum period over which the payments can be made to the reverse mortgage borrower).
- ✚ The loan amount may be used by the Senior Citizen borrower for varied purposes including up-gradation/ renovation of residential property, medical exigencies, etc. However, use of RML for speculative, trading and business purposes is not permissible.
- ✚ Valuation of the residential property would be done at such frequency and intervals as decided by the reverse mortgage lender, which in any case shall be at least once every five years. The quantum of loan may undergo revisions based on such re-valuation of property at the discretion of the lender.
- ✚ The lender will have limited recourse i.e. only to the mortgaged property in respect of the RML extended to the borrower

- ✚ All reverse mortgage loan products are expected to carry a clear and transparent 'no negative equity' or 'non-recourse' guarantee. That is, the Borrower(s) will never owe more than the net realizable value of their property, provided the terms and conditions of the loan have been met.
- ✚ On the borrower's death or on the borrower leaving the house property permanently, the loan is repaid along with accumulated interest, through sale of the house property.
- ✚ The borrower(s)/heir(s) can also repay the loan with accumulated interest and have the mortgage released without resorting to sale of the property.
- ✚ The borrower(s) or his/her heirs also have the option of prepaying the loan at any time during the loan tenor or later, without any prepayment levy.
- ✚ The Finance Minister, in paragraph 89 of his speech, while presenting the Union Budget, 2007-08, had announced that the National Housing Bank (NHB) will introduce a reverse mortgage scheme for senior citizens.
- ✚ In the context of the aforesaid scheme, it was necessary to resolve the tax issues arising there-from. The first issue is whether mortgage of property for obtaining a loan under the reverse mortgage scheme is transfer within the meaning of the Income-tax Act thereby giving rise to capital gains. Section 2(47) of the Income-tax Act provides an inclusive definition of 'transfer'. Further, 'transfer' within the meaning of the Transfer of Properties Act includes some types of mortgage. Therefore, a mortgage of property, in certain cases, is a transfer within the meaning of section 2(47) of the Income-tax Act. Consequently, any gain arising upon mortgage of a property may give rise to capital gains under section 45 of the Income-tax Act. However, in the context of a reverse mortgage, the intention is to secure a stream of cash flow against the mortgage of a residential house and not to alienate the property.
- ✚ A new clause (xvi) in section 47 of the Income-tax Act, 1961 has been inserted to provide that any transfer of a capital asset in a transaction of reverse mortgage under a scheme made and notified by the Central Government shall not be regarded as a transfer.
- ✚ The second issue is whether the loan, either in lump sum or in installment, received under a reverse mortgage scheme amounts to income. Receipt of such loan is in the nature of a capital receipt. Section 10 of the Income tax Act, 1961 has been amended to provide that any amount received by an individual as a loan, either in lump-sum or in installment, in a transaction of reverse mortgage referred to in clause (xvi) of Section 47 of the Income-tax act shall not be included in total income.
- ✚ A borrower, under a reverse mortgage scheme, shall, however, be liable to income tax (in the nature of tax on capital gains) only at the point of alienation of the mortgaged property by the mortgagee for the purposes of recovering the loan.

- ✚ Reverse mortgage is a financial product that enables senior citizens (60 +) who own a house to mortgage their property with a lender and convert part of the home equity into tax-free income without having to sell the house.
- ✚ Instead of you making monthly payments to a lender, as with a regular loan, the lender makes payments to you. Multiple options are available for repayment of the loan in lumpsum at the end of the loan term. Maximum period of loan is of twenty years. The loan is not required to be serviced as long as the borrower is alive and in occupation of the property. On the borrower's death, the loan is repaid through sale of property.

Action Plan:

- ✚ All the Banks are advised to lend in this sector, as there is a large scope to finance for this sector.
- ✚ The full details of the scheme and other highlights are available in NHB website as the scheme is monitored by NHB at National Level.

Educational Loans

During the year 2008 – 2009, the following are some of the suggestions made by the Indian Bankers Association (IBA).

Age Limit:

For Inland Studies: Above 12 years, but within 30 years

For Abroad Studies: Over 17 years, but within 35 years.

Expenses to be considered for loan:

Caution Deposit, Building Fund / Refundable deposit supported by Institution bills / receipts, subject to the condition that the amount does not exceed 10% of the total tuition fees for the entire course.

Co-obligation:

- a) Wherever parents are not there, banks could consider grand parents as co-obligator to the loans taking into account their net worth.
- b) In case of court appointed guardians, their co-obligation shall be obtained.
- c) In case of married persons, co-obligator can be spouse or the parents(s) / Parents –in – law.

Follow – up / Tracking:

Branches should be in constant touch with the student / parents to ensure prompt repayment of the loan.

- i) Inform the College / University authorities soon after sanction / disbursement of loan
- ii) Constantly follow up with the students / parents for submission of progress reports/ mark memos / receipts etc. at regular intervals.
- iii) In case of student staying with parents and where such parents have transferable jobs or there is change in address. Branches have to collect latest addresses and record the same as “address for correspondence” for tracking purpose.
- In case of studies abroad, Branches to obtain the Unique Identification Number (UIN) / Identity Card and note the same in the Bank’s records, for tracking purpose.

- **Educational Loans:** Amount outstanding under this sector at the end of March 2009 is Rs: 4,198 crores. During 2008-09, an amount of Rs. 925 Crores was disbursed under educational loans scheme. An amount of Rs: 1,431 crores is projected for the year 2009-10 and likely outstanding will be Rs.5,600 crores by March, 2010.

Agenda No.

Minorities Communities

Government of India has finalized a new “ Prime Minister’s 15 point programme for the welfare of minorities. Government of India has advised all banks to take to step up priority sector lending to minorities from the existing 9% to 15% over the next three years from 2007 – 08 to 2009-10. Banks are requested to issue necessary steps to issue instructions to their controlling offices and branches advising them to ensure that within the overall target for priority sector lending and the sub- target of 10% for the weaker sections community. Sufficient care is to be taken to ensure that the minority communities also receive an equitable portion of credit.

Opening of Branches at Minorities Concentrated Places:

Banks are requested to open new branches in Minority Concentrated Districts. Government of India has identified Hyderabad district in Andhra Pradesh State as Minority Concentrated Districts – out of 121 minority concentrated districts in the country. Further, Government of India has identified 19 towns as minority concentrated towns in our State out of total 338 towns in the country.

1. Reserve Bank of India released a Master Circular – Priority Sector Lending – Credit Facilities to Minority Community vide RPCD No. RBI/ 2008-09/ 42 Dt. 01.07.2008.

The following categories of communities are coming under "MINORITIES".

1) Sikhs 2) Muslims 3) Christians 4) Zoroastrians 5) Neo Buddhists

2. Reserve bank of India in it’s circular no: RPCD.No: SP.BC.4/PS.160-86/87 Dt: 24.07.1986 has further advised the banks to take following steps for monitoring flow of credit to Minority communities:

1. A special cell should be set up in each bank.
2. Progress made in the flow of credit to minority communities should be reviewed regularly at the DCC/SLBC meetings.
3. Good publicity about various anti-poverty programmes of the Government is to be made wherever there is large concentration of minority communities

3. Reserve Bank of India in it’s circular no: RPCD.No: SP.BC.55/PS.160-86/87 Dt: 2nd November 1987 has further advised the banks as follows:

1. Necessary orientation is to be provided to officials and other staff by including suitable lecture sessions in all relevant training programmes of banks, on the credit support to minority communities.

2. Victims of communal riots should be given immediate relief and provided prompt and adequate financial assistance for their rehabilitation.
3. In various development programmes, including 20-point programme, care should be taken to see that minorities secure in a fair and adequate measure, the benefits flowing there from. In the various committees, which are set-up to oversee the implementation of such programmes, members of these communities should be actively involved.

4. Reserve bank of India in its circular no: RPCD.No: LBS.BC.1212/LBC.34- 88/89 Dt: 7th June 1989 advised as follows:

To ensure smoother and accelerated flow of bank credit to the minority communities, the Chairmen of District Consultative Committees (DCCs) and Convenors of SLBCs have been advised to take the following steps:

- I. Induct the Chairmen / Managing Directors of the State Minorities Finance and Development Corporations, as permanent invitees to the District Level Review Meetings and State Level Review Meetings.
 - II. Set-up a special cell within each Bank for minority credit flow to minorities and remove impediments and meet grievances and draw from time to time, Action Plans and guidelines, to secure the necessary results. Inter alia, this would include wide publicity by the Banks, of various anti-poverty programmes in all minority concentration areas and particularly in the 40 minority concentration districts.
 - III. Appoint a Special Officer in the Lead Bank of each of these 40 districts exclusively for looking after these problems and resolving difficulties.
5. In RBI circular 2006-07/122/ RPCD.SP.BC.No: 22/09.10.01/2006-07 dt: 1st September 2006, it is indicated that Government of India have recently finalized a new "Prime Minister's 15 point Programme for the Welfare of Minorities". An important objective of aforesaid programme is to ensure that an appropriate percentage of the priority sector lending is targeted for the minority communities and that benefits of various Government sponsored schemes reach the under-privileged, which includes the disadvantaged sections of the minority communities.

Banks may therefore, issue necessary instructions to their controlling offices, branch offices advising them to ensure that **within the overall target for priority sector lending and the sub-target of 10 percent for the weaker sections, sufficient care is taken to ensure that the minority communities also receive an equitable portion of credit.** The requirement should be kept in view by Lead Banks while preparing district credit plans.

Action taken by banking system in Andhra Pradesh to extend financial assistance to Minorities:

- 1 In the working group at District Level, the concerned district officer of A.P. State Minorities Corporation is also one of the members. The District Consultative committee finalizes the District Credit Plans every year duly observing the RBI norms for credit flow to various sections of the society including Minorities
- 2 At the State level the aggregation of District Plans will be done by SLBC ensuring the credit flow to weaker sections including Minority Communities. If necessary the plans are being be revised at the State Level.
- 3 The Managing Director of the State Minorities Corporation is also the member of the SLBC. The Credit Plans are finalized with mutual discussions with the above Officials, ensuring the sufficient allocations are made to various sectors including Minorities.
- 4 Credit needs of the Minorities are being taken into consideration while preparing Branch Credit plan.
- 5 While consolidating the Service Area Credit Plan in the District – aggregation of the district Credit plans every year, the allocations to the minorities category are taken care by the District Consultative Committee (DCC) under the Chairmanship of the District Collector.
- 6 Sector-wise requirements of Minorities are being included in the Annual Credit Plans (Banking Credit Plans) of the District as well as the State.
- 7 District level Welfare Corporations of Minorities will submit the credit requirements of Minorities to Lead District Manager and the same are dovetailed to the District Credit Plan and thereby in the State Credit Plan.
- 8 During the Midterm Review at District and State level Credit Plans, the needs of the Minorities, including micro credit, will be reviewed and modifications are considered for implementation of developmental activities for Minorities.
- 9 For Selection of beneficiaries under various Government sponsored schemes, Joint identification camps are being conducted by involving the concerned agencies including Banks.
- 10 Special Schemes are being implemented for Minorities through concerned welfare / Development corporations of the State Government by involving Banks.
- 11 It is a practice in the State (AP), to convene Grama Sabhas (In the Village itself) by involving all the developmental agencies including Banks, educating the farmers / weaker sections about the schemes that are being implemented by

Government through Banks for economic support of the weaker sections of the society, including Minorities.

- 12 In the Grama Sabha, itself the joint identification of the beneficiaries under various sponsored schemes of Government during the year, is being taken up.
- 13 Review meetings are conducted at regular intervals at various levels viz: Joint Mandal Level Bankers' Committee (JMLBC), District Standing committee, District Consultative committee (DCC) District Level Review Committee (DLRC) at district Level- where the Local MPs / MLAs / Public representatives are invited for the DLRC meetings for review.
- 14 SLBC at State Level regularly monitoring the progress of the Districts under various schemes.
- 15 As Convenor Bank of SLBC in Andhra Pradesh, Andhra Bank is extending invitation to the Vice Chairman & Managing Director, A.P.State Minorities Finance Corporation Ltd., for SLBC meetings / Launching of Annual Credit Plans in the state and is regularly attending the SLBC meetings

Ministry of Finance, GoI has decided to step up priority sector lending to minorities from the existing level of 9% to 15% over the next three years (i.e. by 2009-2010)

Outstanding Advances of all Banks in Andhra Pradesh As on 31.03.2009
(Rs: Crores)

	Total Advances	Of which Minorities
Agri. Advances	51,487	1,029.74 (2%)
SSI / Artisans	21,128	1,426.14 (6.75%)
Other Priority Sectors	27,710	3,514.42 (12.68%)
Total Priority	1,00,325	5,970.30 (5.95%)

Performance Plan for 2008 – 2009 (as on 31.03.2009)

(in crores)

S.No.	Particulars	Amount
1.	Total Credit Outstanding as on 31.03.2009	5,970
2.	Credit allowed during 2007 – 2008	1,075
3	Credit allowed from 01.04.2008 to 31.03.2009	1,201

Action Points:

- **Ministry of Finance, GoI has decided to step up priority sector lending to minorities from the existing level of 9% to 15% over the next three years (i.e. by 2009-2010).All the banks should attain the target of 15% advances to Minorities as per Government of India guidelines**

Financial Inclusion of Marginalized Communities in Hyderabad

Government of India have recently finalized a new "Prime Minister's 15 point Programme for the Welfare of Minorities". An important objective of aforesaid programme is to ensure that an appropriate percentage of the priority sector lending is targeted for the minority communities and that benefits of various Government sponsored schemes reach the under-privileged, which includes the disadvantaged sections of the minority communities.

Objectives: To ensure that, an appropriate percentage of the priority sector lending is targeted for the minority communities and that benefits of various Govt. sponsored schemes reach the disadvantaged sections of the minority communities.

Coverage:

- ❖ To ensure that, the minority communities receive an equitable portion of credit within the overall target for priority sector and the sub target of 10 percent for the weaker sections, which should be kept in view by Lead banks while preparing district credit plans.
- ❖ It has now been decided by the Govt. of India to step up priority sector lending to minorities from existing level of 9% to 15% over the next three years.
- ❖ In order to ensure that the overall target of 15% is achieved by 2010, we have fixed our Bank target at 9% for the year 2008, 12.5% for the year 2009 and 15% for the year 2010.

Identification of New Districts to provide credit flow to Minorities:

- ❖ Special monitoring of credit flow to minorities in all the 121 identified districts and 338 cities in the country to ensure that, the minority communities receive an equitable portion of the credit within the overall target of the priority sector.

Equitable Share in Economic Activities & Employment & Enhanced credit support for Economic activities:

- ❖ To Provide Self- Employment and Wage Employment for the poor, certain percentage of the physical and financial targets under various Govt. Sponsored schemes like PMRY, SJSRY, SGSY etc.
- ❖ Up gradation of skills through technical training – Necessary training will be provided through our 'Training Institutes' located at various centers to different weaker sections for taking up viable economic activities. The trainings will be extended to the minority communities to upgrade their skills for taking up various economic activities to increase their earning capability.

Improving the conditions of living of minorities:

- ❖ Taking steps to provide Equitable share in various weaker section rural housing programmes by providing certain percentage of the physical and financial targets to the poor beneficiaries from minority communities.

The following are the PM's New 15 Point Programme for the Welfare of Minorities:

a) Enhancing opportunities for Education:

- 1) Equitable availability of ICDS Services
- 2) Improving access to School Education
- 3) Greater resources for teaching Urdu
- 4) Modernising Madarsa Education
- 5) Scholarships for meritorious students from minority communities.
- 6) Improving educational infrastructure through the Maulana Azad Education Foundation.

b) Equitable share in Economic Activities and Employment.

- 7) Self-Employment & Wage Employment for the poor.
- 8) Up gradation of skills through technical training.
- 9) Enhanced credit support for economic activities.
- 10) Recruitment to State & Central Services.

c) Improving the conditions of living of minorities.

- 11) Equitable share in rural housing scheme.
- 12) Improvement in condition of slums inhabited by minority communities.

d) Prevention & control of communal riots.

- 13) Prevention of communal incidents.
- 14) Prosecution of communal offences.
- 15) Rehabilitation of victims of communal riots.

Out of the above, the Points related to Banking are furnished below:

- 1) Self-Employment and Wage Employment for the poor.
- 2) Enhanced credit support for economic activities. - Opening of branches in Minority concentrated districts.
- 3) Creating awareness among the minorities regarding the credit facilities available through various print & electronic media and by conducting meetings.

Andhra Pradesh has done commendable job in the field of Financial Inclusion. A positive environment is prevailing for Self Help Group Activity in Andhra Pradesh and where Minority Concentration is more in Hyderabad, Special efforts are being made for the Financial Inclusion of Women SHGs.

In implementing Prime Ministers 15 Point Welfare Programme for Minorities, Roshan Vikas (promoted by COVA) a NGO is also involved. Presently Roshan Vikas is implementing two projects with the Co-operation of Ministry of Finance & Sa-Dhan.

Modalities for Insurance, Specially for Muslims and Women are being worked out with the association of United India Insurance Company.

- Number of Standardized products is available with various combinations.
- The products are to be tailor made covering Accidents/ Life Insurance.
- For the Assets which are perishable, modalities are to be worked out

It is felt that the model being worked out for micro insurance for marginalized communities in Hyderabad will be testing model to be replicated for urban SHGs in Andhra Pradesh and at National level.

A time bound Programme also drawn in the meeting held on 22.01.2009

- SBI should complete opening all the 17000 accounts for the members of 1100 SHGs by 15.02.2009
- MEPMA to conduct a work shop for all the Urban SHGs in Hyderabad during 1st Fortnight of February
- MEPMA to ensure that all the eligible Minorities are organized into SHGs before March, 2009 so that Banks can extend finance to the eligible SHGs
- United India Insurance Co. should come out a Policy for perishable Assets and Life Insurance by the end of February, 2009
- LDM, Hyderabad to organize sensitization program for Branch managers in association with MEPMA on or before 07.02.2009
- LDM to discuss these points in the Town level Bankers' Committee meeting and regularly monitor the progress
- The NGOs / VOs may work towards achieving bank linkage of the SHGs organized by them and work towards the up scaling the activity in the neighboring Rangareddy District.
- Regular loaning programmes are to be organized for lending to SHGs by LDM/ MEPMA in the Minority concentrated Areas.

The following are the Action Points of the meeting held on 19.03.2009:

- ✓ UII in consultation with MEPMA, GHMC and RVF to finalize the product before the end of March,2009 and submit the proposal to IRDA for approval. The progress in this regard to be regularly informed to Ministry of Finance and SLBC

- ✓ Opening of the Accounts of SHGs and its Members, Their Training and Financing to all the members to be completed by SBI before 15th April, 2009.
- ✓ Roshan Vikas Foundation, GHMC, MEPMA and LDM, Hyderabad to work towards the Saturation in respect of organizing all the eligible members into SHGs. It is estimated that in addition to 1200 SHGs with RVF and 2500 other SHGs there is scope for about another 3500 SHGs
- ✓ Data Management Center with suitable Software and Hardware may be established for the use of SHG Federations and Banks and MEPMA may work in coordination. Banks may support purchase of hardware. The matter may be discussed in SLBC meeting
- ✓ MEPMA to submit proposals to NABARD in respect of all Semi Urban areas for claiming under FITF by May,2009
- ✓ MEPMA to take steps to extend PAVALA VADDI Scheme to all the SHGs being organized through Banks
- ✓ All agencies i.e. UII Co., MEPMA, Roshan Vikas Foundation and Banks should work in a coordinated manner with in Specific Time frame and accordingly SLBC may coordinate the work

It is also felt that:

- There is need to enhance the limit of Rs.30,000/- specified under micro insurance.
- The losses of the micro enterprises are mainly trade losses. There is need to cover Trade assets, Trade losses arising out of ill health. He has informed that 80% of the members present have requested for comprehensive health insurance at affordable cost.
- RVF has taken a loan of Rs.1.00 Cr. from SBI for on lending to SHGs and submitted proposal to SBI to act as Business Correspondent.
- They have already opened accounts of individuals with SBI but SHG accounts are to be opened
- RVF will act as facilitating agency and only SHG federations will act as Agents for insurance. The federations will not act as TPAs as the job of TPA is more of technical in nature
- Members present in the interactive session have expressed that they are willing to pay higher premium, if comprehensive coverage is provided

Financial Inclusion of Marginalized Committees in Hyderabad
Progress Report May 2009

Actions Points	Progress
Insurance Product in consultation with UII and MEPMA	Insurance Scheme is formulated. No need to design New Product. Combo scheme formulated by combining existing products.
State Bank of India	RV MACTS Ltd. Has been appointed as Banking Correspondents of SBI. Opening of accounts delayed due to problems in the software which have been sorted out. Now account opning is in progress.
Work with MEPMA and GHMC for saturation of SHGs	Proposal submitted by RVF to MEPMA for saturating 4 circles of GHMC area with SHGs and forming 373 primary federations and 31 secondary federations consisting of 7467 SHGs with 112,000 members.
Data Management Centers	Negotiations are in progress with Software Development comprises for a web enabled software that will make IT accessible and affordable for SHGs and their Federations. We will be able to take a firm decision on this by end of June, 2009.

Agenda No.

Loans to Weaker sections and Women
Outstanding Advances of all Banks in the State As on 31.03.2009

(Rs: Crores)

	Advances	Loans to weaker sections	Loans to Women
Agrl.advances	51,487	13,412 (26.05%)	6,868 (13.33%)
SSI / Artisans	21,128	5,203 (24.63%)	7,478 (35.39%)
Other Priority Sectors	27,710	5,246 (18.93%)	8,896 (32.10%)
Total Priority	1,00,325	23,861 (23.78%)	23,242 (23.17%)

Points for discussion:

- **Loans to Weaker sections:** Out of total outstanding advances under Priority sectors as on 31.03.2009, an amount of **Rs: 23,861 Crores** is pertaining to weaker sections including SC/STs, **which is 23.78% of Priority sector advances** against the **RBI norm of 25% of Priority sector advances** (and 11.35% of net bank credit against RBI norm of 10% of net bank credit)
- **Loans of women borrowers** is **Rs: 23,242 Crores** at the end of 31.03.2009, which is **23.17% of total Priority sector advances (11.05% of net bank credit against the RBI norm of 5% of net bank credit)**

(ii) Loans to Scheduled Castes and Scheduled Tribes:

Outstanding Advances of all Banks in the State As on 30.09.2008

(Rs: Crores)

	Total Advances	Of which SC/STs
Agrl.advances	51,487	3,706 (7.20%)
SSI / Artisans	21,128	1,024 (4.85%)
Other Priority Sectors	27,710	3,295 (11.89%)
Total Priority	1,00,325	8,025 (8.00%)

Action Points:

- ✚ Banks to maintain tabulation of targets and achievements on credit flow with maintenance of data integrity.
- ✚ Holding of joint workshops with sponsoring agencies to identify activities.
- ✚ .Resolve subsidy related issues and improve the average size of loans under central Government sponsored schemes.
- ✚ .Banks should be advised to strictly adhere to the instructions of RBI on flow of credit to SC/STs contained in RBI Master circular RPCD No: SP.BC.08/09.09.01/2006-07 dt: July 5, 2006.
- ✚ As the flow of credit to weaker sections of high priority, Banks are requested to take up the necessary steps as advised above.

Agenda No.

Andhra Pradesh Bankers Institute of Rural and Entrepreneurship Development (APBIRED)

The 157th meeting of State Level Bankers Committee held on 07 March 2006 resolved to establish a State Level Training Institute, namely **Andhra Pradesh Bankers Institute of Rural and Entrepreneurship Development (APBIRED)**. Accordingly, the Andhra Pradesh Bankers Institute of Rural and Entrepreneurship Development (APBIRED) has been set up **jointly** by Government of Andhra Pradesh, National Bank for Agriculture and Rural Development (NABARD), Andhra Bank, Canara Bank, Corporation Bank, Indian Bank, Indian Overseas Bank and State Bank of Hyderabad.

The institute, **first of its kind** in the country, is registered as a society under Andhra Pradesh Societies Registration Act, 2001 with corpus of Rs.5.00 crore. The corpus fund shared by the sponsors in the ratio of 25:25:50 by Government of Andhra Pradesh, NABARD and collectively by 5 Public Sector Banks. Corporation Bank has subsequently joined the Institute.

The aims and objectives of the institute is to impart capacity building / entrepreneurship development training and:

- ✚ To identify, orient, motivate, train, encourage and assist the unemployed rural/urban youth to take up self employment as alternative career;
- ✚ To promote rural/urban entrepreneurship and nurture entrepreneur talents.
- ✚ To conduct research, experiments, technology transfer in agriculture and allied activities to farmers.
- ✚ To take up capacity building to rural women and promote women empowerment;
- ✚ To train rural level workers in various aspects of rural development;
- ✚ To take up Event Management for sale of products developed by entrepreneurs, Counseling and project consultancy
- ✚ To arrange for Exhibitions of the products prepared by the trainees, for marketing;
- ✚ To do other acts and carry on such other activities as are necessary and incidental for the effective implementation and due fulfillment of the objectives of the society as the Governing Body may decide from time to time.

Training Programmes

Since inception i.e. from October 2007 to 31 March 2009,, the institute had conducted 47 training Programmes with a participation of 1317 and the overall average participation working out to 28 participants per programme.

During the year 2008-09, the institute has orgaqnised 32 programmes with a participation of 882 trainees.

These programmes were organized both In-Campus and On-location contributing to the capacity building of unemployed rural youth, members of women SHGs and farmers from various districts of the State.

In case of programmes conducted for unemployed rural youth, the focus has been on imparting skill in the identified activity along with entrepreneurship development skills.

The duration of these programmes has been six weeks. Whereas the duration of the programmes for members of women SHGs and farmers has been 3 to 4 days and focus of the programmes has been on exposing the participants to different areas in the field of both farm and non farm sector activities.

The participants of the training programmes are provided to and fro traveling charges and free lodging and boarding facilities.

Details of Programs conducted during 2008-09

S. No.	Category	No. of Programs	No. of trainees	Of which				
				SC	ST	BC	Minorities	Others
1	Farmers	5	126	7	0	52	0	67
2	SHG-Women	4	126	21	7	79	6	13
3	Unemployed youth	23	630	171	37	304	27	91
	Total	32	882	199	44	435	171	33

The institute conducted offsite programmes one each at Huzurabad on dairy and at Sircilla village, Karimnagar Dt. for the dependants and family members of weavers.

The institute conducted high end programme with the collaboration of M/s Indian Institute of Hardware Technology(IIHT), Bangalore in PC Hardware, A+, N+ and S+ courses.

Escort Services

APBIRED provides handholding to the trainees for a period of two years. Further, campus placements are facilitated at the end of training. The details of campus placements facilitated are as follows

No. of youth trained till 31.03.2009	-	919
(Other than SHG members, Farmers, EDP programmes)		
Placement facilitated	-	792

Rural Self Employment Training Institutes

In the light of the thrust given by the Ministry of Rural Development, GoI, on Rural Training Institutes set up by various Banks, and their recent guidelines issued for setting up one such Institute in each district of the Country.

Initiatives already taken by several Banks in setting up of the Rural Training Institutes in the State and their progress in conducting different vocational training programs for the benefit of rural unemployed youth, farmers, SHG women, artisans etc., The good work carried out of these Institutes have arrested the migration of the rural poor to urban areas in search of the livelihood. The efforts of these Institutes in paving a way for improvement in the living conditions of several thousands of the households in the State. Recognizing the effectiveness of the Rural Institutes set up Banks, particularly those of the Southern States of the Country, the Ministry of Rural Development, Govt of India has put forth an Action Plan to scale up the operations in this direction so as to cover all the districts of the entire Country.

Ministry of Rural Development, GoI, on Rural Training Institutes communicated new guidelines on the establishment, functioning of the Rural Self Employment Training Institutes (RSETI). The Ministry of Rural Development, Govt of India, New Delhi, communicated about the incentives being announced for RSETIs (existing and new ones) such as allotment of site for construction buildings, sanction of grant of Rs 1.00 crore to each Institute for construction and furniture. Out of the Rs 1.00crore allocated for each Institute, Rs 0.70 crores will be provided for construction of building and Rs 0.20 crores will be provided for infrastructure and the remaining Rs 0.10 lakhs will be spared for meeting the rent of the Institute Building till construction is completed. As advised by the Ministry, pending allotment of site by the respective State Governments, Banks should set up the new Institutes in a rented premises, the rent for which can be claimed with in the budget allotted.

At present, 19 districts of the State are covered by the Rural Institutes already established by different Banks and in the remaining four districts of Visakhapatnam, Vizianagaram, Medak and Mahaboobnagar, the Lead Banks to initiate steps to set up RSETI in their respective districts so that Andhra Pradesh would become the first State in the Country to have presence of RSETIs in all its districts.

Andhra Pradesh State Government is requested to allocate land to the existing RSETIs as well as for the proposed Institutes to be set up by the respective Lead Banks in the four districts. The LDMs have to take up the matter in all the DCC/JMLBC meetings for further discussion in the light of the new guidelines received from the MoRD, GoI.

All Directors of the Rural Institutes to take up training programs with an aim to provide an improvement in the living standards of the people. There should be an equal importance on the settlement services provided to the trainees till they establish either on their own or on wage employment and also advised them to revive the 'dying arts' in their respective places by conducting special training programs on the same. Rs 5,000/- per BPL candidate will be released by the Government for meeting the recurring expenditure while conducting the training programs.

The Directors of Rural Institutes to take up farmer oriented training programs as these programs are also eligible for 50% reimbursement of expenditure from NABARD.

Central Government is in the process of finalizing the formats through which Banks can submit their indent for the claiming the grant assistance to each RSETI, and members to follow up with State Government for sanction and allotment of land to each Rural Institute at the earliest. NIRD will facilitate the release of the amounts to each Rural Institute.

State Level Steering Committee for RSETIs:

MoRD, GoI suggested that a Sub-Committee of the SLBC is to be set up in every State which will function as the State Level Steering Committee for all the RSETIs functioning in the State. The Committee shall be co-chaired by the Principal Secretary, Rural Development of the State and the SLBC Convener Bank of the State and the members will include top executives of those Banks which have set up/ are proposing to set up RSETIs in the State and CGM, NABARD.

The terms of the reference of the Committee shall be –

- To monitor the progress and review the performance of each of the RSETIs through the Lead Bank forums i.e DCC/SLBC.
- To conduct evaluations of functioning of RSETIs to be done by agencies as decided by the Committee.
- Any other matter related to the functioning of RSETIs.

The Committee shall meet at least four times in a year at quarterly intervals.

Action Points:

The progress made in this regard may be informed to SLBC

**Details of Training Institutes of Entrepreneurs set up by Banks in Andhra Pradesh
(as on 31-12-2008)**

Sl. No.	Name of Training Institute	Full Address	Contact Details
1	Andhra Bank Institute of Rural Development (ABIRD)	Railway Station Road Alcot Gardens RAJAHMUNDRY – 533 101 East Godavari District	Off: 0883 - 2428807 Mobile: 94418 19518 98664 66362
2	Dr.Pattabhi Memorial Institute of Rural Development (PMIRD)	D.No.30-555 Fort Road, Mustakhanpet Behind Anjaneyaswamy Temple MACHILIPATNAM – 521 001 Krishna District	Off: 08672 - 224415 Res: 08672 - 250825 Mobile: 98663 70007
3	Andhra Bank Institute of Rural Development (ABIRD)	KVK Campus AMADALAVALASA – 532 001 Srikakulam District	Off: 08942 - 287895 Mobile: 94409 76752
4	Nagavali Institute of Rural Entrepreneurship Development (NIRED)	G.M.R. Nagar RAJAM – 532 127 Srikakulam District	Off: 08941 - 253144 Mobile: 99892 02764
5	Swarna Bharati Institute of Entrepreneurship Development (SIRED)	Cyber Grameen Campus VENKATACHALAM – 524 320 Nellore District	Off: 0861 - 2383123 Mobile: 94417 54604
6	Andhra Bank Institute of Rural Development (ABIRD)	D.No. 14-1-14, Old Bank Street Kothapet GUNTUR – 522 001 Guntur District	Off: 0863 - 2336912 Mobile: 94901 15178
7	Andhra Bank Institute of Rural Development (ABIRD)	D.No. 24 A-7-1 Bammera Pothana Street Ashok Nagar ELURU – 534 002 West Godavari District	Off: 08812 - 253975 Res: 08812 - 253976 Mobile: 94405 24790
8	Andhra Bank Institute of Rural Development (ABIRD)	V.K.R.N. Gardens Thondavada Village Chandragiri Mandal TIRUPATI – 517 505 Chittor District	Off: 0877 - 2272588 Mobile: 98494 19179

Sl. No.	Name of Training Institute	Full Address	Contact Details
9	Syndicate Institute of Rural Entrepreneurship Development	T.T.D.C Building Near Pulla Reddy Engineering College Tandrapadu KURNOOL – 518 002 Kurnool District	Off: 08518 200056 Mobile: 9440905477
10	Syndicate Institute of Rural Entrepreneurship Development	S.D.E.P Complex Industrial Development Area Opp: Gas Filling Station Near: APSRTC Workshop KADAPA – 516 01	Off:08562-279993 Mobile: 94409 05478
11	Rural Development & Self Employment Training Institute	Beside S.K.University Stadium Akuthotapalli Village S.V.Puram Post ANANTAPUR – 515 003 Anantapur District	Off: 0854-255925 Mobile: 94409 05479
12	Rural Development & Self Employment Training Institute	Mandal Praja Parishat Complex VETAPALEM Prakasam District	Off: 08594 246430 Mobile: 9849737034
13	Rural Institute of Self Employment Training	Sanskruthi Vihar – T.T.D.C HASANPARTHY – 506 371 Warangal District	Off: 95870 - 2564766 Mobile: 99891 91668
14	Rural Institute of Self Employment Training	T.T.D.C - D.R.D.A CHILKUR Moinabad Mandal Rangareddy District	Off: 958413 201086 Mobile: 98495 79115
15	Rural Institute of Self Employment Training	(Near Mahila Pranganam) MLG Road RAMNAGAR -508 001 Nalgonda District	Off: 958682 230683 Mobile: 98495 84341
16	Rural Institute of Self Employment Training	State Bank of Hyderabad Warangal 'X' Road Near Rural Police Station TARUNIHAAT – 507 003 Khammam District	Off: 958742 258557 Mobile: 94407 21179
17	Rural Institute of Self Employment Training	State Bank of Hyderabad Komaram Bheem Complex UTNOOR Adilabad District	Off: 958731 275270 Mobile: 94902 63065

Sl. No.	Name of Training Institute	Full Address	Contact Details
18	Rural Institute of Self Employment Training	Beside Government Primary School Rampur Road PO & Mandal NAVIPET Nizamabad District	Off: 08462 201015 Mobile: 99496 70076
19	State Bank Institute of Rural Development	Opp: Central University Post Box No. 2 Gachibowli Lingampalli Post HYDERABAD – 500 019	Off: 040 - 2346 3301
20	Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development (APBIRED) *	Rajendranagar Hyderabad – 500 030	Off: 040 - 2401 7350 040 - 2401 7351

Agenda Item

Financial Literacy cum Credit Counseling Centres

The Reserve Bank of India has formulated a Model scheme for Financial Literacy and Credit counseling Centers (FLCCs). The salient features of the Scheme:

Objective: The broad objective of the Financial Literacy and Credit Counseling Centers are to provide free financial literacy/ education and credit counseling. The specific objectives are:

- ✚ Provide financial counseling services through face – to – face interaction as well as through other available media like e-mail, fax, mobile etc., education on responsible borrowing, proactive and early savings and offer debt counseling to individuals who are indebted to formal and / or informal financial sectors;
- ✚ Educate people in rural and urban areas regarding the various financial products and services available from the formal financial sector;
- ✚ Make people aware of the advantages of being connected with the formal financial sector;
- ✚ Formulate debt restructuring plans for borrowers in distress and recommended them to formal financial institutions, including cooperatives, for consideration; and
- ✚ Take up any such activity that promotes financial literacy, awareness of banking services, financial planning and amelioration of debt-related distress of individuals.

FLCCs should not, however, act as investment advice centres / marketing centres for products of any particular bank / banks. Counsellors should refrain from marketing / providing advice regarding investment in insurance policies/ securities, value of securities, purchase/ sale of securities, etc., or promoting investments only in bank's own products.

Organisation/ Administrative Set-up / Infrastructure:

Initially, banks may set up trusts/ societies for running the FLCCs, singly or jointly with other banks. A bank may induct respected local citizens on the Board of such a trust/ society. Serving bankers should not be included in the Board. To begin with, FLCCs may be fully funded by banks.

The counseling centres should maintain arm's length relationship with the parent bank and, preferably should not be located in the bank's premises to avoid any impression that

such centres are a part of the bank itself. The centers should not promote the products of their parent banks.

Even if such centers are opened in bank / branch premises to minimize cost, it should look and feel separate from the bank branch, with a separate entrance and so as to maintain a distinct identity from the bank / branch.

A proper infrastructure is provided with adequate communication and networking facilities. A toll free line, e-mail and fax facilities may also be provided for easy contact. Separate Cubic facilities are also to be provided to maintain privacy / confidentiality of the discussions with clients.

To maximize the outreach of the counseling centre, mobile units should also be set up to service all the blocks in the districts.

Types of Credit counseling:

Debt counseling / credit counseling can be both preventive and curative. In case of preventive counseling, the centres could provide awareness regarding cost of credit, availability of backward and forward linkages, where warranted, etc. The clients could be encouraged to avail of credit on the basis of their repaying capacity. Preventive counseling can be through the media, workshops and seminars.

FLCCs may consider introducing a generic financial education module in vernacular language. Broadly, the module content can include the need for savings, budgeting, advantages of banking with formal financial institutions, concept of risk and rewards and time value of money, various products offered by banks, insurance companies, etc. The module may also cover aspects relating to deposits and various other financial products, the method of calculation of interest on savings bank accounts, fixed deposits, etc., and the method of compounding.

FLCCs should also give due emphasis to customers' rights under the fair practices code, benefits of nomination facilities, operation of accounts, etc.

Preventive counseling may be made mandatory for individual borrowers based on their income level or size of loan. Such mandatory credit counseling could be made a part of the fair lending practice of banks.

Mechanism for Credit Counseling / Debt Settlement:

For single – creditor – debts, the FLCCs could assist the borrower in negotiating with the bank concerned. In case of multiple credits availed of by individuals, FLCCs may negotiate with the bank/s having the largest exposure to restructure the debt and the recoveries to be shared on a pro-rata basis. The bank/s, on review of the recommendations / proposal made by the FLCCs, may make their independent and informed decision to accept the proposal in its original form or in such other modified form as deemed fit and a final decision may be left with banks.

Qualification/ Training of Counsellors:

Only well qualified / trained counselors should be selected to man the centre on a full time basis.

FLCCs could consider appointing people with domain knowledge in agriculture for counseling related to agriculture and allied activities.

Individuals, such as, retired bank officers, ex-servicemen, etc. could be appointed, among others, as credit counselors.

Credit counselor should have sound knowledge of banking, law, finance, requisite communication and team building skills, etc.

To ensure that there is no conflict of interest persons managing the FLCC should not be staff of the bank.

Proper training and skill up gradation is essential for the counselors to keep themselves abreast of the latest developments in the banking industry and also on ongoing basis.

Transparency / Disclosure of Information / Publicity:

To help the customers in making informed decisions, all banks should display on their websites necessary information regarding fees, charges, etc., as prescribed in the Reserve Bank. Banks should also place on their websites, details of the services offered by the FLCCs opened by them.


All forms of publicity, press conferences, workshops, publications, websites, road shows, mobile units, village fairs, etc should be actively explored. Banks should provide a suitable budget for the purpose.

Position of FLCCs functioning in the Lead Districts as on 31.03.2009

S. No.	Banks and their Lead Districts		FLCCs Opened by Lead Bank in these Dists.	Remarks
	Name of the Bank	Lead District		
01	Andhra Bank	Srikakulam	Srikakulam	OPENED
		East Godavari	East Godavari	
		West Godavari	West Godavari	
		Guntur	Guntur	
02	State Bank of India	Vizianagaram		In the Process of Opening such Centers
		Visakhapatnam		
		Medak		
		Mahabub Nagar		
		Warangal		

03	State Bank of Hyderabad	Nalgonda	Nalgonda	In other districts Bank is in the process of Opening such Centers
		Ranga Reddy		
		Nizamabad		
		Adilabad		
		Khammam		
		Hyderabad		
04	Syndicate Bank	Prakasham		In the Process of Opening such Centers
		Nellore		
		Kurnool		
		Anantapur		
		Kadapa		
05	Indian Bank	Chittoor		In the Process of Opening such Centers
		Krishna		

Action Point

 All the banks are requested to take steps for opening such centers in all the districts BY Sept, 2009
 Organise programmes in villages to educate farmers and other people through various strategies.

Agenda item:

‘Centre for Rural Credit and Development Banking’

Setting up of Exclusive ‘Centre for Rural Credit and Development Banking’ (RC & DB) at NIRD, Hyderabad

NIRD is the apex centre for Training, Research, Action Research and consultancy activities in rural development working under Ministry of Rural Development GOI.

The NIRD institute has taken initiative towards setting up an exclusive “Centre for Rural Credit and Development Banking” common facility for all the Public Sector Banks, RRBs and Cooperative Banks.

The institution appeals all the banks for contribution, as the investment is estimated around Rs.5 to 6 Crores

Action Points

- All the Banks may examine for contributions for the proposal of setting up of Centre for Rural Credit and Development Banking at NIRD and send their willingness and contribution amount SLBC, so as to inform the same to NIRD.

Security of Banks

Issues raised by Banks

Banks are playing very vital role in dealings related to financial transactions and are back bone of the economy. Of late, many incidents of Thefts and Robberies are being reported from various parts of the State. Similarly, the incidents of Arson and Dharnas are being reported with the involvement of some misguided elements. Further, the incidents of Terrorist activities are on rise and there is need to review the whole security system and also draw the attention of State level machinery.

In response to SLBC request, the following are suggestions, given by various banks:

Andhra Bank

- Long delay in obtaining new gun licence, for renewal of gun licence and for entering names of police verified bank guards who are Ex-servicemen, as retainer in gun licence by concerned Police Authorities.
- Frisking by APSPF guards deployed at High Risk currency holding centres of banks
- Police patrolling by night of bank branches, along with other commercial shops.
- Coverage of important market areas by CCTV as is being done in other areas.

Andhra Pragathi Grameena Bank

- Branches located in remote and isolated areas need Plice patrolling twice or thrice during nights
- Information on Local Criminals to be shared with Banks
- Intelligence reports are to be shared with banks
- Police protection is required during agitations and Dharnas and Loan disbursement functions

Corporation Bank

- There is inordinate delay in issuance of Arms license
- Hot lines established between Currency chests and Police Stations are not being manned

Punjab National Bank

- Issue and renewal of Gun licenses and entering the name of the guard in the Gun license as retainer
- Beat Constables to visit Bank branches during Business hours, spend some time and sign in the Register

Indian Overseas Bank

- Dedicated Officer should be there in the Police Commissioner's Office to deal with Banks' issues and their contact Phone numbers should be made available to Banks

- Timing and contact numbers of Beat constables are to be known to the Branches
- Issuing Gun licenses to be speeded up

State Bank of Hyderabad

- Police Dept. to maintain exclusive website, especially for banks, where intelligence reports and other reports can be posted
- The website should have facility to register problems of Banks
- At random during day time patrolling is to be there covering branches
- Police to conduct mock drills at branches
- Police to conduct training sessions for Bank's Security Guards
- Periodical district level meetings are to be conducted to sensitize Banks
- Senior Police Officials may visit Banks, ATMs, etc. to review security arrangements at regular intervals

State Bank of India

- Police Patrolling during day time on cost sharing basis on the model of Visakhapatnam
- Night patrolling is to be arranged
- The inclusion of names of Guards as retainers of guns is taking unduly long time
- The Bank Guards who are Ex Service men may be permitted to handle the Guns and ammunition from the date of applying for license as the Branch Manger recommends for the same
- All currency chest branches are to be connected to Police Stations through Wire less Walkie Talkie of different frequency to enable to deal in emergencies. This will obviate the necessity for separate hot line

Action Points

- All the points are to be communicated to Director General of Police for taking suitable action.

No.

Attending various meetings under Lead bank Scheme by appropriate authorities for Govt. Depts. / Banks :

- a. Of late, Some Banks and District Officials are not giving due importance to district level fora viz., District Consultative Committee (DCC), District Level Review Committee (DLRC) and Standing Committee of DCC constituted under the Lead Bank Scheme (LBS).
- b. Senior Officers/ Controllers of banks have not been regularly attending the district level meetings for various reasons but no intimation in this regard is sent to the Convenor well in advance.
- c. It has, therefore, not been possible to deliberate or take decisions on important policy issues, as junior officials from banks who are sometimes being deputed to these meetings do not have requisite powers.
- d. As the fora under Lead Bank Scheme (LBS) are important to the rural credit delivery system and that they should act as vibrant bodies ensuring flow of timely credit to the priority sectors in the districts. They are also expected to act as effective coordinating bodies between financial institutions and the State Government.
- e. It therefore, advised the LDMs to include the above issue as an agenda item in the DCC meeting and draw the attention of the District Administration of Government of A.P to this matter for necessary action.
- f. The practice of preparing a roaster of meetings, as is prevalent in some of the districts, may be followed.
- g. To draw the attention of the Controlling Offices of banks to ensure prompt and regular attendance of concerned official at such meeting.

In case for some exigencies the official is unable to attend any particular meeting, intimation to that effect should be sent to the Convenor of the meeting well in advance giving the reasons. In such cases another official having necessary powers to take decision may be deputed along with the data/action taken report in respect of such bank.

Feed back from the districts in the State:

- a. Dissatisfaction expressed by the District Collectors over the absenteeism of bankers in the DCC meetings. As such, very purpose of conducting the meetings is being defeated.
- b. Observed that MDOs and MROs are not attending the JMLBC meetings in many cases

Participation of Private Sector banks in implementation of sponsored schemes:

- a. Many Private sector Banks are not attending the meetings under Lead Bank Scheme and are not participating in implementation of Govt. sponsored schemes / District Credit Plans. Even they are not sharing the information in the Districts & not submitting the information either to LDMs / or SLBC.
- b. Most of the Govt. departments are keeping the funds in private sector banks more specifically in new generation private sector banks.

As per the guidelines under Lead Bank scheme, there are specific forums for review of progress under various schemes and to discuss field level issues.

At Mandal (Block Level) level:

- 1 **JMLBC** (Joint Mandal Level Bankers' Committee). Meetings to be conducted at quarterly intervals. IN case of urgency/necessity special JMLBC meetings may be convened. Bank-branch wise progress will be reviewed in these meetings and field level issues, if any, will be discussed.
- 2 For these meetings Branch Managers of Banks / MDOs, MROs, officials from line depts., at Mandal level will attend. Lead District Manager will preside over these meetings.

At District Level:

DCC (District Consultative Committee):

- 3 District consultative Committee (DCC) is a district forum meet **quarterly** - District collector is the Chairman and Lead dist head (Convenor- Bank) is the Convenor. Representatives of all commercial Banks, Co-op Banks, RRBs, Govt Agencies, and other agencies who are implementing the ACP, Credit linked schemes are the members.

Standing committee:

- 4 Normally meets once in a month and minimum 8 meetings are to be conducted in a year at dist level. Dist collector is the chairman and lead bank in the district is the Convenor. The main purpose of the meeting is to discuss on going SSGSY schemes implemented through DRDA. NABARD, Dist officials, and major participating Bank representatives are the members.

District Level Review committee (DLRC):

- 5 **DLRC** is being conducted on Quarterly basis w.e.f Dec. 2000. It is the largest body with all DCC members, Govt. Representatives who are not invited for DCC and Govt. agencies, insurance company representatives, and **Special invitees of**

local bodies / local MLAs/MPs etc. DLRC members form into groups and discuss on Topics arrive conclusions and suggest various steps for improving the quality and quantity in lending. Required submit report to RBI quarterly on DLRC meetings.

For all the above meetings Controllers / District Coordinators of Banks at the district level will attend.

Observations:

- 6 **Calling Branch Mangers for meetings at district head quarters for many times** and in some cases Review by the Public representatives at frequent intervals:
- 1 It is observed that in many districts, District Administration is calling the Branch Managers frequently for different meetings to District Head quarters for reviewing the progress under various schemes. Some times managers are called for the above meetings 3-4 times in a month, causing dislocation of routine bank work and also causing delay in implementation of various schemes.

Various forums under "Lead Bank Scheme" as indicated by Reserve Bank of India should be utilized for meaningful / fruitful discussions.

At State Level – SLBC:

- 7 As per the guidelines under Lead Bank scheme, SLBC has to convene 12 meetings (4 SLBC & 8 Steering Committee meetings) in a year, besides one SLRM.
- 8 SLBC is convening number of review meetings at regular intervals (more than the prescribed meetings i.e 12 in an year), on various subjects.

For example: SLBC of AP has convened 32 meetings during the year 2004-05, 41 meetings during the year 2005-06, 32 meetings during the year 2006-07 and **34 meetings during 2007-08.**

Observations:

- 1 It is observed that many Govt. departments are calling the bankers for separate meetings for reviewing the progress of respective departments.
- 2 Instead, the Departments may place a request to the **Principal Secretary (Institutional Finance)**, Govt. of A.P / SLBC to conduct and to include their agenda for discussion in the meetings of Steering Committee to SLBC” for purposeful /meaningful/ systematic review. If necessary special / urgent steering committee meetings may be conducted.

Extending Finance in Sircilla Town

The Background

Sircilla is one of the important town in Karimnagar District which is 65 KM away from the district head quarters. From Hyderabad it is about 140KM.

The hand loom weaving developed in the town in the 1920s. Over time, the skilled weavers of Sircilla developed unique designs and a niche market in Maharastra for their products. The looms gave employment to many directly or indirectly.

The first sign of trouble came in 1970s, when many power looms were established in Maharastra and they began duplicating the products.

The weavers of Sircilla took up the challenge and 450 weavers jointly took up loans and established 3000 power looms. The women used to take up beedi rolling. By 1990s 10000- 12000 power looms, owned by 800 people were established in the town giving employment to 15000 families.

Subsequent to opening up of the economy and changes in the tastes of the public, the products being manufactured in Sircilla have lost in the market. Changed Government Policies, Erratic power supply and tax structure has further deepened the crisis.

The Sircilla Power Looms could not compete with the modern looms in the changed scenario.

The earlier debt waiver announced in 1989 has benefited hand loom weavers only and Sircilla workers are not covered. The present debt waiver scheme is not applicable to this sector. Unable to sustain, most power loom owners have abandoned the activity.

The Government on its part has attempted to tide over the crisis with several schemes, but the problem is continuing and recently there is spurt in suicides.

Basic data pertaining to Sircilla town

S. No.	Parameter	Position
1	Total Population	65,314
2	Population in Slums	45,857
3	No. of house holds in Slums	14,031
4	No. of Slums	23
5	No. of Wards	29
6	Total No. of SHGs existing	1,075
7	No. of families covered	16,024
8	Total No. of SHGs linked	959
9	No. of SHGs yet to be linked (of the existing)	116
10	No. of New SHGs to be formed	100

MEPMA (Mission for elimination of Poverty in Municipal Areas), Municipal Administration and Urban Development Department that high level team has visited Sircilla and observed that heavy indebtedness is also one of the reasons for the suicides.

The present level of financing is not sufficient to meet the consumption needs, clearance of debts and to take up income generating activities.

The high level team has suggested the following measures.

1. Coverage of all SHGs under Total Financial Inclusion
2. Promotion of alternate livelihoods and marketing opportunities
3. Ensuring 100% coverage of old aged/widows under Social Security Pensions
4. Seniority of 6 months can be taken as eligibility for coverage under TFI
5. TFI amount can be considered based on actual outside debts
6. Maximum linkage amount can be Rs.5.00 lakhs per SHG based on Micro Credit Plan
7. All SHGs are to be covered including SHGs already availed loans, adjusting the outstanding balances.

Meetings already held

The SLBC cell has advised LDM, Karimnagar to conduct Standing Committee of DCC Meeting and discuss the problem at length and offer their views on the matter and suggest the steps that can be initiated from the Banking side. Accordingly, the meeting was held.

The matter was again discussed in Steering Committee of SLBC meeting held and it was resolved

MEPMA and all Development Departments associated in the town may prepared a comprehensive plan required to be implemented for Sircilla town along with DETAILS OF ACTIVITIES to be taken up by the SHGs/ individuals and place before the Steering Committee for taking a decision in this matter

The matter was again taken up in the **SLBC Meeting, Steering Committee Meetings of SLBC and Special DCC meeting held at Sircilla.**

Measures Suggested by MEPMA (Mission for elimination of Poverty in Urban Areas)

1. Changes in the Policy required with regard to the guidelines of financing Urban SHGs

S.No	Present Guidelines	Amendment required for Sircilla Town
1	At least one Slum per Branch to be financed in each municipality	All Slums to be taken up
2	TFI (Total Financial Inclusion) to be implemented for Senior most Groups only	Seniority of 6 months to be considered as eligibility under TFI as a special case and groups which have already availed 1st and 2nd dose shall also be covered under TFI duly adjusting the outstanding balance from the loan amount now sanctioned as per MCP

3	To be sanctioned only to the senior groups already availed 2 nd linkage	To be extended to all SHGs irrespective of their seniority. However, the maximum ceiling amount for each group will be Rs. 5.00 lakhs subject to taking up of economic activity and producing proof of out side debt.
4	TFI includes 40% debt swapping 60% Social Needs and Income Generating Activities	Based on actual requirement for outside debts, amount may be sanctioned

Existing guidelines for Urban SHGs

Parameter	I DOSE	II DOSE	III DOSE
Period of existence	6 months after its existence	12 months after availing first dose	18 months after availing 2 nd dose
Amount of finance (Regular loan)	4 times of Savings / Rs. 50,000 whichever is higher	10 times of Savings / Rs. 1,50,000 whichever is higher	As per MCP – overall ceiling Rs.5.00 Lakhs Loans based on MCP are permissible after it has already taken a loan twice basing on corpus/ savings and repaid the loans promptly
Debt Swapping	50% of eligible amount	50% of eligible amount	40% of eligible amount
Term loan for Housing	Rs.20,000/- per individual member	Rs.20,000/- per individual member	Rs.20,000/- per individual member
TOTAL LOAN	Rs.1,75,000	Rs.3,25,000	Rs. 5,00,000

2. The Sircilla town is having only 3 Bank branches viz., **Andhra Bank, SBH and Karimnagar Dist. Co-op. Bank**. The SHG financing is taken up by Andhra bank and SBH. Since the task of financing is to be taken up on war footing other major banks are also to be involved in financing.

i) State Bank of India, ii) Indian Overseas Bank, iii) Union Bank of India and iv) Deccan Grameena Bank, with this the total banks involved are 7.

3. The present level of Lending and the lending Proposed to be taken up in the town is indicated below.

PROPOSED FINANCING PATTERN

Sl.No	Details	No. of SHGs	Per SHG lending Max. ceiling Amt. in Rs.	Total Amt. in Rs.Cr.
1	Un linked Groups	116	5.00 Lakhs	5.80
2	To be formed SHGs	100	5.00 Lakhs	5.00
3	1 st Linkage	692	5.00 Lakhs	34.60
4	2 nd Linkage	188	5.00 Lakhs	9.40
5.	3 rd Linkage	79	5.00 Lakhs	3.95
Total		1175		58.75
No. of Federations to be financed		50	2.00 Lakhs	1.00

GRAND TOTAL Rs..**59.75 Cr.**

Sensitive support mechanism in Siricilla town

- 26 CRP teams (4 Members) are working, one CRP team per slum.
- CRP teams are drawn from the IKP-Rural, who is most successful.
- CRP team facilitates preparation of MCP by the SHG.
- Provides training to the SHG members on the concept and modalities of formation of SHGs and their federations at slum level and later on at town level.

Keeping the above in view, the following steps are proposed to be taken up**No. of Banks to be involved**

A total of 7 Banks viz. Andhra Bank, SBH, KDCC Bank, SBI, UBI, Ing Vysya Bank, and Deccan Grameena Bank to participate in financing

Relaxation of Norms

- Instead of time lag of 6,12 and 18 months fixed for **I, II and III dose**, the existence of 6 months of SHGs is to be taken into account for allowing finance under TFI
- Instead of financing maximum amount of Rs.1.75 lakh for Ist dose, Rs.3.25 lakh. for IInd dose and Rs.5.00 lakh from IInd dose onwards, all the groups are to be financed with a maximum ceiling of Rs.5.00 lakhs from Ist dose onwards by relaxing time frame.
- All Slums are to be taken up for financing instead of earlier norm of 1 slum per branch

Training

- Training is to be provided to the SHGs for the economic activity selected and training should include psychological dealing of the prevailing situation

Monitoring and Review mechanism

- Urban JMLBC to meet once in Fortnight to review
- Government has to create infrastructure to nurture and monitor SHGs

Time Frame

- Training is to commence from December Month. Financing as per the approved plan to commence from December,2008
- Disbursement Functions may be organized for disbursing loans to instill confidence

Present Position:

Creation of Recovery Mechanism

The recovery environment is vitiated, especially after the implementation of the Agriculture Debt Waiver and Debt Relief, 2008.

To inculcate Recovery Discipline and to improve the recovery performance, it is proposed to create Recovery Boards as per the following details.

Jurisdiction	Members	Periodicity of Drives	Amount Ceiling
Mandal	MRO, MDO, Branch Managers	Monthly	Chronic Dues of Rs.1.00 lakh and above.
District	DRO, PD, DRDA, GM, DIC, LDM, Representatives of Major banks in the District	Quarterly	Chronic Dues of Rs. 1.00 Crore and above
State	Secretary, Revenue Dept., Convenor, SLBC, Representatives of Major banks at State Level	Half Yearly	Chronic Dues of Rs.10.00 Crore and above

The other modalities may be worked out in the ensuing Steering Committee Meeting

Compliance of RBI guidelines - Mechanism

Reserve Bank of India is in the opinion that Banks are not following the guidelines given by them from time to time, without any deviation. . Reserve Bank of India has also felt that Banks are sending the compliance details of their instructions..

Action Points:

- Banks may follow the instructions given by RBI from time to time without any deviation and send compliance details, to RBI, Hyd.,
- All the Banks to inform the mechanism being adopted by them for compliance
(Action: All Banks)

Govt. Sponsored schemes

ANIMAL HUSBANDRY SCHEMES

The proposed Annual Credit Plan for implementation of Induction of Milch Animals under Rashtriya Krishi Vikas Yojana (RKVY), Prime Minister's Package and Calf Induction Programme under RKVY for the year 2009 – 2010.

It is informed by Animal Husband Department that the Andhra Pradesh State Government have allocated budget under Pavalavaddi Schemes for implementation of Dairy, Poultry and Sheep rearing Programme for the year 2009 – 2010.

PASU KRANTHI PATHAKAM:

I. Introduction of Milch Animals:

1. Prime Minister's Special Livestock Package: Projections for 2009 - 2010

(Rs. In Crores)

No. of Milch Animals	Subsidy	Credit Requirement	Total
11018	16.53	21.34	37.87

*District wise details are enclosed.

✚ Subsidy of Rs.15000/- per Milch Animal (Milch Buffalo or Cow) will be provided as front end subsidy and the balance amount is arranged as Bank Loan.

2. Chief Minister's Special Livestock Package: Projections for 2009 - 2010

(Rs. In Crores)

No. of Milch Animals	Subsidy	Credit Requirement	Total
30217	44.49	58.75	103.24

✚ District wise details are enclosed.

✚ Subsidy of Rs.15000/- per Milch Animal (Milch Buffalo or Cow) will be provided as front end subsidy and the balance amount is arranged as Bank Loan.

**3. Rashtriya Krishi Vikas Yojana:
Projections for 2009 – 2010:**

(Rs. In Crores)

No. of Milch Animals	Subsidy	Credit Requirement	Total
29326	43.99	58.65	102.6437.87

* District wise details enclosed

✚ Subsidy of Rs.15000/- per Milch Buffaloes and Rs.12500/- in case of Milch Cows will be provided as front end subsidy and the balance amount is arranged as Bank Loan.

II. Calf Induction Programme:

Rashtriya Krishi Vikas Yojana:

High producing female calves will be procured from the breeding tract and Distributed to the farmers for further rearing purpose. To get optimum Growth rate, feed will be supplied on 50% subsidy to tune of Rs.5724/- per Calf.

Projections for 2009 – 2010:

(Rs. In Crores)

No. of Milch Animals	Subsidy	Credit Requirement	Total
11000	5.50	5.50	11.00

*District wise details enclosed

✚ Subsidy of Rs.5000/- will be provided on the cost of One female calf.

Animal Husbandry Department informed that Department is going to call for tenders for supply of milch animals (Milch Buffaloes & Cows) and female calves shortly and the unit costs will be communicated to SLBC.

Animal Husbandry Department Contd.,

1. Ram Lamb Rearing Units:

1. Animal Husbandry Department informs that Sheep growers are selling Ram Lambs for slaughter at the age of 4 months (12-15 kgs body weight) before they obtain the marketable body weight (20-25 kgs), leading to productive and income losses.

2..Hence, it is proposed to promote Ram Lamb Rearing.


3. In this scheme, 20 Ram Lambs (Nellore and Deccani breed) will be procured at the age of 4-6 months and reared for 6-8 months and will be marketed at body weight of 20-25 kgs.

4. Every year, two batches of Ram Lambs can be reared.

Unit Size	20 Ram lambs
Unit Cost	Rs.28000/-
Subsidy per unit	Rs.14000/-
Loan by Bank / Agency	Rs.14000/-

Physical Targets for 2009 – 2010:

No of Units	Subsidy (50%)	Bank Loan (50%)	Total Out lay
2143	Rs.3.00 Crores	Rs.3.00 Crores	Rs.6.00 Crores

 District wise details enclosed.

Animal Husbandry Department Contd.,

2. Sheep and Goat Units: (20 females + 1 male)

Sheep and Goat rearing provide livelihood to weaker section families, in scanty and low rainfall areas and in agriculturally less developed areas. It is an important livelihood occupation of poor in villages where crop production is uncertain.

Breed	Unit Cost
Nellore	
Maharashtra Deccani	55000
Native Deccani, Bellary & Madras Red	48000
Osmanabadi	60000
Subsidy per unit	Rs. 27500 (Average)
Loan by Bank	Rs. 27500 (Average)

Physical Targets for 2009 – 2010:

No of Units	Subsidy (50%)	Bank Loan (50%)	Total Out lay
1091	Rs.3.00 Crores	Rs.3.00 Crores	Rs.6.00 Crores

* District wise details enclosed.

PAVALA VADDI:

Under this scheme it is proposed to provide subsidy of Rs.50.00 lakhs in the form of Pavala Vaddi to the beneficiaries / SHG, selected for rearing Sheep & Goat. Details of the component and district – wise targets will be worked out basing on the District's requirement and it will be communicated.

**Financial Credit Plan for Implementation of Subsidized Milch Animals Induction
Programme for the year 2009 – 2010**

Physical: No. of Animals Financial: Rs. In Crores

CM's Spl. Package				PM's Spl. Package				Rajiv Krishi Vikas Yojana (RKVY)			
Phy.	Financial			Phy.	Financial			Phy.	Financial		
	Subsidy	Credit	Total		Subsidy	Credit	Total		Subsidy	Credit	Total
1	2	3	4	5	6	7	8	9	10	11	12
30217	44.49	58.75	103.24	11018	16.53	21.34	37.87	29326	43.99	58.65	102.64

*District wise details are enclosed.

**RASHTRIYA KRISHI VIKAS YOJANA
(RKVY)**

District wise credit requirement for the year 2009 2010

Physical: In Nos., Rs. In Crores

Calf Induction Programme			
Physical	Subsidy	Credit	Total
1	2	3	4
11000	5.50	5.50	11.00

*District wise details are enclosed

Credit Requirement for 2009 – 2010 for Govt. Sponsored Scheme through Banks
(Rs. In Crores)

Sheep & Goat Rearing Units			Ram Lamb Rearing Units			Interest Subsidy for Implementation of Pavala Vaddi for 2009 - 2010
Physical (20+1)	Subsidy (50%)	Bank Loan (50%)	Physical (20 lambs)	Subsidy (50%)	Bank Loan (50%)	
1	2	3	4	5	6	
1091	3.00	3.00	2143	3.00	3.00	0.50

*District wise data is enclosed.

Performance Under PM Package, CM Spl. Package, Rashtriya Krishi Vikas Yojana
During 2008 - 2009

Prime Minister's Special Package 2008 - 2010			Chief Minister's Special Package 2008 - 2009				Rashtriya Krishi Vikas Yojana				Grand Total
Buff	Cows	Total	Buff	Cows	Buff. Heifers	Total	Buff	Cows	Buff. Heifers	Total	
1	2	3	4	5	6	7	8	9	10	11	12
17763	8538	26301	19371	5526	8305	34941	714	806	0	1520	62762

* District wise details are enclosed.

Action Points:

Government :

- ✚ Joint identification of beneficiaries should be completed in a time bound schedule
- ✚ All farmers should be provided with dairy to supplement his income with proper tie up.
- ✚ Beneficiary should be permitted to purchase local breed as beneficiaries are very particular for local varieties for better management.
- ✚ Follow up of beneficiaries for timely payment.

Banks :

- ✚ Sanctions and grounding should be done in a phased manner within time frame keeping in view of scales of finance.
- ✚ Quarterly progress report to be submitted to SLBC.

FISHERIES DEPARTMENT

➤ **Fisheries Sector:**

- ✚ Fisheries Sector is contributing 2.38% to the GSDP (2006 – 07)
- ✚ Quantity of fish produced in about 12 lakhs tones.
- ✚ It is targeted to produced 13.40 lakh tones of fish/ prawn during 2009 – 10
- ✚ Contribution of the state to exports is Rs.2500.00 Crores.

➤ **Projections for the year 2009 – 2010**

(Rs. In Crores)					
Credit Plan	Approved by	2006 - 2007	2007 - 2008	2008 - 2009	2009-2010
Potential Linked Plan (PLP)	NABARD	571.68	650.38	721.24	722.81
State Credit Plan (SAP)	State Level Bankers Committee	350.00	275.00		

*Credit requirement by Govt. Sponsored Schemes–Dist Wise & Scheme wise enclosed.

➤ **Credit Plan 2008 09 – Thrust Areas:**

- ✚ Nearly 70% of the total fish production comes from the inland fisheries sector, which comprises of reservoirs, tanks and fish ponds.
- ✚ The special focus is on the supply of fish seed in tanks and reservoirs.
- ✚ The constructions of fish ponds will be taken up where conditions are suitable.
- ✚ The fish marketing is the thrust area under which beneficiaries are given 50% subsidy on purchase of required equipment and for supply of two wheelers/ individual fish vending units.
- ✚ For the benefit of marine fishermen, out board motors will be supplied under the scheme “Motorization of Traditional crafts”.
- ✚ Banks are requested t provide funding for supply off fishery inputs which will benefit the traditional fishermen.

➤ **Credit Linked Govt. sponsored schemes implemented during 2008 – 09**

- ✚ **Total amount Rs.9.03 Crores.**

*Detailed statement is enclosed.

➤ **Credit Linked Govt. sponsored schemes Projections for 2009 – 2010.**

(Rs. In Crores)

Financial			Credit Required
Beneficiary Component	Subsidy Component	Total	
1	2	3	4
19.73	10.93	30.66	19.73

* District wise & Sector wise projections are enclosed.

➤ **Details of Credit linked Govt. Sponsored Schemes 2009 – 2010.**

INLAND FISHERIES:

- ✚ Construction of Fish Ponds
- ✚ Fish seed stocking in tanks

MARINE FISHERIES:

- ✚ Motorization of Traditional Craft

FISH MARKETING:

- ✚ Construction of Fish Retail Outlets
- ✚ Individual Fish Vending unit.

*A detailed note by the department is enclosed.

- All the Banks are requested to sanction and ground the schemes in a phased manner, so that the said target can be achieved.

Andhra Pradesh Micro Irrigation Project (APMIP)


Projections for the year 2009 – 2010

(Area ha. Rs. In Crores)

State Plan	Physical Target			MI system	Subsidy	Benef. Contribution / Credit requirement
	Drip	Sprinkler	Total			
	1	2	3			
	112500	37500	150000	545.23	381.66	163.57

*District – wise details are enclosed.

Total are to be covered 1.5 lakh hectares with total financial outlay of Rs.545.23 Cores

 **Andhra Pradesh Micro Irrigation Project (APMIP)** under this Programme proposed to cover **1.50 lakhs hectares** with financial outlay of Rs.545.23 Crores with subsidy amount of Rs.381.66 Crores.

Progress Report of Bank Linked Sponsored Schemes.


As on 31.03.2009

(For the year 2008-09)

Appln. Sponsored to Banks		Sanctioned applications	Units grounded
No.	Area (ha)	Area(ha)	Area (ha)
2174	2127	2053	1095

 District wise and Bank wise performance statements are enclosed

Action Points :

-  Identification, sanction & grounding of units should be completed in a time bound manner for 2009 – 2010.

 - Accelerate progress under APMIP scheme to enable conservation of the scarce ground water.
 - Availment of bank loans under APMIP is reduced gradually. This trend needs to be reversed, as it is one of the most viable agri. projects.
 - In order to expand the area under Micro irrigation, there is a need to cover increasing number of loanee farmers under APMIP.
 - Numbers of applications have been referred to the banks, but the response is meager.

S G S Y - Projections for 2009-10 & Progress for the year 2008-09

Swarnajayanthi Gram Swarojgar Yojana (SGSY) Projections for 2009 – 2010

(Rs. In Crores)

Credit Target by				Total by All Banks
Commercial Banks	Co-operative Banks	Regional Rural Banks	Other Banks	
144.26	5.73	88.54	1.45	239.98

* Bank wise details are enclosed.

Performance for the year 2008 – 09.

District – wise Bank wise Credit disbursed as on 31.03.2009

(Rs. in Crores)

Credit Disbursed By				Total by All Banks
Commercial Banks	Cooperative Banks	Regional Rural Banks	Other. If any	
178.75	2.73	110.85	6.04	298.37



* Performance under various categories enclosed.

Performance IN A.P.:

(Rs: Crores)

		Achievement			
		Number of Beneficiaries	Amount of Loan	Subsidy Utilized	% of Achievement
2004-2005	148.49	2,19,000	115.34	55.81	78%
2005-2006	148.49	1,60,492	154.04	70.66	104%
2006-2007	181.79	3,42,852	471.73	71.33	259%
2007-2008	197.56	3,00,000	277.63	47.50	141%

Action Points :

-  Joint identification of beneficiaries should be conducted along with the bankers.
-  Identification of the beneficiaries should be completed as per schedule.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 - 2010

SELF HELP GROUPS (SHGs)

Total No. of SHG Loans since inception : 9,52,443

No. of SHGs Linked in General Category: No. 759064
Rs. 9978.64 Crores

No. of SHGs Linked in Bridge Loans: No. 220964
Rs. 1391.22 Crores

Projections for the 2009 – 2010


Normal Bank Linkage, Bridge Loans to Indiramma Housing and TFI

Rs.9000 Crores

 Bank wise details are enclosed.

Outstanding position of SHGs as on 31.03.2009

No of Groups	Amount (in crores)
9,89,382	9,837

 bank-wise data enclosed

Achievement of Action Plan for 2008 – 2009:

1. State Level Bank Linkage (Rs. In Crores)

Potential - SHGs		Achievement - SHGs		% of Achievement - SHGs	
No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6
8,08,505	24,360.72	3,85,413	4,692.58	48	19

* District wise details are enclosed

2. **State Level TFI** (Rs. In Crores)

Potential - SHGs		Achievement - SHGs		% of Achievement - SHGs	
No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6
2,85,356	15,167.85	36,496	1170.13	13	8

* District wise details are enclosed

3. **State Level Bridge Loans** (Rs. In Crores)

Potential - SHGs		Achievement – SHGs		% of Achievement - SHGs	
No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6
0	0	1,38,320	976.45	--	--

✚ District wise details are enclosed.

4. **State Level SHG – Bank Linkage + TFI + Bridge Loans** (Rs. In Crores)

Potential		Target		Achievement		% of Acht. (Target vs Achvt.)		% of Acht (Potential vs Achvt)	
No	Amt	No	Amt	No.	Amt	No.	Amt.	No.	Amt
1	2	3	4	5	6	7	8	9	10
8,08,505	24,360.72	2,36,118	11,038	4,83,106	6,842.88	100	62	60	28

* District wise details are enclosed.

5. **State Level for Social Category** (Rs. In Crores)

Total No.of SHGs	No.of SHGs Linked	Amt. Disbu Rsed	Social Category and their Achievement in SHGs							
			SC		ST		BC		OC	
			No.	Amt	No.	Amt.	No.	Amt.	No.	Amt
1	2	3	4	5	6	7	8	9	10	11
952 170	483 106	6842 .88	94, 132	1315 .27	31252	364 .08	267 281	3701 .78	90441	1461 .76

* District wise details are enclosed

6.. **State Level for Economic Category** (Rs. In Crores)

Total No.of SHGs	No.of SHGs Linked	Amt. Disbu Rsed	Social Category and their Achievement in SHGs							
			POP		Poor		APL		NON-POOR	
			No.	Amt	No.	Amt.	No.	Amt.	No.	Amt
1	2	3	4	5	6	7	8	9	10	11
952 170	483 106	6842 .88	156676	2090 .94	297954	4288 .70	4771	82.76	23705	380.49

✚ District wise details are enclosed

Action Points:

✚	Loan may be sanctioned as per “Micro Credit Plan” and encourage to take up economic activities.
✚	Banks to consider scaling up of finance to SHGs, especially in case of those Groups approaching for repeat finance.
✚	Banks and DRDA to initiate steps for activating dormant groups.
✚	The Government to create required infrastructure for marketing the products of SHGs.
✚	DRDA to conduct training programmes for the Master Book Keepers and Village level Book Keepers, on priority basis.
✚	‘Community Based Recovery Mechanism’ (CBRM) in each service area village of each Bank branch is to be utilized properly by banks for better recovery.
✚	To impart training to SHG members for skill up gradation and introduction of standard accounting procedures.
✚	Rural youth / some of the SHGs may be appointed as Mentors for recovery of overdues in the SHG / PMRY / Other Govt. sponsored schemes. House may discuss the modalities

ABHAYA HASTHAM

The Government of Andhra Pradesh has introduced “ Abhaya Hastham” a Co-Contributory Pension and Insurance scheme for IKP SHG Women Members in Rural and Urban Areas to provide Social Security in Old Age.

The Department of Rural Development is proposing to collect the premium contributions of all the eligible SHG women through banks. The Department of Rural Development informs that, as the collections are happening across the state in various banks, the reconciliation of the collections is imperative for them.

It is informed that they are proposing to collect the premium contributions of all the eligible SHG women through banks and as the collections are happening across the state in various banks, the reconciliation of the collections is imperative.

Every SHG women enrolled under Abhaya Hastham and has crossed 60 years is eligible for pensions, and these pension payments are proposed to pay through banks. The scheme modalities were discussed and action plan has been finalized.

Points of Discussion / Action Points:

- All the Banks to give instructions to the branches about the guidelines of the scheme.
- All the Lead Banks to facilitate the implementation of the Scheme at Mandal level
- Mandal Samakhya are to open non operative collection account with Zero balance in the Lead Banks
- In that account, Mandal Samakhya will be remitting the amounts collected from the SHGs or alternatively, SHGs' letters authorizing the transfer of amount from their SB Accounts existing in the branch will be given.
- While crediting the amount, the banker will make note of transaction ID on the authorization letters/ Excel Sheets prepared by the Samakhya.
- Subsequently, after reconciliation, Mandal Samakhya will give letter to the bank for transfer of amount to SERP on line.
- Service charge of Rs. 35/- to be transferred to Mandal Samakhya general account
- With regard to Non Lead Banks, the Mandal Samakhya or SHGs will make arrangement for remitting the amount in the accounts with Lead Banks at Mandal level
- With regard to RRBs, amount will be directly remitted by them to SERP through Sponsor Bank account online.
- All Lead banks to inform the name of the nodal branch at State level for transfer of funds to SERP
- For Payment of Pension to the members who have attained the age of 60 years, individual accounts are to be opened by the Lead Banks at Mandal level
- The implementation of the scheme will generate work load in the Lead Bank branch at Mandal level and all the lead banks to make necessary arrangements
- The LDMs to slate the issue for discussion in the DCC meeting and field level suggestions for better implementation of the scheme may be enlisted for long term smooth operation of the scheme
- Banks will collect applicable service charges for various transactions as posted on the website of the Banks

Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)

The estimated requirement of credit support for the year 2009 – 10 of IKP – Urban.

S. No.	Item	Physical Target	Financial Target (in crores)
1	SHG Bank Linkage	87520	1200.00
2	SHG Disability Programme	8698	42.05
3	USEP Programme under SJSRY	21590	107.95
	TOTAL	117808	1350.00

IKP Urban Projections for 2009 –2010 (Under SHG Bank Linkage, Disability and USEP)

(Rs. In Crores)

Scope for formation of New SHGs	Target for General SHG Bank Linkage		Target for SHG Linkage under TFI		Total SHG Linkage Target		SHG Linkage under Disability		Target under USEP	
	No	Amt	No	Amt	No (5+7)	Amt (6+8)	No	Amt	No	Amt
42330	76740	842	10780	358	87520	1200	8698	42.05	21590	107.95

🚩 District wise targets are enclosed.

No of Beneficiaries (Physical): 21590
Amount: Rs. 107.95 Crores

Performance for the year 2008 – 2009:

Physical Target: 13467

Physical Achievement: .9693

*District wise and Municipality wise details are enclosed.

🚩 **Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) - IKP Urban:**

Total outlay of Rs.1350 crores with Bank loan amount of Rs. 1350 crores is projected for the year 2009 – 2010 covering 1,17,808 SHGs in IKP – Urban


* subsidy details not provided

**ULB wise Progress Report on Implementation of SHG Linkage Programme
2008 – 09**

As on 31.03.2009

(Rs. In Crores)

Normal Linkage TFI		New SHGs 1 st Linkage		SHGs 2 nd and 3 rd dose linkage		Total SHGs Linked		SHGs linked under TFI		% of Ach. To target	
No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
1	2	3	4	5	6	7	8	9	10	11	12
64275	800	66070	381.30	26168	461.82	92238	843.12	7327	136.37	144	105

 District wise performance is enclosed.

Action Points:

- House may approve the above target for the year 2009 – 2010.
- Banks are requested to evenly distribute the sanctions and grounding throughout the year, so that the set targets can be achieved by 31st March, 2010.

ARTISAN CREDIT CARDS HANDLOOM WEAVERS GROUPS

Projections for the year 2009 - 2010

Artisan Credit Cards		Handloom weaver Groups	
Physical	Financial (Rs. crores)	Physical	Financial (Rs: Crores)
15,000	37.50	1,600	32.00

* District wise details are enclosed.

* Objectives and other details are enclosed

Artisan Credit Card and Handloom Weavers Groups Total Outlay is Rs. 69.50 crores, with a Physical Target of 16,600.

The Government of Andhra Pradesh have issued orders, vide GO MS 76, I & C (Tex) Department, dated 14.03.2008 introducing “ Pavala Vaddi Scheme “ to Artisan Credit Card holders and Weavers in Handloom Weavers Groups with effect from 01.04.2008 with a view to reduce the interest burden and to motivate the weavers to repay the loans promptly.

✚ Artisans Credit Cards Physical Target is 15,000 with a Financial Outlay of Rs.37.50 crores.

✚ Handloom Weavers Groups Physical Target is Rs.1600 with a Financial Target of Rs. 32.00 crores.

Performance for the year 2008 – 2009:

Progress as on 31.03.2009

Scheme	Target	Finance crores	Identified	Sanc tioned	Amount Rs. crores	% to target
Artisan Credit Cards	30000	75	21599	1477	3.52	4.92%

* District wise details are enclosed.

* Year wise Achievement details are enclosed.

**ARTISAN CREDIT CARDS &
HANDLOOM WEAVERS GROUPS (Contd.).**

Progress as on 31.03..2009

Scheme	Target	Finance crores	Identified No Of Groups	No. of Weavers covered	No. of Groups	Amount Crores
Handloom Weavers Groups	2500	46.02	1911	14538	394	2.94

* District wise details are enclosed.

* Year wise Achievement details are enclosed.

Action Points:

- Banks are requested to complete the process of grounding of sanctioned Cases pertaining to the year 2008- 2009 immediately.
- The M.D, AP BC Coop. Finance Corporation Ltd., is requested to take immediate step to sponsor sufficient number of applications to banks for 2009 – 2010.
- Applications should be sent to banks in a phased manner, instead of dumping of applications at the end of the year.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 - 2010

A.P. Backward Classes Co-op. Corpn. Ltd.
(Bank linked Govt. sponsored schemes)


Projections for 2009 - 2010

Annual Credit Plan of Margin Money (Subsidy) Scheme (Rs. In Crores)

Subsidy @ 50% or Rs. 30,000	Bank Loan @ 40% or balance unit cost	Beneficiaries Contribution @ 10%	Total Outlay	Physical Target
1	2	3	4	5
5.00	4.00	1.00	10.00	4000

* District wise details are enclosed.

Under Margin Money (Subsidy Scheme) a Total Outlay of Rs.10.00 Crores Projected with a Physical Target of 4000, for 2009- 2010.

 AP Backward Classes Co-operative Finance Corpn. Ltd., Projected Annual Credit Plan of Margin Money (Subsidy Scheme) with a Total Outlay of Rs.10.00 Crores, with a Physical Target of 4000 members. The Subsidy amount is 50% of loan amount or with a maximum of Rs.30,000/-, 10% Individual contribution and 40% or balance amount of the unit cost by the bank..

Annual Credit Plan of Rajiv Abhyudaya Yojana (Subsidy Scheme) (Rs. In Crores)

Subsidy @ 50% or Rs. 30,000	Bank Loan @ 40% or balance unit cost	Beneficiaries Contribution @ 10%	Total Outlay	Physical Target
1	2	3	4	5
20.00	16.00	4.00	40.00	10000

* District wise details are enclosed.

Under Rajiv Abhyudaya Yojana Scheme a Physical Target of 10000 with a Total Outlay of Rs.40.00 crores is projected.

A.P. Backward Classes Co-op. Corpn. Ltd. (Contd.,)

AP Backward Classes Co-operative Finance Corpn. Ltd., Projected Annual Credit Plan of Rajiv Abhyudaya Yojana (Subsidy) Scheme with a Total Outlay of Rs.20.00 Crores, with a Physical Target of 10000 members. The Subsidy amount is 50% of loan amount or with a maximum of Rs.30,000/-, 10% Individual contribution and 40% or balance amount of the unit cost by the bank.

With reference to G. O. Ms. No. 16, B.C. Welfare (B1) Department, dt. 12.06.2008 and G.O. Ms.15, B. C. Welfare (B1) Department, dt. 12.06.2008, Government have issued orders for restructuring the funding pattern of Margin Money, Rajiv Abhyudaya Yojana Schemes is being implemented for the year 2008 – 2009 onwards, as detailed below:

1. Subsidy of 50% unit cost not exceeding Rs.30,000/- per beneficiary
2. 10% of the unit cost as beneficiary contribution.
3. 40% of balance cost of the unit as bank loan

Thus, the Corporation shall have only subsidy schemes from the year 2008 – 2009 onwards. Hence, Projections for the year 2008 – 2009 given in 163rd SLBC Meeting Agenda & Background Notes book stands cancelled.

Margin Money (Subsidy) Scheme
Progress Report as on 31.03. 2009 (Rs. In Crores)

Annual Target		Applications Sanctioned			Applications Grounded				
No	Amt.	No		Amt.	No		% to Target	Amt.	% to Target
		Units	Benef.		Units	Benef			
1	2	3	4	5	6	7	8	9	10
4680	5.16	5149	5876	13.10	2700	2986	58	6.67	129%

* District wise and Bank wise details are enclosed.

Rajiv Abhyudaya Yojana (Subsidy) Scheme
Progress Report as on 31.03. 2009 (Rs. In Crores)

Annual Target		Applications. Sanctioned			Applications Grounded				
No	Amt.	No		Amt.			% to Target	Amt.	% to Target
		Units	Benef.		Units	Benef			
1	2	3	4	5	6	7	8	9	10
8286	9.14	6056	9684	14.87	3429	5269	41	7.58	83%

* District wise and Bank wise details are enclosed.

A.P. Backward Classes Co-op. Corpn. Ltd. (Contd.,)

Action Points

- The M.D, AP BC Coop. Finance Corporation Ltd., is requested to take immediate step to sponsor sufficient number of applications to banks, 2009 – 2010.
- Applications should be sent to banks in a phased manner, instead of dumping of applications at the end of the year.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 – 2010

S.C.Action Plan

Bank linked sponsored schemes


Projections of S.C Action Plan 2009 – 2010

(Rs. In Crores)

No. of Beneficiaries	SCA & Other Subsidy	Credit Limit Required
2,16,524	182.12	182.50

* District wise details are not enclosed. Bank wise details are to be submitted by Corpn.

APSC Co-op. Finance Corporation Limited Projected a Total Out Lay of Rs.364.62 Crores with 2,16,524 beneficiaries for 2009 – 2010.

 Under the SC Action Plan 2009 – 2010, Andhra Pradesh Scheduled Castes Co-op. Finance Corporations Limited projected, 50% as subsidy by various agencies and 50% as the Credit amount required; for 2,16,524 beneficiaries.

Progress of the Action Plan 2008 – 2009:

(Rs. In Crores)

Annual Targets		Sponsored Applications	Sanctioned		Grounded		% to Target
Phy. Nos	Amount		Nos.	Amt.	Nos.	Amt.	
94386	176.63	125443	127977	204.73	106119	142.77	81%

* Bank wise details are enclosed.

The grounding is good and achievement is 81% and the balance of 19% gap is due to completion of statutory formalities for grounding to be completed.

Action points:

- The MD APSC Co-oP. Finance Corpn. Ltd. is requested to send the Bank wise target allocations immediately.
- The M.D, AP SC Coop. Finance Corporation Ltd., is requested to take immediate step to sponsor sufficient number of applications to banks, 2009 – 2010.
- Applications should be sent to banks in a phased manner, instead of dumping of applications at the end of the year.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 – 2010.

Schemes for Minorities

Projections for 2009 – 2010

(Rs. In Crores)

Minority Population	Bankable		Micro Credit		MADSC (Minority Artisans Development Scheme in Clusters)	
	No. of Units	Subsidy	No. of Units	Subsidy	No. of Units	Subsidy
.82	7200	10.80	480	3.60	1600	2.40

* District wise details are enclosed.

1. The average Unit Cost considered is Rs.50,000/- and Subsidy Rs.25,000/-.
2. The subsidy shall be 50% of the Unit Cost subject to a maximum limit of Rs.30,000/-.
3. Whenever the Unit Cost exceeds Rs.50,000/- the difference of subsidy i.e. beyond Rs.30,000/- shall be borne by the beneficiary as his contribution/ share

Progress as on 31.03.2009

(Rs. In Crores)

Annual Target		Appln. Sanctioned		Applications Grounded			
No.	Amount	No.	Amount	No.	% to Target	Amount	% to Target
12030	28.16	6196	12.50	1250	10	2.58	9

* District wise and Bank wise details are enclosed.

Action Points:

- Banks are requested to speed up the process of sanction and grounding of eligible applications for the year 2009 – 2010.
- Major reason for delay for grounding is delay in release of subsidy.
- The corporation should keep up advance subsidy release so as banks to release loans on time.
- Organise functions at various minority concentrate centres of A.P on cluster approval basis instead of sporadic lending
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 - 2010.
- The V.C & Managing Director, AP State Minorities Corporation Ltd., is requested to issue necessary instructions to their field level functionaries at district level to attend the JMLBC / DCC meetings with required information for reviewing the progress.
- The V.C & Managing Director, AP State Minorities Corporation Ltd., is requested to extend help to banks in recovery of overdues in the loans sanctioned under the scheme during the earlier years.

INTEREST SUBSIDY SCHEME OF KVIC

Projections for 2009 – 2010

Credit requirement (Bank Finance) under Interest Subsidy Scheme of KVIC for the year 2009 – 2010 -- Rs.12.93 Crores.

*District wise details are enclosed.

Performance for the year 2008-09

as on 31.03.2009

Progress of Availment of Bank Finance under Interest Subsidy Eligibility Certificate (ISEC) Scheme of KVIC for the year 2008 – 2009 as on 31.03.2009 – Rs.4.15 Crores.

* District – wise data enclosed.

Action Points:

- Banks are requested to implement the scheme i.e process of sanction and grounding of the units in a time bound manner and ensure achievement of the target for the year 2009-10.
- All agencies who are involved in this scheme should draw a time bound Programme for 2009 – 2010, so as to reach the goal by March, 2010.

KVIB SPONSORED SCHEMES (KVIB)

Programme year 2008-2009 Progress report as on 22.05.2009

Amount: Rs. in crores

Target		Sanctions		Grounding		% to target
Physical	Financial	Phy	Fin	Phy	Fin	
1330	49.31	439	37.71	79	6.93	14.06%

SCHEMES FOR S.Ts


PROJECTIONS FOR THE YEAR 2009 - 2010

(Bank linked Govt. sponsored schemes)

(In Crores)

No. of Units	No. of Benef.	Extent in Acres	SCA	I.F.	B.C.	Other Dept., TSP funds	Total
1	2	3	4	5	6	7	8
20699	21538	13856	35.07	37.14	0.77	10.10	83.08

* District wise details are enclosed. Bank wise details are yet to submit.

 **TRICOR** projected for 2009 -2010 a total out lay of Rs.83.08 crores to the benefit of 21538 beneficiaries.

Performance for the year 2008 – 2009 as on 31.03.2009

(Rs. In Crores)

TRICOR Targets		Targets by District Officers		Applications Sanctioned		Applications Grounded			
Phy.	Fin.	Phy	Fin	Phy	Fin	Phy	% to Target	Fin	% to Target
1	2	3	4	5	6	7	8	9	10
23085	72.97	27574	75.32	12085	42.20	4095	34	10.65	25

Points for discussion / Action Points:

- House may approve the above target proposed for the year 2009-10
- MD, TRICOR is requested to sponsor sufficient number of applications as per the target to banks in phased manner.
- Banks are requested to speed up grounding of the sanctioned units pertaining to the programme year 2009-10.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009- 2010.
- A time frame should be adopted by all the agencies involved, and grounding to be attended for 2009-10 plan.

SERICULTURE

Projections for the year 2009 – 2010

(Rs. In Crores)

Bank Loan	Subsidy	Financial Outlay
42.74	36.11	78.85
Total: 25,735 Units		

* Component wise details are enclosed.

Progress as on 31st March, 2009.

(Rs. in crores)

Annual Targets proposed under credit action plan 2008 – 09		Targets approved by DCC		Applications sponsored	Sanctioned		Units Grounded	
No	Amt	No	Amt.	No	No	Amt.	No	Amt.
7986	26.71	7480	26.58	1994	1233	3.31	1031	2.78

* District wise details are enclosed.

Points for Discussion / Action Points:

- Banks are requested to speed up process of grounding of the sanctioned units pertaining to the year 2008-09 immediately.
- Controlling Offices of banks are requested issue necessary instructions to their branches to speed up sanction & grounding of the schemes under this sector.
- Time frame should be fixed for sanction & grounding and ensure achievement of target for the year 2009 – 2010.

HOUSING SCHEMES

Projections for the year 2009 - 2010

Scheme	No. of Houses	Amount
1	2	3
Indiramma Phase - I Indiramma Phase - II Indiramma Phase - III	236600 Houses for all the Schemes	Rs. 710 Crores

* Scheme wise - District wise details are not provided by the department.

INDIRAMMA PHASE – I Indiramma (U) Stage of Beneficiaries House as on 25.05.2009

NS	BBL	BL	LL	RL	TOTAL
1	2	3	4	5	6
34580	947	13361	5131	12723	66742

INDIRAMMA PHASE – II, Indiramma (U) Stage of Beneficiaries House as on 25.05.2009

NS	BBL	BL	LL	RL	TOTAL
1	2	3	4	5	6
24276	3458	13265	7276	16647	64922

**INDIRAMMA PHASE – III, Indiramma (U)
Stage of Beneficiaries House as on 25.05.2009**

NS	BBL	BL	LL	RL	TOTAL
1	2	3	4	5	6
36480	5575	6982	5888	7981	62906

Action Points:

- All the Agencies Involved in the Implementation of the Schemes are advised to adhere to time schedule, so as to complete the targets in time.

Rajiv Gruhakalpa Housing Scheme (RGHS)

Programme year 2008-09 Progress as on 31.03.2009

(Rs. In Crores)

Targets		Applications		Grounded by Banks	
Nos.	Amount	Submitted	Sanctioned	Nos	Amount
1	2	3	4	5	6
65554	428.83	28984	21574	19691	134.75

* Bank wise & District wise details are enclosed.

Action points:

- | |
|---|
| <ul style="list-style-type: none"> ➤ All the agencies involved in this are advised to draw a Action Plan which enables to fulfill the target for 2009 - 2010 ➤ All the sanctioned cases pertaining to the year 2007-08, 2008 – 2009 complete the process of grounding.. |
|---|

Valmiki Ambedkar Awas Yojana (VAMBAY):

Progress for the year 2008-2009: As on 31st March, 2009 (Rs. In Crores)

Annual Target (Cumulative Target form 2001 – 2002)		Applications sanctioned up to the month		Applications Grounded up to the month			
No.	Amount	No	AMOUNT	No	% To Target	AMOUNT	% TO Target
115292	211.88	44979	109.45	38462	33	9264.61	43.73

* District wise and Bank wise data is enclosed.

Points for discussion / Action Points:

- ✚ Many Loan accounts have become NPA mainly due to delay in construction of houses and also non completion of infrastructure like water, electricity, roads etc. Unless houses are handed over to borrowers in full form, repayments are not coming.
- ✚ Timely recovery is essential for success of the scheme.
- ✚ Joint recovery drives to be conducted by organizing meetings at Housing Colonies for timely payment
- ✚ AP State Housing Corporation is requested to create a mechanism for recovery of the loan amount/ installments.
- ✚ AP State Housing Corporation is requested to write to Reserve Bank of India, for reschedulement of the loans, even in the case of NPA, as the Houses construction is not completed or not handed over to beneficiary.

Schemes for Disabled

Projections – NHFDC Loans for 2009 – 2010:

Total No. of Applications: 1684
Total Project Cost: Rs.9.31 Crores

*District wise details are enclosed.

Points for discussion/Action Points :

- Corporation is requested to submit detailed projections so as to communicate to all LDMs and Banks.
- Please submit the information on Performance during 2008-09 immediately.

Schemes for Christians

Projections for the year 2009 - 2010

State wise Physical and Financial Targets Under Economic Support Programme

Rs. In crores

APSCFC share		Beneficiary Contribution	Bank Loan	Total Outlay	
Physical	Financial			Physical	Financial
1	2	3	4	5	6
980	2.00	0.40	1.60	980	4.00

* District-wise details are enclosed





State wise Physical and Financial Targets Under SHG Financial Linkage Programme

Rs. In crores

No. of SHGs	APSCFC share	SHG contribution	Bank Loan	Total
1	2	3	4	5
300	1.50	0.30	1.20	3.00

* District-wise details are enclosed

Points for discussion / Action Points

-  Andhra Pradesh State Christian Financial Corporation (APSCFC) is advised to plan out strategy to achieve the target before March 2009.
-  Identification of borrowers is to be completed well before.
-  Applications to be sent in a phased manner to bank branches so that the bank branches can ground scheme along with other Government sponsored schemes.
-  All the bank branches are requested to ground in a phased manner, so that the progress can be shown quarterly basis.

Rajiv Yuvasakthi

Rajiv Yuvashakthi Programme :

Projections for 2009-10 (In the first half year)

Rs. In crores

Individual		Group		Petty		Total	
Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	2	3	4	5	6	7	8
5000	50.00	500	20.00	10000	50.00	15500	120.00


(Rs. In Crores)

Individual.						Group					
Phy.	Mem	Sub.	B.C.	B.L.	Fic	Phy.	Mem	Sub.	B.C.	B.L.	Fic
1	2	3	4	5	6	7	8	9	10	11	12
5000	5000	10.00	5.00	35.00	50.00	500	2500	2.50	2.00	15.50	20.00

(Rs. In Crores)

Petty						Total					
Phy.	Mem	Sub.	B.C.	B.L.	Fic	Phy.	Mem	Sub.	B.C.	B.L.	Fic
13	14	15	16	17	18	19	20	21	22	23	24
10000	10000	7.50	5.00	37.50	50.00	15500	17500	20.00	12.00	88.00	120.00

* District wise details are enclosed.

 Youth Services A.P.S.T.E.P has projected Rs.120 Crores for various sectors in the first half year 2009 – 2010.

Commissioner of Youth Services and Managing Director. A.P.S.T.E.P. communicated the Action Plan for Implementation of Rajiv Yuva Shakthi Programme during 2009 – 2010.

Government have issued instructions to implement the Rajiv Yuva Shakthi Programme during 2009-2010 with the same guidelines / financial pattern as were followed during 2008 – 2009 i.e. Subsidy from Government – 20%, Beneficiary Contribution – 10% and Bank Loan – 70%.

The tentative schedule of operation for selection of beneficiaries, releasing of Subsidy and Grounding of units during 2009 – 2010 is enclosed.

Progress report of Bank Linked Government Sponsored Schemes (Rajiv Yuvasakthi Programme) for the year 2008-2009 as on 31.03.2009

Rs. In crores

Annual Target		Administrative sanctions accorded		Subsidy Released		Units Grounded			
Physical	Amount	Physical	Amount	Physical	Amount	Physical	% to target	Amount	% to target
1	2	3	4	5	6	7	8	9	10
36000	250.00	38036	233.78	33654	206.28	18466	51.29	115.40	46.16

* Data enclosed.

Action Points :



Action plan is for the first half year of 2009 – 2010, all the agencies involved in this are advised to speed up Implementation Programme.

Prime Ministers Employment Generation Programme

Physical Target : 4433

No.of units referred by District Level Task force : 2502

Sanctions, disbursements and grounding of units is under process

Projections for the year 2009-10

(Rs.Crores)

	No. of Projects	Margin Money	Bank Credit	Employment
KVIC, SO, Hyderabad	895	10.72	33.12	8961
KVIC, DO, Vizag	435	5.24	16.19	4341
APKVIB	1330	15.96	49.32	13302
DIC Rural	887	10.64	32.88	8867
DIC Urban	886	10.64	49.26	8866
Total	4433	53.20	180.77	44337


*District wise details not submitted

Progress of Action Plan for 2008 – 2009:

Sanctions made and Released under PMEGP for 2008 – 2009 (Rs. In Lakhs)

Organisation	Sanctioned		Margin Money	
	No	MM	No	MM
KVIC	193	6.48	9	39.24
KVIB	438	13.44	66	201.71
DIC	88	--	00	00
Total	719	19.92	75	240.95

Action Plan:

 A Nodal Officer may be nominated in between KVIC, KVIB and DIC to have a better coordination with speedy implementation of the scheme.

Service Centre Agencies under the CSC Scheme – Government of India

Government of India has launched a Service Centre Agency under the CSC Scheme for entire country.

Objectives of the scheme : Common Services Centres (CSC) Scheme is one of the largest IT projects undertaken by Government of India and is being implemented in an entrepreneurial model for ensuring long term sustainability of the centres as well as optimizing benefits. The successful implementation would depend principally on the initiative and leadership of various stockholders, including Government, Banks and other private entities.

Information Technology & Communications Department, Infrastructure Wing, Government of Andhra Pradesh informed the Zone/District wise details of the CSCs allotted to the Service Centre. The details are enclosed.

Balance 852 CSCs for Zone-VI are presently under bid process and would be intimated as and when allotted to the SCAs.