

**179<sup>th</sup> Meeting of  
STATE LEVEL BANKERS` COMMITTEE OF  
ANDHRA PRADESH**

**Agenda & Background Notes**

**Date: 19.10.2012 - Time: 3.30 P.M  
Venue: Jubilee Hall, Public Gardens, Hyderabad**

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

**Andhra Bank, Head Office, Dr.Pattabhi Bhavan, Saifabad, Hyderabad - 500 004**

**Phone: 040-23231392, 23252375, 23252387**

**Fax: 23234583 & 23232482**

**Email: [slbc@andhrabank.co.in](mailto:slbc@andhrabank.co.in)**

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**01. Adoption of the Minutes of 178<sup>th</sup> SLBC Meeting held on 26.06.2012 & Adoption of Minutes of other meetings of the SLBC held after 26.06.2012.**

The Minutes of **178<sup>th</sup> SLBC Meeting** held on **June 26, 2012** were circulated to the members of SLBC, LDMs and Government Departments concerned.

The Minutes of Sub-committee Meetings and Steering Committee Meetings held after **26.06.2012** and upto **21.09.2012** were circulated to the members of SLBC, LDMs and Government Departments concerned.

**These Minutes may be approved by the House as no amendments/changes were received by SLBC of Andhra Pradesh.**

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**02. Banking Statistics**

**BANKING AT A GLANCE IN ANDHRA PRADESH**  
As on 30.06.2012

Total Number of Bank branches (Nos)	9,008
Rural - 3293      Semi Urban - 2370 Urban -2114      Metro            - 1231	

(Rs. In crores)

Total <b>Deposits</b> in the State	3,59,228
Total <b>Advances</b> in the State	4,15,010
Credit Deposit Ratio (RBI norm -60%)	<b>115.53%</b>

<b>Total Priority Sector Advances</b>	1,86,667
% of Priority Sector Advances to ANBC (RBI Norm 40%)	47.33%

<b>Priority Sector Advances      (Rs. In Crores)</b>	
Agricultural Advances % of Agrl. Adv. to ANBC (RBI norm - 18%)	<b>1,06,657</b> <b>(27.04%)</b>
Non Farm Sector (% to Net Bank Credit)	<b>32,103</b> <b>(7.74%)</b>
Other Priority Sector Advances (% to Net Bank Credit)	<b>47,907</b> <b>(11.54%)</b>
<b>Total Priority Sector Advances</b>	<b>1,86,667</b>
Educational Loans	<b>5,446</b>
Housing Loans	<b>29,600</b>
SHGs	<b>16,735</b>

## BANKING KEY INDICATORS OF ANDHRA PRADESH

S.No	PARTICULARS	As on 31.03.2010	As on 31.03.2011	As on 30.06.2011	As on 31.03.2012	As on 30.06.2012
1.	Number of Branches:					
	Rural	2857	2997	3029	3245	3293
	Semi Urban	1941	2107	2153	2327	2370
	Urban	1922	2030	2037	2096	2114
	Metro	956	1077	1099	1210	1231
	Total	7676	8211	8318	8878	9008
2.	Deposits (Rs.Crores)	2,45,686	2,83,600	2,92,305	3,41,894	3,59,228
3.	Incremental Deposits (% of increase)	39,787 (19.32%)	37,914 (15.43%)	8,705 (3.07%)	58,294 (20.56%)	17,334 (5.07%)
4.	Advances (Rs.Crores)	2,69,760	3,27,275	3,40,351	3,94,398	4,15,010
5.	Incremental advances (% of increase)	59,466 (28.28%)	57,515 (21.32%)	13,076 (4.00%)	67,123 (20.51%)	20,612 (5.23%)
6.	C.D.Ratio (RBI norm - 60%)	109.80%	115.40%	116.44%	115.36%	115.53%
7	Incremental CD Ratio	149.49%	151.70%	150.21%	115.15%	118.91%

- Number of bank branches in the State as on **30.06.2012** is 9008. During the financial year under reference 130 branches were opened (Rural- 48, Semi urban-43, Urban-18 and Metro-21).
- The Credit Deposit Ratio of banking sector in Andhra Pradesh as on **30.06.2012** is **115.53%** as against the desirable ratio of 60% and incremental CD ratio is **118.91%**.
- Deposits of banking sector in A.P. are **Rs.3,59,228 crores** as at the end of June, **2012** with a growth rate of **5.07 %** from **March, 2012**
- Aggregate advances of banking sector in A.P. as at the end of June, **2012** are **Rs.4,15,010 crores** registering a growth rate of 5.23% over **March, 2012**

## Statement of Priority Sector Advances

Amount in crores

S.No.	Particulars	As on 31.03.10	As on 31.03.11	As on 30.06.11	As on 31.03.12	As on 30.06.12
1	Crop Production	33,986	41,752	42,929	52,127	54,875
2	Agrl.Term Loans including allied activities	34,672	41,346	43,003	49,563	51,782
3.	Total Agrl.Advances	68,658	83,098	85,932	1,01,690	1,06,657
	% of Agrl.advances to ANBC (RBI norm-18%)	32.65%	30.80%	26.26%	31.07%	27.04%
4.	Non Farm Sector	22,868	27,033	27,386	31,569	32,103
5.	Other Priority Sector Advances	34,989	44,096	44,322	46,484	47,907
	<b>Total Priority Sector Advances</b>	<b>1,26,515</b>	<b>1,54,227</b>	<b>1,57,640</b>	<b>1,79,743</b>	<b>1,86,667</b>
	% of Priority Sector Advances to ANBC (RBI norm -40%)	60.16%	57.17%	48.17%	54.92%	47.33%

- Total Agricultural advances as at the end of June 2012 are **Rs.1, 06,657 crores** constituting 27.04% of previous year's Net bank credit as against the RBI norm of 18%.
- Total Agricultural advances registered a growth of **Rs.4,967 crores** which is **4.88%** over March, 2012. The year on year growth of Agricultural advances from 30.06.2011 to 30.06.2012 is **24.12%**.
- Total Priority sector advances are **Rs.1, 86,667 crores** as on 30.06.2012 constituting **47.33%** of previous year's Net bank credit as against the prescribed RBI norm of **40%**.
- Priority sector advances registered a growth of **Rs.6, 924 crores** which is **3.85%** over March, 2012. The year on year growth of Priority sector advances from 30.06.2011 to 30.06.2012 is **18.41%**.

## 03. Achievement of Annual Credit Plan 2012 – 13

## ANNUAL CREDIT PLAN 2012-13-Achievement as on 30.06.2012

(Rs. crores)

Sl.No	Item	Target 2012-13	Achievement (Disbursements between 01.04.12 to 30.06.2012)	% of Achmt
1.	Short Term Crop Production Loans			
	Khariff	23,828	13,198	55.39
	Rabi	13,300	--	--
	<b>Total</b>	<b>37,128</b>	<b>13,198</b>	<b>35.55</b>
2.	Agri.Term Loans			
	Khariff	3,227	2,613	80.97
	Rabi	3,101	--	--
	<b>Total</b>	<b>6,328</b>	<b>2,613</b>	<b>41.29</b>
3.	Allied to Agriculture			
	Khariff	4,575	2,550	55.74
	Rabi	4,941	--	--
	<b>Total</b>	<b>9,516</b>	<b>2,550</b>	<b>26.80</b>
	Total Agriculture	31,630	18,361	58.05
		21,342	--	--
		<b>52,972</b>	<b>18,361</b>	<b>34.66</b>
4.	Non-Farm Sector	9,343	1,658	17.75
5.	Other Priority Sector	19,852	2,906	14.64
	<b>Total Priority Sector</b>	<b>82,167</b>	<b>22,925</b>	<b>27.90</b>

- **Short Term Crop Production Loans:** Total Achievement is **Rs.13, 198 crores** against the Kharif target of Rs.23, 828 crores for the year, which is **55.39%**.
- **Agri Term Loans including allied activities:** Total Achievement is **Rs.5, 163 crores** against the Kharif target of **Rs.7, 802 crores** for the year, which is **66.18 %**.
- **Non Farm Sector:** Achievement is **Rs 1,658 crores** against the target of **Rs.9,343 crores** for the year, which is **17.75%**.

- **Other Priority Sector Advances:** Achievement is **Rs.2, 906 crores** against the target of **Rs.19,852 crores** for the year, which is 14.64%.
- **Total Priority Sector Advances:** Achievement is **Rs.22, 925 crores** against the target of **Rs.82,167 crores** for the year, which is **27.90 %**.

### Annual Credit Plan – Achievement (last three years)

Amount in crores

Sl.No.	Item	2010-11		2011-12 (as on 30.06.2011)		2011-12		2012-13 (As on 30.06.12)	
		Target	Achvmt	Target	Achvmt	Target	Achvmt	Target	Achvmt
1	Crop Production Loans	26261	30229	30985	10803	30985	36451	37128	13198
2	Agri.Term Loans incl. allied activities	11574	17701	17015	5588	17015	22060	15844	5163
3.	Total Agriculture	37835	47930	48000	16391	48000	58511	52972	18361
4.	Non Farm Sector	8150	11051	8198	2066	8198	8226	9343	1658
5.	Other Priority Sector	15700	13897	17118	3282	17118	12039	19852	2906
	<b>Total Priority Sector</b>	<b>61685</b>	<b>72878</b>	<b>73316</b>	<b>21739</b>	<b>73316</b>	<b>78776</b>	<b>82167</b>	<b>22925</b>

**04. Major Action Points of earlier SLBC / Steering Committee Meetings - Status**

Sl.No.	Action Point	Present Status
<b>A</b>	Opening of Bank branches closed/shifted due to security reasons	<p>GoI and RBI have given instructions to open the Bank branches closed/shifted due to security reasons in the past.</p> <p>SLBC has advised all Banks and LDMs to take necessary steps to open the Bank branches.</p> <p>The matter was discussed in various fora by SLBC &amp; RBI, and advised all Banks for immediate action.</p>
<b>B</b>	Opening of Branches in Tribal Areas	All Banks and LDMs are advised to take immediate steps to open Bank branches in Tribal Areas where there are no banking services. Priority to be given for opening of branches in mandal head quarters.
<b>C</b>	Central Registry by GoAP	Government of Andhra Pradesh to expedite formation of Central Registry.
<b>D</b>	Pattadar Pass Books – Online availability of land records to bank branches	<p>GoAP started issuing Security featured Pattadar Pass Books as pilot project in three districts (Anantapur, Prakasam and Warangal). GoAP is requested to implement the same in all districts.</p> <p>In the recent Steering Committee meeting of SLBC a decision was taken to send a team, to Bangalore to study the Bhoomi Project implemented in Karnataka to facilitate the State Government for implementation of the online records system, with the representatives of SLBC, Agriculture Department, GoAP, OSD (Finance) and CCLA.</p> <p>The Team has visited Bangalore on 8<sup>th</sup> to 10<sup>th</sup> October, 2012 and submitted a report.</p>
<b>E</b>	Opening of FLCCs at Divisional Head quarters and opening of FLCs in LDM offices	<p>FLCCs are opened in all 23 Districts of Andhra Pradesh.</p> <p>All Lead Banks are advised to open FLCs in all Divisional Head quarters in their respective districts to further extend the services for</p>



		<p>improving financial literacy.</p> <p>RBI Vide their Cir.No.RPCD.FLC.No.12452/12.01.018/2011-12, Dt. June 6, 2012 advised that :</p> <p>All Lead Banks to set up FLCs in all its LDM offices and the existing FLCC will continue and both are termed as FLC as per recent RBI guidelines.</p> <p>Financial Literacy activity to be taken up by all Rural branches.</p>
<b>F</b>	Up loading of GIS data on DFS, MoF, Gol website Confirmation from LDMs	<p>All LDMs are advised to upload the GIS data on the MoF website and Confirmations received from all LDMS.</p> <p>All LDMs are advised to update the GIS data on monthly basis regularly.</p>
<b>G</b>	Small, Micro Enterprises – Implementation of K.C. Chakravarthy Committee Recommendations-Preparation of Model project Reports in each district	The process is yet to commence and all the LDMs and DICs to take immediate steps on the matter involving KVIC/KVIB.
<b>H</b>	Submission of Claims – Handloom Weavers	<p>All banks are advised to submit the claims under Revival, Reform and Restructuring Package scheme to NABARD. Many banks are yet to submit the claims.</p> <p>We advise all banks to expedite submission of claims.</p>
<b>I</b>	Uploading of Modified Service Area Plan on the District Websites	<p>SLBC has advised all LDMs to prepare the modified service area plan with the particulars of BCAs and the visiting official particulars and upload the same on the respective district websites. So far we have confirmation from seven LDMs only.</p> <p>LDM Prakasam district was advised to follow up with NIC Hyderabad and Collector, Prakasam District for preparation of Website at the earliest. Secretary, DFS has advised SLBC to upload the same in SLBC website.</p>
<b>J</b>	Allocation of Wards among different Banks	As part of urban financial inclusion all LDMs are advised to allocate wards among different

	in Semi-urban, Urban and Metro areas.	<p>branches in all semi-urban, urban and metro areas to facilitate opening of accounts and extend financial inclusion.</p> <p>The ward allocation is mainly to be done in newly formed Municipalities. As per the information received by SLBC the following LDMs have completed the above process.</p> <p>Adilabad, Hyderabad, Guntur, Ranga Reddy Nizamabad, Kadapa and Warangal.</p> <p>All the other LDMs are advised to complete the process immediately and confirm.</p>
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## 05. Agriculture Sector

### A. Short Term Loans – Progress

#### 1) Progress in lending Short Term Production Loans (Disbursements)

(Rs. crores)

Sl.No	Item	Target 2012-13	Achievement (Disbursements during 01.04.12 to 30.06.2012)	% of Achmt
1.	Short Term Crop Production Loans Khariff Rabi <b>Total</b>	23,828 13,300 <b>37,128</b>	13,198 -- <b>13,198</b>	55.39 -- <b>35.55</b>
2.	Agrl.Term Loans Khariff Rabi <b>Total</b>	3,227 3,101 <b>6,328</b>	2,613 -- <b>2,613</b>	80.97 -- <b>41.29</b>
3.	Allied to Agriculture Khariff Rabi <b>Total</b>	4,575 4,941 <b>9,516</b>	2,550 -- <b>2,550</b>	55.74 -- <b>26.80</b>
	Total Agriculture	31,630 21,342 <b>52,972</b>	18,361 -- <b>18,361</b>	58.05 -- <b>34.66</b>

**Agricultural Advances - ACP Achievement as on 29.09.2012**

Particulars	Khariff Target	Khariff Achievement	% of achievement
Short Term Crop Production Loans	23,828	23,396	98.19%
Term Loans incl. allied activities	7,802	5,163	66.17%
<b>TOTAL</b>	<b>31,630</b>	<b>28,559</b>	<b>90.29%</b>

**2) Progress in lending to LEC holders –Guidelines issued by CCLA, AP, Hyderabad**

Department of Agriculture, GoAP has given District- wise target for a total of Rs.2000 crores in the State during the current year 2012-13 for financing to LEC holders and the same was approved by the Banks in the Steering committee Meeting and also in SLBC Meeting held on 26.06.2012.

SLBC has advised all LDMs to disaggregate the targets among the Banks in the district and inform the same to SLBC.

All Banks are advised to finance all eligible LEC holders to achieve the targets set for the year 2012-13.

As per the information received from the Department of Agriculture, GoAP, the position of LECs is as follows: **(as on 11.10.2012)**

No. of LECs Issued			No. Of Licensed Cultivators Sanctioned Crop Loans	
Replacement or renewal of old LEC (2011-12)	No.of Issued (2012-13)	LECs fresh	Khariff	
			Number	Amount (Rs. In Crores)
Total				
<b>2,31,056</b>	<b>1,57,159</b>	<b>3,88,215</b>	<b>93,283</b>	<b>187.90</b>

This is one of the innovative schemes of Government of AP and hence being pursued for implementation in full measure.

All Banks are advised to instruct their branches to finance all eligible LEC holders.

It is informed by LDMs that the list of LEC cards issued is not being circulated to the Bank branches by the Department of Agriculture/Revenue Department, GoAP.

**Progress in lending to Licensed Cultivators during the last Four years**

Year	No. of Tenant farmers financed
2008-09	8,238
2009-10	1,26,511
2010-11	95,000
2011-12	1,97,747
2012-13 (11.10.2012)	93,283

SLBC has taken up the issue of financing to LEC holders in various fora and a subcommittee meeting was held to discuss the issues and the following action points emerged.

- The cards are to be timely issued well before the commencement of Season.
- The Grama Sabhas are to be conducted in an orderly manner by involving all the concerned agencies.
- All Branch Managers to give lists of their loanee farmers (village-wise) to Agriculture Department.
- Immediately on enrolling farmers who are eligible to get LECs at Grama Sabha, the list need to be sent to concerned Service area Bank branch for verification with regard to loans outstanding, owner farmer availed loans, etc. The Branch need to give feed back to Revenue Department in a day or two.
- The LECs are to be issued for a fairly longer durations say, 3-5 years.
- Agriculture Department needs to create machinery for coordinating with Banks for matters relating to recovery and identification of new farmers, etc.
- Govt. of AP may consider creation of Risk Fund to help tenant farmers in the years of natural calamities.
- Govt. may undertake publicity with regard to the features of LECs and awareness need to be built up.
- Banks to give clear instructions to all branches and ensure that all eligible LEC holders get Bank finance.
- Wherever owner farmers are having loans, loans can be extended in JLG mode and sanction of loan will be basing on activity other than crop production.

**The reasons for low performance:**

- Delay in issuance of cards.
- Repayments are not encouraging out of loans given during the last year.
- Owner farmers are taken loans before issue of LEC cards for which bankers cannot deny the loans to the owners.
- List of LEC cards issued are not being circulated among Bank branches by Agriculture Department/Revenue Department, GoAP.

### 3) GOI Action Plan for improving Agricultural Credit- Progress in implementation

GOI is regularly reviewing the position of coverage of non loanee farmers and Non farmer households. All banks are advised to follow the guidelines with regard to implementation of GOI action plan and all non loanee farmers and non farmer households to be financed during the current year 2012-13.

#### Financing to Uncovered farmers / new non Loanee farmers

Year	Number	Credit extended (Rs. In Crores)
2006-07	421402	982.75
2007-08	454250	996.45
2008-09	169892	214.63
2009-10	755044	2416.22
2010-11	779273	1936.73
2011-12	471590	1325.36
<b>2012-13(as on 08.09.2012)</b>	<b>51,166</b>	<b>96.00</b>

### 4) Implementation of Revised KCC Scheme- Operationalising Savings cum Loan Account- Issues and Clarifications from RBI with regard to KCC scheme

RBI vide their Cir No. RBI/2012-13/162 RPCD. SP. BC. No. 23 /05.05.09/2012-13 August 7, 2012 has communicated certain changes in the revised KCC scheme. All banks are requested to follow the same.

#### **NABARD has given certain revised guidelines/Modifications with regard to Kisan Credit Card Scheme.**

The revised KCC guidelines provide for working capital loans for Animal Husbandry including purchase of fodder and feed by farmers for maintaining their cattle. KCC limits sanctioned should therefore, include this component if the farmer so requires.

In this connection, NABARD advised that Scales of Finance for fodder cultivation have been fixed by the District Level Technical Committee (DLTC) in all the districts. The banks may therefore, be advised to fix KCC limits so as to include the working capital requirements for Animal Husbandry including fodder and feed purchases as also crop loan for fodder cultivation, wherever required.

All Banks in the state adhere to the above while fixing the KCC limits.

## **5) NAIS/MNAIS/Weather Based Crop Insurance Scheme – for Khariff 2012- Issues**

SLBC has communicated the crop Insurance guidelines received from Department of Agriculture along with GOs issued by GoAP with regard to NAIS/MNAIS/Weather based Crop Insurance schemes to be implemented by all Banks. All Banks are advised to follow the guidelines given scrupulously and cover all eligible crops under the above scheme without exception.

### **B. Investment Credit – Progress**

#### **1) Unit Cost Particulars**

The Unit cost finalisation Committee meeting was conducted by NABARD and the unit costs for various schemes were finalised recently. SLBC has advised all the Banks to indent the required number of copies from NABARD as they have made necessary arrangements.

#### **2) Reviewing of Progress on Investment Credit in the DCC meetings**

It is brought to the notice of SLBC by the Reserve Bank of India and GoAP that the Progress of Investment Credit is not being reviewed at the District level and JMLBC level meetings regularly as in the case of Short Term loans. This was resulting in low performance in Investment Credit.

Hence all LDMs are advised to review the progress under Investment credit also in all JMLBC and DCC meetings regularly and take necessary corrective steps for improvement of the performance.

#### **3) New Products to meet the Credit Requirements of farmers**

Department of Financial Services, MoF, GoI has formed a Working Group consisting of members from PNB, SBI, Canara Bank, BOB, LIC and Oriental Insurance to deliberate and submit a report on the new products which are required to be introduced to meet the credit requirement of farmers.

MoF has communicated vide Lr.No.F.No.21/7/2012-AC, dated 26<sup>th</sup> July, 2012, with regard to New products to meet the credit requirement of farmers, suggested by the working group formed by the Department of Financial Services, which was circulated to all Banks and LDMs .

While the detailed circular is enclosed to this agenda notes.

The Schemes are:

- Scheme for Financing Farmers for Purchase of Land for Agriculture Purpose
- Estate Purchase Loans

- Loans for Agricultural purpose against Gold/Silver
- Kisan all-purpose Term Loans
- Kisan Tatkal Scheme
- Loans to farmers for purchase of Renewable Energy Equipments (Solar Pump sets/Solar Water Heaters/Solar Lighting)

**Banks are advised to consider introducing these schemes if not already existing, which are intended to improve credit to the farmers.**

**4) Paala Pragathi Kendrams (PPKs) – Details of the scheme and District-wise and Bank- Wise Targets for the year 2012-13.**

SLBC has communicated the new scheme for Financing for Establishment of Pala Pragathi Kendrams (PPKs) by JLG groups formed out of women SHG members. Bank wise targets are also communicated to all Banks.

It is brought to the notice of SLBC that many Banks are yet to issue guidelines to their branches. Since the Scheme is aimed at promoting economic activity through an allied activity to agriculture all the Banks are advised to give importance for implementation of the Scheme.

Statement of District wise and Bank wise targets allotted under PPKs is enclosed. All banks are advised to extend finance to these units which will help the Banks to improve their Investment credit and to increase the milk production in the state.

All Banks are also advised to encourage the Pig rearing scheme of the Animal Husbandry Department as the progress was very low under the scheme.

**5) Farm Mechanisation Schemes of GoAP**

Under Farm Mechanisation scheme, Government of Andhra Pradesh is implementing the following schemes through Banks;

Slightly Modified System of Rice Intensification (SMSRI):

Extended SMSRI / Additional Farm Mechanization scheme:

Mini SMSRI scheme:

Establishment of Custom Hiring Centers for Maize, Ground nut, Cotton and Tobacco, Direct Sowing Packages

Establishment of Service Stations

The allocation made to the various districts towards grounding the farm Mechanisation is as follows:

S.No	District	Funds Allotted (Rs in lakhs)
1	Srikakulam	907.04
2	Vizianagaram	884.41
3	Visakhapatnam	613.31
4	East Godavari	1863.55
5	West Godavari	1836.45
6	Krishna	2018.28
7	Guntur	2211.01
8	Nellore	1555.30
9	Prakasam	1598.62
10	Chittoor	1331.54
11	Kurnool	1216.13
12	Kadapa	1291.32
13	Anantapur	1173.47
14	Khammam	1376.24
15	Nalgonda	1655.98
16	Nizamabad	1489.38
17	Ranga Reddy	942.70
18	Medak	1553.02
19	Mahaboobnagar	1954.64
20	Warangal	1636.18
21	Karimnagar	1847.02
22	Adilabad	976.95
	<b>Total</b>	<b>31932.54</b>

### C. Agriculture – Issues

#### 1) Input subsidy disbursements – Direct credit to the farmers` account- Issues

The Department of Agriculture, GoAP proposed to disburse Rs.1816 crores input subsidy to the farmers affected by drought through e\_ payment. The Department has since released an amount of Rs.1231 crores so far under input subsidy and Banks could credit the amounts directly to the farmers` accounts to a tune of Rs.1106 crores.

Though the process was initiated during April, 2012, the exercise is yet to be completed and still an amount of Rs.125 crores is available with Banks for being credited to farmers and the Department of Agriculture is requesting all banks to credit the amounts to the accounts of Beneficiaries **or otherwise** return the amounts to the department immediately.



**The main issues which are brought to the notice of the SLBC are:**

- Many Bank Branches are reluctant to open farmers` accounts.
- While opening accounts huge balances are being insisted and No frill/Basic SB accounts is not being promoted.
- The amounts are lying in Principal Bank branches and failed transaction amounts are not being returned within 3 days as previously decided.

**All Banks are advised to complete the process of crediting the Input subsidy to the accounts of beneficiaries or return the same to the department immediately.**

**2) Providing of online Land Records by the Revenue officials to facilitate verification by the Bankers – issues**

GoAP is requested to complete the process of online of the land records in Andhra Pradesh to facilitate the bankers verifying the land holdings of the farmers for easy and hassle free disbursement of loans.

SLBC requested the Government of Andhra Pradesh also to initiate and take up the on lining of land records on similar lines as in Karnataka which enable the banks as well as every farmer to have online land data at any time for verification.

To expedite the process a study team consists of representatives from SLBC, Finance (IF) Dept. GoAP, NABARD and CCLA Office has visited Bangalore on 8<sup>th</sup> to 10<sup>th</sup> of October, 2012, to study the Bhoomi Project in Karnataka State and submitted a report to facilitate the GoAP to go further on this subject.

As advised by CCLA office, SLBC has advised all the Banks to give the list of their branches to enable CCLA office to give login ID to view the Land records by the branches. Data has been received from some Banks which were sent to CCLA office. CCLA office has to take necessary steps to provide the facility to the branches at the earliest.

**3) Total Interest Subsidy scheme announced by Government of Andhra Pradesh on Crop loans from RABI, 2011.**

Department of Agriculture, GoAP requested all Banks to claim the Pavala Vaddi for the years 2009-10 and 2010-11 immediately as the Government is having funds to release. As per the earlier system farmers have to pay the entire amount including interest to the Banks and Banks to claim the subsidy from the Department of Agriculture, GoAP by submitting the claims. From 01.10.2011 onwards the GoAP has announced Zero interest on Crop loans and the farmers need to pay only Principal amount taken by them to the Banks and the interest portion will be reimbursed by the GoAP directly to the Banks.

**GoAP has to work out the system/modalities for Interest reimbursement to the Banks.**

#### **4) Andhra Pradesh Poultry Federation – Request for increasing the working capital limits**

SLBC has received a representation from Andhra Pradesh Poultry Federation, an apex state level body of poultry farmers, requesting the bankers to increase the working capital limits in view of the steep increase in the rearing cost of the birds due to abnormal increase in feed ingredient prices since last few months. The representation is enclosed.

The matter was placed in the Member Banks meeting held on **10.08.2012** and also in the steering committee meeting held on 07.09.2012 and it was resolved that it is a fact that all input costs have increased and there is need for increase in the working capital finance to the poultry sector. Member banks are requested to consider the issue of increasing the working capital finance depending upon the viability.

#### **5) Village survey**

Department of Agriculture, GoAP informed that they have identified around 3.00 lakh Non-loanee farmers in the Rythu Chaitanya yatras. SLBC has requested Agriculture Department to continue the process of enrolling Non-loanee farmers and handover the list along with filled in applications to the concerned service area Bank branches as decided earlier.

Unless the process of identification of non-loanee farmers is completed or ensured, banks are not in a position to cover them as the data is not readily available with them.

In the above backdrop, SLBC proposed a survey in all Districts with regard to identification of Non-loanee farmers and non farmer households, which enable the banks to provide hassle free loans to all the non loanee farmers and non farmer households as envisaged by GOI Action plan, with the help of **SERP** which is already having wide network in the rural areas.

SERP has already started the survey in Vijayanagaram district to start with and will be completed in the entire state.

This measure, if undertaken will be of much use to all rural branches and help in achieving Financial Inclusion in true spirit.

## 06. Micro, Small & Medium Enterprises (MSME) Sector

### A. Position of Lending under MSME sector

The total outstandings under SME sector as on **30.06.2012** is **Rs.39, 784.67 crores** and total MSME sector is **Rs.51, 851.19 crores**.

All Banks are advised to improve the lending to MSME sector. Banks are requested to open dedicated Bank branches in the MSME clusters to extend finance.

Particulars	Outstanding as on 31.03.2011	Outstanding as on 31.03.2012	Outstanding as on 30.06.2012
Micro Enterprises	11,001	12,775	13,506
Small Enterprises	17,386	26,741	26,279
<b>Total MSE</b>	<b>28,387</b>	<b>39,516</b>	<b>39,785</b>
Medium Enterprises	11,820	12,260	12,066
<b>Total MSME</b>	<b>40,207</b>	<b>51,776</b>	<b>51,851</b>

### Problems facing by MSME sector:

SLBC has received a copy of letter addressed to Regional Director, RBI by the Commissioner of Industries suggesting certain measures to be taken which was circulated among all banks.

The FAPSIA has given a representation on the problems being faced by MSME sector and requested for addressing the problems. These issues were discussed in the Bankers Meeting held on 10.08.2012 and also on 07.09.2012.

Some of the measures recommended by Industry Associations are as follows:

- Public Sector Banks have to grant need based adhoc working capital demand loans upto 20% of the existing limits.
- Moratorium period will be extended in respect of loans availed by MSMEs where project implementation has been delayed in the current scenario.
- For the units unable to repay term loan obligation on time, repayment may be rescheduled/rephased.
- Finance for purchase of Genset will be made available on soft terms.
- RBI is requested to provide finance facility to support incremental lending indirectly through banks and SFC for refinance for the short fall of scheduled commercial banks.
- The advances to SME should retain the `standard` classification upon restructuring second time.

- All restructured accounts which have been classified as non-performing assets during the power crisis should be eligible for upgradation as Standard category after certain period of satisfactory performance.
- Outstanding interest and principle should be converted into Debt, as part of restructuring. Repayment with minimum 6 months Moratorium to be stipulated.

**B. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme- Progress Made by banks for the last five years**

S.No	At the end of the year	Proposals covered during the year	
		No.of A/cs.	Amount (in Crs.)
01	31.03.2008	1139	33.53
02	31.03.2009	1952	78.52
03	31.03.2010	3942	219.13
04	31.03.2011	7523	462.04
06	31.03.2012	9029	573.30
07	<b>01.04.2012-15.10.2012</b>	<b>8271</b>	<b>352.44</b>

(Detailed data enclosed in Annexure)

A Sub-committee of SLBC was constituted to deliberate as to how the coverage under CGTMSE can be improved. The Sub-committee meeting was held on 09.05.2012 at Andhra Bank, Head Office and after discussion in the forum, the following action points emerged.

**Action Points:**

- All Branch Managers are to be sensitized with regard to CGTMSE. Since security should not be taken for loans upto Rs.10 lakhs, these loans are to be covered under the scheme without exception.
- Some banks have entered MoU with CGTMSE to cover loans upto 25 lakhs under CGTMSE but some Branch Managers are insisting for collateral security. Controllers of Banks need to give suitable instructions to their branches.
- All PMEGP loans and other Government sponsored scheme loans are to be covered under CGTMSE. Controlling Offices have to ensure 100% coverage of PMEGP loans under CGTMSE.
- Awareness is to be created among Entrepreneurs, Banks, and LDMs at the District level since most of the people are not aware of the scheme details. Apart from Banks, Industry Associations may also take active part in conducting awareness programmes.
- The premium being paid to the CGTMSE should be based on liability and not on limit sanctioned. RBI/SLBC may once again take up the matter with CGTMSE. Further RBI may also take up for coverage of Retail Trade loan to Rs.20.00 lakhs under the scheme.
- Implementation of the scheme should be reviewed in JMLBC/DCC Meetings regularly.

- Industry Associations and DICs may bring to the notice of LDMs about specific cases where Banks are asking for collateral security from the entrepreneurs instead of covering under CGTMSE scheme. In the next stage, the details may be brought to the notice of SLBC.

All Banks are advised to initiate appropriate steps for improving the coverage under CGTMSE.

**Subsequently, the matter was discussed on several occasions in the meetings conducted by RBI.**

### **C. Prime Minister's Employment Generation Programme (PMEGP)**

**KVIC conducted a review meeting on implementation of PMEGP in Andhra Pradesh on 17.06.2011. The following issues pertaining to Banks have come up for discussion among other things.**

**From the progress over the last three years, it was observed in the meeting that:**

- A) Banks are not encouraging covering of the loans under CGTMSE and this is causing undue hardship to the selected candidates.
- B) Though the targets are achieved under the scheme the Social targets (SC/ST/Minorities/Ex-Service men, etc.) are not achieved.

**To overcome the above deficiencies, banks are advised to adopt the following strategy:**

- At the time of selection of the candidates under PMEGP, preference may be given to RSETI trained candidates.
- Take the assistance of SC Corporation/ ST Corporation/ Sainik Welfare Board/ Minorities Corporation, etc. for selecting suitable candidates under the Scheme as these Corporations are regularly dealing with the potential beneficiaries.
- Banks need to educate the entrepreneurs and the PMEGP proposals should not be rejected for frivolous reasons.
- Proposals belonging to SC / ST Entrepreneurs should not be rejected at branch level and should be referred to Controlling office.
- The rejected applications under PMEGP during 2010 – 11 may be analyzed at bank level to serve as guiding factor for the current year.

**SC Corporation / ST Corporation / Sainik Welfare Board/ Minorities Corporation are requested to-**

- Conduct awareness camps, to inculcate awareness among these target groups about the PMEGP schemes and guidelines.
- Ensure that the candidate applying under PMEGP are serious entrepreneurs seeking self employment.
- Explore the possibility of bearing the cost of the premium under the CGTMSE for the candidates who are covered under the scheme.

#### **Pending applications PMEGP:**

On several occasions, Banks were advised to ensure that the applications received at the branches are to be scrutinized at the earliest and for any reason, the application is not considered for sanction, it has to be communicated to concerned agency (KVIC /KVIB / DIC).

All the LDMs are advised to review the position of implementation of PMEGP in all the DCC / DLRC / JMLBC meetings.

#### **D. MSME Clusters – Opening of Branches in the cluster areas**

In the State of Andhra Pradesh 56 MSME clusters were identified for different product by the Ministry of MSME and advised that Banks may take the necessary steps to provide banking facilities in these clusters.

SLBC advised all Banks to open dedicated Bank branches in the said clusters to extend banking services and support to the MSME sector.

#### **E. Pending Projects for regulatory clearance of State Government of Andhra Pradesh**

SLBC has received a copy of letter no. DO No.62/Secy.(DFS)/2011, dated 24<sup>th</sup> October 2011 from the Secretary, Department of Financial Services, Ministry of Finance, Government of India, addressed to the Chief Secretary, Government of Andhra Pradesh, regarding the list of pending projects at the State Government of Andhra Pradesh for want of regulatory clearances with an advice to convene a meeting with the concerned departments.

SLBC has already taken up the matter with the Principal Secretary, Finance (IF) Department, Government of AP with a request to convene a meeting with the departments concerned, to grant the clearances by the agencies of the state Government as substantial amount of funding has been committed by banks but they are unable to disburse for want of clearances pending at the level of State Government.

State Government has informed that in respect of proposals listed by DFS, GOI, there was no pendency of the proposals at their end for want of clearances. SLBC has advised all the Banks to refer the proposals to SLBC wherever such instances are there for being taken up with GoAP.

Secretary, DFS has advised in the recent meeting held on 21.09.2012 that with respect to issues relating to AP Rajiv Swagruha Corporation Ltd., SBH to discuss with all Banks and come out with a solution within 15 days.

## **F. Handloom Weavers**

### **1) Revival, Reform and Restructuring Package for Handloom Sector- Implementation of Handloom package announced by the Hon`ble Finance Minister in the Union Budget 2011-12- Submission of claims by Banks.**

SLBC has circulated the Guidelines to all Banks and advised them to circulate the guidelines to their branches for implementation of the scheme of Revival, Reform and Restructuring package for Handloom Sector.

Banks are advised to submit the claims under Handloom weavers to NABARD immediately under copy to SLBC.

Present Status on Implementation of RRR Package for Handloom Sector- Action initiated by the State Government:

- GoAP has given Letter of Commitment for providing state share and to take up Legal & Institutional Reforms wherever necessary
- GoAP has Signed MoU to implement the scheme with GoI, NABARD on 24.03.2012.
- SIMRC and DIMRC have been constituted to monitor progress of implementation of the scheme vide G.O. Ms.No.89, I&C (Tex) Dept., dated 1.5.2012.
- GoAP provided budget of Rs.100.00 crores during 2012-13 to implement the scheme.
- GoAP have issued Administrative Order vide G.O. Ms.No.117, I&C (Tex) Dept. dated 21.07.2012.
- First SIMRC and DIMRC meetings in all the Districts were conducted during the month of May, 2012 to implement the scheme.
- Training Programme to (50) Auditors for commencement of Special Audit was conducted on 18<sup>th</sup> and 19<sup>th</sup> June, 2012 by NABARD.
- The Special Audit of PWCSs and APCO has been commenced on 22.06.2012 to estimate the Loan Waiver and recapitalization of Handloom Weavers of PWCSs and APCO as on 31-03-2010.
- Training Programme to (30) Auditors for commencement of Special Audit of Anantapur District will be conducted on 10<sup>th</sup> and 11<sup>th</sup> September, 2012 by NABARD.
- Convenor, SLBC has communicated the individual loan waiver claim format to the controlling authorities of all Banks and LDMs requesting them to submit loan waiver claims to the NABARD.
- All the Banks were requested to submit the individual loan waive claim proposals in the prescribed claim format to their controlling authorities immediately for onward transmission to the NABARD by 30.09.2012.

Out of identified 6021 Weaver beneficiaries (Rs.14.02 crores), claims submitted are 1286 (2.09 crores) by 10.09.2012. Already covered by State Government Weaver scheme is 29289 cases (54.03 crores)

## **2. Weavers Credit Card and Financial Package- Implementation and submission of Progress reports on Fortnightly basis from 15<sup>th</sup> July, 2012**

Weavers Credit Card scheme aims at providing adequate and timely assistance from the Banking institutions to the weavers to meet their credit requirements i.e., for investments needs as well as for working capital in a flexible and cost effective manner. The scheme would be implemented both in rural and urban areas. SLBC has circulated the guidelines to all Banks and LDMs.

Handlooms and Textiles Department of GoAP has communicated the District-wise targets for Weavers Credit Card Scheme for the year 2012-13 and all Banks are requested to issue suitable instructions for implementation of the scheme by all branches.

As on date 53508 applications were received from the weavers through (56) clusters and 41832 applications have been sent to the concerned LDMs. All the Lead District Managers in the Districts have been requested to cover all eligible weavers under the scheme.

An amount of Rs.285.50 lakhs have been finance to (835) weavers of Anantapur, Kurnool, Ranga Reddy and Karimnagar Districts.

NABARD, Hyderabad advised SLBC to inform the data on No. of weaver Credit cards finance by Banks and amount disbursed. The format has been circulated by SLBC to all Banks and advised to furnish the data to SLBC on fortnightly basis from 15<sup>th</sup> July, 2012 for consolidating and submission to NABARD.

**All Banks are requested to furnish the information immediately.**

## **3. Institutional Credit- under Integrated Handlooms Development Scheme**

SLBC has received communication from the Commissioner of Handlooms and Textiles, GoAP, along with a copy of Lr.No.9/1/2011-DCH/Cluster, dated 9<sup>th</sup> January, 2012, where in Guidelines for implementation of a new Component, ``Institutional Credit`` under integrated Handlooms Development Scheme, were given in detail.

SLBC has circulated the scheme guidelines to all Banks and advised to extend finance under the scheme.



## 07. Housing Loans

### A. Position of Housing Loans – June, 2012

**Outstanding amount as on 30.06.2012 is Rs.29, 599.82 crores (Bank wise statement is enclosed)**

As decided in the 177<sup>th</sup> SLBC meeting, a Sub-Committee was constituted by SLBC to review the progress and ascertain reasons for not picking up finance under housing programmes.

The subcommittee meeting was held on 17.07.2012 wherein the Hon`ble Minister for Housing along with line Department functionaries and Banks attended. The action points emerged in the meeting are as follows:

- All Banks to open No Frill accounts to Housing beneficiaries. APSHCL and APHB may map the list of beneficiaries village-wise and bank-wise and hand over to concerned service area bank branch. The entire process to be completed latest by August 31, 2012.
- APSHCL may convene a meeting involving SERP, MEPMA and Lead Banks to work out a strategy for sanction of Bridge Loans to the members of SHGs.
- The Housing Department Officials have to compulsorily attend JMLBC and DCC meetings and the issues are to be taken up for resolution. A strong message should go from Apex Level that the officials need to coordinate the efforts of banks for recovery.
- Steps are to be taken for implementation of GOMS.185 to create demonstrative effect by reallocating a few cases in each of the districts for improving recovery.
- Banks to disburse loans in respect of all sanctioned loans in respect of ISHUP and subsidy should be claimed immediately.
- APSHCL may take legal opinion and take steps for creating of mortgage in favour of banks.
- APSHCL and APHB to address the infrastructure and other issues relating to their projects facilitating 100% occupation of allotted houses.
- The bank-wise details under IHSDP may be given by APSHCL to SLBC to communicate to all banks and the scheme is to be reviewed.
- APRSCL may give list of issues to SLBC for sensitizing all banks on the matter.
- GoAP may undertake publicity to educate the beneficiaries for prompt repayment to sustain the Housing Programmes.
- Rajiv Swagruha Corporation may send a letter to SLBC informing the issues to be taken up.

As advised by the Minister in the subcommittee meeting, APSHCL has to convene a meeting involving SERP, MEPMA and Lead Banks to work out a strategy for sanction of Bridge loans to the members of the SHGs, but the meeting is yet to be conducted. SLBC has requested APSHCL to take immediate steps to convene the meeting to decide upon the strategy.

**B. RAJIV SWAGRUHA CORPORATION LTD – Self Financing scheme – Allowing loans by Banks**

SLBC has received a letter from Andhra Pradesh Rajiv Swagruha Corporation Ltd., Hyderabad, enclosing a Self Financing scheme for the moderate income group of the income range of Rs.2 lakhs to Rs.10 lakhs per annum.

**All Banks and LDMs are advised to go through the scheme details and encourage the eligible beneficiaries basing on merits of each case.**

**C. Minutes of 2<sup>nd</sup> Coordination Committee Meeting of the Executives and Senior Officials of Local Banks held on 25.08.2012.**

Reserve Bank of India has expressed serious concern over increasing frauds in the Banking Industry and advised Chief Vigilance Officer, Andhra Bank, Head Office, to convene a meeting of local Bankers for a discussion on the matter and suggest measures to arrest the increasing frauds.

Accordingly, a meeting was conducted by the Vigilance department, Andhra Bank, Head Office with all Local bankers and the following points were emerged:

- To request the State Government to issue necessary instructions to the Police authorities in the state to cooperate with the Banks in registering the FIRs as and when the Bank authorities approach them.
- To arrest the increasing frauds in Housing Loans portfolio. To request the State Government authorities to evolve a system of allocation of Flat numbers (in respect of apartments/multistoried buildings) before according permission.

SLBC request the Government of Andhra Pradesh to support the Banks and issue suitable instructions to the Police/Housing Department.

**08. Educational Loans****A. Position of Educational Loans – June, 2012**

Outstanding amount as on 30.06.2012 is **Rs.5, 446.53 crores** (Bank wise statement is enclosed).

IBA has communicated a Model Educational Loan scheme for pursuing higher studies in India and abroad was formulated initially in the year 2001 and modified subsequently from time to time with the objective of facilitating pursuit of higher studies by meritorious students. The focus was mainly on technical and professional courses in recognised colleges and Universities.

The Model Loan Scheme for Vocational Education and Training aims at providing financial support from the banking system to those who have the minimum educational qualification, as required by the institution/organisation running the course eligible under the scheme.

SLBC has circulated both the schemes to all Banks and advised to give suitable instructions to their branches for financing the schemes.

**Department of Financial Services, MoF has communicated the deliberations in the Review meeting of the Public Sector Banks taken by the Hon`ble Finance Minister on August 18, 2012, the following concerns in this regard were expressed:**

- Inordinate delay in the decision on Education Loan applications
- Applications being rejected at the initial stage and being approved subsequently on representation
- Absence or ineffectiveness of the Grievance Redressal Mechanism and
- Sanction of loans under vocational courses has not been adequately popularized.

It was decided that the Banks will issue suitable advice to the branches for a time-bound disposal of the Education Loan Applications and to ensure that applications are not rejected on flimsy grounds. Banks were also advised to put in place an effective Grievance Redressal Mechanism.

All banks are advised by the Ministry of Finance to comply with the following:

- To confirm whether suitable instructions have been issued to the branches and the field level functionaries regarding the disposal of Education Loan applications.
- To confirm that the loans for Vocational Courses are being adequately popularized.
- To put in place a common Grievance Redressal Mechanism at the Branch, Zonal as well as Head office Level where concerned persons may approach in respect of any grievance relating to Education Loan.
- Introduce a system of review by the next higher authority of the cases where Education Loan application is rejected and
- To give wide publicity of the Grievance Redressal Mechanism to the applicants including intimation at the time of submission of application and prominently displaying this in the Bank offices and at the website.
- Banks are advised to implement online tracking of applications for Educational loans.

**All Banks are advised to submit the Action taken report to the Ministry of Finance, GoI.**

#### **B. Targets given by GoI**

The target communicated by the Ministry of Finance under Education Loans of **Rs. 6,780 crores** for the year **2012-13** Bank-wise has been communicated to all Banks.

**09. Self Help Groups****A. Position of SHG-Bank Linkage Programme- June, 2012****(Amount in crores)**

Name of the Bank	Outstanding		Overdue Position		
	No.of SHGs	Amount	No.of Accounts	O/S. liability in overdue accounts	Actual Overdues
Public Sector Banks	890999	12115	135626	1371	758
Private Sector Banks	23731	113	3438	21	8
Cooperative Banks	21375	254	3065	12	10
Regional Rural Banks	378377	4252	28002	2173	1399
<b>TOTAL</b>	<b>1314482</b>	<b>16735</b>	<b>170131</b>	<b>3577</b>	<b>2174</b>

**Financing to SHG s – Persons with Disability**

It is observed that the finance made to Disabled SHGs is not encouraging. SLBC has recently vide their Lr.No.666/30/245/734, Dt.17.08.2012 circulated the guidelines of Reserve Bank of India and IBA with regard to providing banking facilities to visually impaired persons and other aspects to be taken care of while extending loans under disability category for SHG groups. All banks are requested to ensure adherence.

**B. Scheme for financing of Women Self Help groups with the support of Anchor NGOs as SHPI in LWE Districts – Progress****Progress in Implementation of Women SHG scheme in LWE affected districts**

- (i) SERP has been identified as Anchor NGO for 16 LWE affected districts of Andhra Pradesh.
- (ii) MOUs have been signed between major banks in the 16 LWE affected districts and SERP.
- (iii) Sanction of grant assistance has been issued by NABARD in respect of all 16 districts.
- (iv) on accepting the terms and conditions an upfront grant of 10% i.e. Rs. 144.90 lakh has been released on 12.06.2012 by NABARD to SERP ( The Anchor NGO ), the details are as under:-

S.No	District	No of Mandals	No of WSHGs to be promoted during 12-13	Grant assistance sanctioned	Upfront grant assistance (@10% of grant sanctioned)
				Rs in Lakhs	Rs. Lakh
1	Adilabad	52	1000	100.00	10.00
2	Nizamabad	36	670	67.00	6.70

3	Karimnagar	57	835	83.50	8.350
4	Warangal	45	1000	100.00	10.00
5	Nalgonda	59	1000	100.00	10.00
6	Khammam	46	1000	100.00	10.00
7	Medak	46	1000	100.00	10.00
8	Guntur	57	1000	100.00	10.00
9	Prakasham	56	1000	100.00	10.00
10	Vishakapatnam	39	934	93.40	9.34
11	Vizianagaram	34	553	55.30	5.53
12	Srikakulam	38	1000	100.00	10.00
13	Kurnool	54	498	49.80	4.98
14	Anantapur	63	1000	100.00	10.00
15	Mahabubnagar	64	1000	100.00	10.00
16	East Godavari	58	1000	100.00	10.00
	<b>TOTAL</b>		<b>14490</b>	<b>1449.00</b>	<b>144.90</b>

To ensure every woman in each village become a member of SHG and to ensure that there is a credit saturation in these villages, SERP has given District wise No. of SHGs proposed to be formed by them during the year:

Year	No. of SHGS proposed
2012-13	17,517
2013-14	13,365
2014-15	13,648

Further, in order to support capacity building activities for SHGs, NABARD has planned to conduct 200 MEDPs during FY12-13 with the help of NGOs working in 16 LWE affected districts of Andhra Pradesh. The district-wise allocation is indicated in annexure. The amount of expenditure in this regard would be booked under WSHG fund. NABARD so far sanctioned 12 MEDPs in 03 districts of Andhra Pradesh for various activities such as Dairy, Block Painting, Artificial Jewellery, Polishing, Sanitary Napkins and Tailoring etc. and they are in the process of mobilising the proposals.

For the purpose of making awareness about financial literacy and communicate the benefits of various schemes in these areas, NABARD printed 06 brochures covering various subjects viz. Savings, Planning, Remittance, insurance etc. The same would be distributed amongst banks

working in these areas. Further, the posters have been printed in association with SLBC and the same are being displayed in all the bank branches of these districts.

MEDPs proposed for the FY 2012-13 in LWE affected districts in Andhra Pradesh

Sl. No.	District	Proposed	Sanctioned
1	Adilabad	10	
2	Anantapur	15	3
3	East Godavari	15	-
4	Guntur	10	6
5	Karimnagar	15	-
6	Khammam	10	-
7	Kurnool	10	-
8	Mahabubnagar	15	-
9	Medak	10	-
10	Nalgonda	10	3
11	Nizamabad	10	-
12	Prakasam	15	-
13	Srikakulam	10	-
14	Visakhapatnam	20	-
15	Vizianagaram	10	-
16	Warangal	15	-
	Total	200	12

## 10. Financial Inclusion

### A. Common RFP – Roll out Plans

#### Common RFP process – Pilot Districts for implementation

Common RFP process to select Business Correspondents for A.P. Cluster-1 & 2 Ministry of Finance, Government of India directions:

1. Ministry of Finance, Department of Financial Services, Govt of India vide letter no. F. No. 8/25/2011-FI dated 27.04.2012 advised floating of common RFP on cluster basis for engaging Business Correspondents and indicated a schedule along with a RFP document as finalized by State Bank of India, Corporate Office, Mumbai. Andhra Bank being the SLBC convenor of A.P. has been designated as the leader bank in A.P. for the purpose of floating the common RFPs for two clusters.

Districts covered - A.P. Cluster-1	Districts covered - A.P. Cluster-2
Karimnagar	Ananthapur
Adilabad	Chittoor
Nizamabad	Prakasam
Warangal	Nellore
Medak	Krishna
Khammam	East Godavari
Ranga Reddy	West Godavari
Nalgonda	Visakhapatnam
Mahabubnagar	Vizianagaram
Kurnool	Srikakulam
Kadapa	Guntur

2. A Core Committee was constituted on 02.05.2012 in the meeting of Bankers convened by SLBC, consisting of i) Andhra Bank ii) Andhra Pradesh Grameena Vikas Bank iii) Indian Bank iv) State Bank of Hyderabad v) State Bank of India vi) Syndicate Bank, for the common RFP process.

### 3. Details relating to Common RFP process

COMMON RFP PROCESS TO SELECT BUSINESS CORRESPONDENTS FOR A.P. CLUSTER-1 & 2			
Sl. No.	Particulars	A.P. Cluster -1	A.P. Cluster-2
1	RFP Reference No	No.666/35/2012-13/RFP/5	No.666/35/2012-13/RFP/6
2	RFP Floated Date	07.05.2012	07.05.2012
3	Date of Pre-Bid Meeting	25.05.2012	25.05.2012
4	Date of Eligibility & Technical Bid Opening	04.07.2012	06.07.2012
5	Bidders Participated & found Technically Qualified:	1.M/s. FINO Fintech Foundation	1.M/s. FINO Fintech Foundation
		2. M/s. Genpact India - Atyati Technologies Ltd	2. M/s. Genpact India - Atyati Technologies Ltd
		3. M/s. HCL Infosystems Ltd	3. M/s. HCL Infosystems Ltd
		4. M/s. Vakrangee Finservice Ltd	4. M/s. Vakrangee Finservice Ltd
			5. M/s. Glodyne Technoserve Ltd
			6. M/s. Integra Micro Systems (P) Ltd
6	Date of Price Bid Opening	06.07.2012	09.07.2011
7	Floor Price for reverse Auction	0.75%	0.65%

8	Date of Reverse Auction	09.07.2012	11.07.2012
9	Lowest Price quoted in reverse auction	0.54%	0.22%
10	L1 Bidder	M/s. FINO Fintech Foundation	M/s. FINO Fintech Foundation

4. Member Banks implementing FI in the two clusters of State have been requested to formally approve the bid in their respective Banks.
5. Ministry of Finance, Govt of India in their series of communications addressed to the Heads of Banks informed an action plan for taking forward the FI implementation through the BCs empanelled by the common RFP process. The following steps are required to be taken by the Lead bank and the other Banks—
  - a) Signing of agreement with the selected Service Provider by all the member banks operating in the respective clusters.
  - b) Infrastructure establishment by the Service provider in terms of procurement of hardware, software & hardware installation, procurement of PoS machines etc.,
  - c) Selection of BCAs by Service Provider in terms of the RFP in consultation with Branch Manager for all the FI villages.
  - d) Training of BCAs in consultation with LDM as per the new course designed by NABARD/IIBF.
  - e) Enrollment of customers including collection of biometric and other details.
  - f) Issuance of Cards by Banks.
  - g) Banks to monitor the implementation on a regular basis and to submit district- wise and month- wise Plan to SLBC in the prescribed format.
  - h) One district in the cluster is to be chosen as a pilot and all member banks in the district get the BCAs engaged within a period of one month from the date of signing of the agreement. This will enable the Service provider as well as the banks to resolve all technical and operational issues which will be useful for ensuring a smooth roll out in rest of the districts in the cluster.

**Present status:**

M/s FINO Fintech Foundation has been finalized as L1 bidder through prescribed tender process for the two clusters by the Core Committee of member banks constituted for the common RFP process.

The member Banks have suggested **Kurnool, Nizamabad & West Godavari districts** representing one district in each area of the State for pilot implementation.

The process of signing of agreements with the BC by individual Banks covered under RFP was taken up and all Banks have signed except State Bank of India and two RRBs viz. Deccan Grameena Bank sponsored by State Bank of Hyderabad and Andhra Pradesh Grameena Vikas bank sponsored by State bank of India and the matter was taken up with the concerned.



Banks are advised to speed up the process of getting the common RFP bids approved at their respective Banks and approve for implementation.

Pilot districts	
A.P. Cluster -1	A.P. Cluster-2
Nizamabad & Kurnool	West Godavari

**All banks are advised to submit their Roll out Plans district-wise Month-wise to SLBC.**

**B. Providing Banking Services in all Villages with above 2000 - Progress as on 31.08.2012 in Opening of accounts and transactions**

All the 6651 villages in AP with population of 2000 and above as per 2001 census which are to be covered by March 2012 are since covered recording 100% achievement. In these villages 37.35 lakhs accounts are opened by the BCAs by the end of August, 2012.

**C. Status of Implementation of Financial Inclusion Plan in the villages with population 1600 to 2000 as per 2001 census under `SWABHIMAN.**

Service area approach is adopted for the coverage of the entire country for financial inclusion. So far the SLBCs have allocated specific villages among the banks. As Gram Panchayats are at the centre of the various developmental and welfare schemes and would play an important role in the electronic benefit transfer, service area of the banks needs to be defined in terms of the Gram Panchayats.

SLBC has already completed the exercise of allocation of the villages with population of below 2000 i.e., <500 population, >500 to <1000 and >1000 to <2000 and communicated to all LDMs. LDMs have reallocated the villages in their districts to various Banks as per service area villages.

Population category	No. of villages
Below 500	6,460
500-1000	4,466
Above 1000- 2000	6,470
<b>Total</b>	<b>17,396</b>

DFS, MoF, GoI has given instructions to complete the coverage of villages above 1600 to 2000 population as per 2001 census before March, 2013 under **SWABHIMAN**. In Andhra Pradesh 2125 such villages are identified for extending banking services during the current year.

Since the process of selection of BCA is completed very recently there is no progress. SLBC has advised all Banks to submit BCA role out plan for the allocated villages with the existing BCAs and ensure immediate submission.

**D. Strategy and guidelines on financial inclusion Para 5.3 – Progress in opening of branches as on 31.08.2012.**

Ministry of Finance, Govt of India vide letter no. F. No. 21/13/2009-FI (Pt) dated 21.10.2011 communicated to all Banks the Strategy and Guidelines on Financial inclusion.

Para 5.3 of Strategy and guidelines on Financial Inclusion, covers the guidelines on opening of branches in the villages.

In terms of the above guidelines, Banks have been directed to open brick and mortar branches in their service area villages having population above 5000 located in under banked districts, and in habitations having population above 10000 in other districts by September, 2012.

In A.P. a total of 208 villages with above 5000 population are identified under Strategy and Guidelines of Financial Inclusion. Of which in 123 centres brick and mortar branches are opened and in the remaining 85 centres USBs are functioning.

Out of 208 villages 121 villages fall under 13 under banked districts. Branches are already opened in 68 centres and in the remaining 53 centres USBs are functioning.

SLBC advised all Banks to ensure that officer visits regularly on all working days in respect of all USBs functioning in villages with above 5000 population in under banked districts and in respect of USBs functioning in above 10000 population villages in respect of other districts.

**E. Launch of campaign to ensure at least one bank account for each family in FI villages**

MoF, GoI has vide Lr.No.F.No.8/11/2011-FI dated the 15<sup>th</sup> May, 2012 has issued guidelines to all Banks for Launch of campaign to ensure opening of at least one bank account for each family in FI villages.

All Banks are advised to complete the process of seeding the Aadhaar card numbers for all the existing accounts wherever Aadhar Cards are available.

It is also advised to open the accounts duly obtaining the Aadhaar Cards wherever available treating the same as KYC compliant.

**In the recent meeting held with Secretary, DFS, MoF, Gol on 21.09.2012, it was advised that:**

- LDMs to provide voters list to all Bank Brnches to enable them to map the existing accounts and open accounts wherever required.
- In urban and semi-urban areas, wards Allocation should be completed among banks and localities may be allocated among the Banks present in the area and the responsibility and business to be shared.
- Wherever necessary specific areas within a ward may be allotted to a bank.
- The opening of accounts should be completed before 15<sup>th</sup> October in Rural Areas and 31<sup>st</sup> October, 2012 in urban areas.

All banks advised to submit their progress in opening of accounts to SLBC on fortnightly basis to enable to submit the same to Ministry of Finance.

**F. Financial Inclusion drive to open Bank accounts of migrant labour and street Vendors/hawkers in urban areas**

Department of Financial Services, MoF has given guidelines to all Banks under financial inclusion drive to open bank accounts of migrant labour and street vendors/hawkers in urban areas. To begin with, it is advised that accounts of all migrant labour and street vendor/hawkers who are working within 500 meters of the branches in urban and metro areas should be opened. Thereafter, the branches should extend this process of opening of accounts beyond 500 meters so that all such persons get financially included.

SLBC has advised all Banks to instruct their branches to launch a drive for opening of accounts to migrant labour/street vendors and hawkers in urban areas. The progress should be continuously monitored by the controlling authorities and report the progress in opening of accounts to SLBC on monthly basis.

**G. Aadhaar enabled Payments Scheme- Opening of accounts with Aadhaar cards and seeding of Aadhaar Numbers for the existing accounts**

MoF has advised the SLBC convener banks of the concerned States to issue necessary instructions to Lead District Managers of the pilot districts, for further issuing of instructions to all the bank branches in the district, for seeding of Aadhaar number in bank accounts by asking the customers to produce a copy of their Aadhaar Cards. This exercise of seeding needs to be completed by 31<sup>st</sup> August, 2012.

The progress in seeding of bank account be obtained by SLBC convener from the Lead District Managers of the pilot districts of their respective states in the enclosed format and furnished to this Department by e-mail at [fi-dfs@nic.in](mailto:fi-dfs@nic.in) on fortnightly basis beginning from the fortnight ending 15<sup>th</sup> July, 2012.

It is also advised that while opening the new bank accounts for each family, the Aadhaar number must be included in the account details as already instructed vide para 2(v) of circular F. No. 8/11/2011-FI dated 15.05.2012.

SLBC has conducted Sub-committee meetings with UIDAI Officials and Banks on 11.07.2012 and also on 11.09.2012 along with the identified Districts LDMs and sensitized them for Aadhaar Enabled Payment system. Many action points emerged in the meeting and the same were communicated to all concerned. On a pilot basis five districts were identified in the state of Andhra Pradesh i.e., **Anantapur, Chittoor, East Godavari, Ranga Reddy and Hyderabad** and LDMs were advised to ensure opening all accounts with Aadhaar cards as KYC Compliant and seeding of existing accounts with Aadhaar Card numbers.

#### Seeding of Aadhar number in Bank A/cs and achieving saturation in opening of accounts.

District	Name of the Lead Bank	No. of SB and FI accounts opened in the District	Out of (3), no of accounts that have been seeded with Aadhar Number	% of seeding in the District
1	2	3	4	5
East Godavari	Andhra Bank	23,31,980	18,924	0.81
Anantapur	Syndicate Bank	23,69,263	17,450	0.73
Chittoor	Indian Bank	37,71,334	5,203	0.14
Ranga Reddy	SBH	33,63,932	6,000	0.18
Hyderabad	SBH	15,62,796	2,425	0.16

#### H. Scheme for Installation of PoS machines at Merchant Establishments in LWE districts

As a part of Financial Inclusion in LWE districts, Ministry of Finance has directed all LDMs to give 100 PoS machines in each district and issue smart cards to all the beneficiaries.

SLBC has advised all LDMs to distribute the target of 100 PoS machines among the Banks in the district and advise them to provide PoS Machines to the Merchant Establishments to reduce the dependency on Cash in LWE districts.

It is also informed that **100 PoS** machines per district will be supplied free of cost as per MoF guidelines by the respective banks and necessary steps may be taken by the Banks to supply the same to the respective selected branches of their Bank.

All LDMs have allocated targets to different Banks in all 16 LWE districts.

**I. Installation Services of Cash Dispensers (CDs) – Conveying details to SLBC Convenors and State Level Heads**

DFS, MoF has directed to refer to the RFP floated by Public Sector Banks for “Outsourcing of Installation and Managed Services of Cash Dispensers (CDs)” on a geographical cluster basis.

Department of Financial Services had also advised banks, vide letter dated 25<sup>th</sup> June, 2012 to prepare District-Month wise Rollout Plan which will be used by the lead bank for the preparation of the District-Month wise and Bank-Month wise Rollout Plan for the State/UT.

All Banks are advised to submit the information on Cash Dispensers and Roll out Plans on RFP.

**J. Green Initiative – Measures to popularise e-payment for bringing down the number of Transactions through cheques – MoF guidelines and Releasing of benefits of Central/State Govt. sponsored Schemes.**

DFS, MoF, GoI vide Lr.No.F.No.15/2/2012-FI, dated 14<sup>th</sup> June, 2012 communicated the measures to popularize e\_ payments for bringing down the number of transactions through cheques.

GoI has constantly been following up the measures to encourage e\_ payment channels so as to reduce the number of transactions through cheques and other expensive modes of transactions.

As the PSBs have a large number of transactions with their customers, it is imperative that Banks migrate totally to the electronic transactions made for their transactions with customers, PSBs had been advised by the Department of Financial Services to use with their customers only electronic transactions for the following.

- a) All payments to and from customers/staff
- b) All payments to vendors and suppliers
- c) Disbursement of loans and payments towards installments and investments
- d) ECS advice instead of post dated cheques

It is therefore necessary that concerted efforts are to be made by the PSBs and their sponsored RRBs for popularizing e\_ payments and to bring down the number of transactions through cheques.

Further it is advised by the MoF to further extend the e\_ payments and progress report may be submitted to DFS, MoF, GoI on monthly basis.

Secretary, DFS, GoI has advised all Banks to make all their payments through e\_ payment from 1<sup>st</sup> October, 2012 onwards.

As part of direct payment, the Department of Agriculture, GoAP has proposed to disburse Rs.1816 crores input subsidy to the farmers affected by drought through e\_ payment. Though the process was initiated for some time the exercise is not yet completed.

**The main issues that have come to the notice of the SLBC are:**

- Many Bank branches are reluctant to open accounts.
- While opening accounts huge balances are being insisted and No frill/Basic SB accounts is not being promoted.
- The amounts are lying in Principal Bank branches and failed transaction amounts are not Being returned within 3 days as advised.

Government of Andhra Pradesh also initiated to credit the subsidies under different Government programmes directly to the loan accounts of the beneficiaries during this year and a Steering committee meeting of SLBC of AP was conducted on 07.09.2012 and deliberations have taken place at length.

Principal Secretary (IF) GoAP has requested all Banks to work out the modalities as to how to administer the subsidies directly to the loan accounts of the beneficiaries. SLBC has constituted a subcommittee to evolve a system and the subcommittee has met on 11.09.2012 and the process since evolved. GoAP has also circulated the process in the press.

All Banks are advised to adopt the revised procedure of subsidy administration for Government sponsored programmes.

**K. Opening of bank accounts of all heads of the family for direct transfer of Cash subsidy for Kerosene (DTCK) and Launch of Pilot of Phase III (A) for Direct transfer of subsidy on Fertilisers in East Godavari District on Pilot basis.**

This has reference to the guidelines issued vide DFS, MoF, letter no. 8/11/2011-FI dated 15.05.2012 regarding launch of campaign to ensure opening of one bank account for each family for transfer of subsidies under the 35 Schemes of Govt. of India directly into the beneficiaries account. Banks were directed to ensure completion of process of opening of such accounts by June, 2012.

Detailed guidelines on Strategy and Approach for Electronic Benefit Transfer were communicated to all Banks. DFS letter no. 6/23/2012-FI dated 26.06.2012 which, inter-alia provided for opening of bank accounts and mapping the beneficiaries. It was stipulated that in order to ensure that every beneficiary of the Government schemes has a bank account, the bank must start mapping the list of beneficiaries under every scheme, already available with the concerned departments of the State Government, with the bank account details. Wherever

the beneficiary does not have a bank account, a new account for the family in the service area branch should be opened.

LDMs are advised to collect the list from Civil Supplies department and supply to the respective branches in the district. It is learnt that the lists are yet to be provided by the Civil Supplies department to LDMs. The Department may expedite the matter.

It was also advised that Lead District Manager will be responsible for the overall coordination and completion of the exercise of opening of bank accounts and mapping the beneficiaries.

In AP the districts identified are Ananthapur, Chittoor, East Godavari, Hyderabad and Ranga Reddy.

SLBC has issued necessary instructions to the Lead District Managers of the concerned districts to ensure opening of bank accounts of all the families having ration cards and availing subsidized kerosene in these districts so that the transfer of cash subsidy directly to the beneficiaries through their bank accounts can be commenced with the roll out of the DTCK scheme. Ministry of Petroleum & Natural Gas has also been requested separately to nominate an officer for each district to contact the Lead District Manager. Details of beneficiaries could be supplied by the officer nominated by Ministry of Petroleum & Natural Gas.

All Banks are also requested to issue directions for opening of accounts in the area served by their bank branches. The progress of opening of accounts should be monitored by the concerned Zonal In charge and also at Head Office on a regular basis.

SLBC has advised all Banks and LDMs of respective five districts to take necessary steps for opening of accounts and should reach saturation by 15<sup>th</sup> October, 2012 in Rural Areas and before 31<sup>st</sup> October, 2012 in Urban Areas.

#### **Launch of Pilot of Phase III (A) for direct transfer of subsidy on Fertilisers in East Godavari District on pilot basis:**

GoI has given guidelines for implementation of direct transfer of subsidy on Fertilisers in East Godavari District on pilot basis and SLBC has communicated the LDM East Godavari to take necessary steps for coverage of all eligible farmers with KCC.

#### **L. Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) and its Convergence with Financial Inclusion Plan (FIP) - Status**

SLBC has conducted several meetings for convergence of EBT and FIP with the with all the stake holders. The GoAP has given five situations which were discussed at length in the meetings and could not arrive at a logical conclusion.

Further all Banks are advised to come with specific views on the EBT and FIP convergence.

### M. Financial Literacy and Credit Counseling Centers (FLCCCs) and Financial Literary Centres (FLCs)- Position in A.P.

FLCCs are opened and functioning in all 23 Districts of Andhra Pradesh.

All Lead Banks are advised to open FLCCs in all Divisional Head quarters in their respective districts to further extend the services for improving financial literacy.

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

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

### N. Rural Self Employment Training Institutes and Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development

PERFORMANCE OF RSETIs AUG End data - 2012` [AP] ( Updated 27/9/2012 )										
S No	DISTRICT	SPONS OR BANK	Target 2012-13	Cumulative till July	In Aug	Cumulative till Aug	Bank financed Cumulative	Self Finance - Cumulative	Wage Employed- Cumulative	Total Settled-Cumulative
1	Chittor	INDIAN BANK	810	227	36	257	47	49	80	176
2	Kadapa	SYNDICATE BANK	720	78	0	78	0	40	22	62
3	Kurnool	SYNDICATE BANK	750	60	30	90	17	14	2	33
4	Ananthapur	SYNB/CNB	840	204	72	276	9	125	47	181
5	Prakasam	SYNB/CNB	650	206	26	232	1	97	32	130
6	Mahaboobnagar	S B I	750	420	33	453	14	80	2	96
7	Medak	S B I	758	415	98	513	19	393	0	412
8	Visakhapatnam	S B I	750	71	69	140	2	59	11	72
9	Vijayanagaram	S B I	890	97	131	228	4	52	3	59
10	Adilabad	S B H	750	112	41	153	10	64	3	77
11	Karimnagar	S B H	750	31	13	44	0	13	0	13
12	Khammam	S B H	750	159	52	211	0	82	76	158
13	Nalgonda	S B H	750	148	22	170	9	10	42	61
14	Nizamabad	S B H	750	169	20	189	17	105	55	177



15	Ranga Reddy	S B H	750	108	27	135	4	55	0	59
16	Warangal	S B H (7)	750	181	30	211	20	109	18	147
17	Chittor (Tirupati)	ANDHR A BANK	765	319	137	456	222	59	38	319
18	East Godavari	ANDHR A BANK	750	264	42	306	20	36	57	113
19	Guntur	ANDHR A BANK	960	276	74	456	7	139	0	146
20	Krishna	ANDHR A BANK	1250	274	23	297	0	60	27	87
21	Nellore	ANDHR A BANK	750	159	98	257	18	112	17	147
22	Srikakulam	ANDHR A BANK	750	271	95	366	81	79	72	232
23	SKL -Rajam	ANDHR A BANK	1025	364	92	456	13	161	169	343
24	West Godavari	ANDHR A BANK	900	509	261	770	297	124	32	453
	Sub Total		<b>19318</b>	5122	<b>1522</b>	6744	<b>831</b>	<b>2117</b>	<b>805</b>	<b>3753</b>
25	Hyderabad	CONSO RTIUM	1000	365	0	365	2	100	193	293
	<b>GRAND TOTAL</b>		<b>20318</b>	<b>5487</b>	<b>1522</b>	<b>7109</b>	<b>833</b>	<b>2217</b>	<b>998</b>	<b>4046</b>

It is informed by the State Project Co-Ordinator (Andhra Pradesh), Monitoring Cell for RSETIs, that All Banks to issue specific instructions to their branches regarding on sponsoring of candidates to RSETIs and for extending of Bank Credit linkage to the trainees after completion of the training.

It is also requested that all controller Banks of RSETIs to initiate steps for providing necessary staff structure at the institute as suggested by MoRD. i.e., 2 in-house faculty, 2 Office assistants, 1 Attender and 1 Watchman for effective functioning.

**O. Action Plan for Financial Inclusion in LWE affected Districts – Progress -31.08.2012****STATUS ON ACTION POINTS – VIDEOO CONFERENCE ON LWE DISTRICTS ON 30.08.2012 BY  
THE SECRETARY, DFS, MOF, GOI WITH SLBC CONVENORS**

Sl.No.	Action Point	Progress/Status
1	<p><b>(a) Infrastructure:</b></p> <p><b>(i) Preparation of Service Area Plan:</b></p> <p>All SLBC conveners were requested to ensure that the Service Area Plan of all the districts in their respective State is prepared in accordance with the latest instructions issued by the Department and uploaded on the website of the District. Service Area Plan should also include village-wise name of BCAs, their contact telephone numbers &amp; mobile numbers so that they can be contacted at the time of need. SLBC conveners were advised to intimate DFS about problems being faced in uploading the Service Area Plan, if any.</p> <p>It was informed that Service Area Plans need modification to cover the habitations which have crossed population of 2000 as per census 2011 which was announced in the Budget Speech by the Govt. As the Census Data of 2011 is not yet finalized, it has already been decided that all villages having population of 1600 to 2000 as per census of 2001 be also covered for preparation of Service Area Plan and appointment of BCAs.</p>	<p>Service Area Plans were prepared by all districts and uploaded in their respective web sites except in Prakasam district.</p> <p>Prakasam district web site construction is under process. In the meanwhile, the Prakasam district Service Area Plan may be uploaded in the SLBC website.</p> <p>LDM was advised to take up the matter with NIC and Collector, Prakasam district.</p> <p>SLBC has communicated the Revised format of Service Area Plan received from MoF to all LDMs and advised them to upload the revised format at the earliest.</p> <p>All villages with population of 1600-2000 were allocated among banks in all the districts for implementation of Swabhiman.</p>
	<p><b>(ii) Appointment of BCAs:</b></p> <p>Each village of 2000 plus population should be covered by BCAs.</p>	

<p>It was reiterated that all villages having population of 1600 to 2000 as per census of 2001 be also covered by BCAs. The Banks should identify such villages, allocate them to banks, carve out their service area and identify space (preferably from Gram Panchayat) for establishment of the USBs.</p> <p>In case connectivity is a problem, the matter may be raised at the appropriate level so that VSAT connectivity can be used for providing banking services. State Govt. and SLBC convener Banks to take up the matter of problems of connectivity with BSNL. Unresolved issues may be referred to the Department for being taken up with the Ministry of Telecom, Government of India.</p> <p>One Bank officer should visit the villages on a predetermined day and time at-least once a week and the frequency of visit may be raised depending upon the business potential. It will help in the coverage of villages through Ultra Small Branches. It should be ensured that the same person visits regularly to build up the confidence of local people. Local taxi or other mode of transportation should be provided to the bank officials for visiting the villages and it should be ensured that presence of bank officials and BCAs is felt in the villages.</p> <p>Performance of BCAs to be evaluated in terms of growth in Current Accounts and Saving Accounts (CASA) deposits, additional growth in credit and recovery of loan at branch level whereas SLBCs would review the progress of BCs.</p> <p>It should be ensured that one bank account of each family is opened in the</p>	<p>Banks are implementing the guidelines. However, the villages are being visited without laptops. Banks are in advanced stage in providing/ procuring laptops.</p> <p>The Position is as follows:</p> <ol style="list-style-type: none"> <li>1. Andhra Bank has supplied Laptops to all the officers visiting the villages.</li> <li>2. State Bank of India HAS PROCURED Laptops and handed over to zones. 504 laptops were supplied to officers visiting the villages so far.</li> <li>3. State Bank of Hyderabad has ordered for Laptops and about to receive the Laptops. They are in the process of getting interface to the Laptops through BSNL and negotiations are going on. The process will be completed soon.</li> <li>4. Syndicate Bank is also in the process of procurement of Laptops very shortly.</li> <li>5. Indian Bank - It is informed that their head office has placed an order for Laptops and will be getting shortly.</li> </ol> <p>The contact details of BSNL offices given by the Ministry of Finance are circulated to all Banks. Banks are advised to refer the connectivity issues if any to SLBC to take up with BSNL authorities for resolution.</p> <p><b>No issues were reported so far.</b></p> <p>As per the recent MoF guidelines, all Banks are advised to instruct their branches to visit the designated office every day in villages with population of 5000 and above in under banked districts and with population of 10000 and above</p>
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	<p>villages covered by BCAs as per instructions issued by the Department.</p>	<p>in other districts. It is also advised that the working hours will be the same as base branch.</p> <p>All banks have to provide a safe and pass book printer also to meet the requirements.</p> <p>All banks have taken up campaign to open one Bank account for each household and the same has been reviewed in recent member Banks meeting of SLBC on 10.08.2012. ( Data is enclosed in page No.31-A)</p>
	<p><b>(iii) Branch Expansion Strategy :</b></p> <p>Guidelines for opening of branches have already been issued by the Department and this needs to be closely monitored for compliance by September, 2012.</p> <p>It was emphasized that all villages having population above 5000 should be covered by Brick &amp; Mortar Branches/Ultra Small Branches. In such cases one officer should be posted at Ultra Small Branch while cash transactions can be undertaken by BCA. The staff could increase with growth in business. It should also be ensured that all villages having population of 1600 to 2000 as per census of 2001 be covered by Ultra Small Branches as announced in the Budget Speech of 2012-13 by the Govt.</p> <p>It was clarified that viability of the branch is main criteria for branch expansion. At the initial stage, villages can be covered by Ultra Small Branches which can be converted into full-fledged branches when business volume increases and viability permits. An existing brick &amp; mortar branch can also be downscaled to</p>	<p>Out of 208 identified centres so far 123 branches were opened in respect of above 5000 population centres where there is no bank branch within a radius of 5 kms and 85 USB s are functioning.</p> <p>Out of 208 centres, 151 centres are in LWE districts. Brick and mortar branches are opened in 85 centres and in 66 centres USBs are functioning in LWE districts.</p>

	<p>Ultra Small Branch, if it is found unviable. Once this is done, instead of posting full time staff at these branches, a BCA along with a visit by an officer at least once a week can conduct the business.</p>	
	<p><b>(iv) Extension of Micro Insurance facilities through BCAs:</b></p> <p>For inclusive growth of the area, Life/Non-life insurance policies should be given to villagers. Govt. Insurance Companies should take initiative to cover the insurance of villagers, their crops, animals etc. actively. It has to be ensured that all BCAs are also appointed as Specified Persons of the Life &amp; Non-life Companies. BCs/BCAs can be trained by insurance companies to act as micro-insurance agents/ specified person for the purpose as stipulated in “Insurance Regulatory and Development Authority (Micro-Insurance) Regulations, 2005.” It was emphasized that the process of appointing BCAs as specified person and training of BCs be completed immediately.</p> <p>S(FS) desired that all BCAs procure at least 50 life/non-life policies in July 2012. It will help in convergence of micro-insurance with Financial Inclusion and improve the profitability/viability of BCAs.</p> <p>JS(P&amp;I), DFS explained the participants about the eligibility criteria for appointing BCAs as specified persons for life/non-life insurance companies and training of BCs for procuring insurance business.</p> <p>It was decided that nodal officer of each State should workout the action plan for life/non-life insurance coverage of their command areas.</p>	<p>LDMs are advised to identify an NGO/SHG/MFI/Sec.25 company for the purpose of appointing them as Micro Insurance Agent by Insurance Companies and in turn they will appoint the BCAs as specified persons for extending both life and non life insurance products.</p> <p>SLBC was advised to convene a meeting of LDMs immediately to finalise the identification process of NGO/Sec.25 Company/MFI/SHG federation.</p> <p>The process should be completed by 15<sup>th</sup> October, 2012.</p> <p>Insurance companies were advised to make arrangements for training of the BCAs simultaneously.</p> <p>All insurance companies were advised to appoint a district manager to monitor the BCAs in the respective districts.</p>

	<p><b>(v) Currency Chest and Clearing Houses:</b></p> <p>It was reported by the SLBC Conveners that all the LWE districts in these States have Currency Chest and Clearing Houses.</p>	<p>In all LWE districts Currency Chests are available and functioning.</p> <p>SLBC advised all LDMs to send the position of centres where 3 or more bank branches are available. SLBC has received the said information. From all LDMs and 295 centres were identified out of which 206 centres are in 16 LWE districts.</p> <p>All LDMs are advised to take necessary steps by placing the matter in DCC meetings and for opening of Clearing houses in all the centres.</p>
	<p><b>(vi) E-payment and Alternative Delivery Channels of Banking Services:</b></p> <p>It was emphasized by Secretary (FS) that e-payment model should be utilized optimally using Debit Card, KCC, PoS and ATMs to reduce the dependence on currency notes as making of provision of small denomination currency is costly affair in LWE districts because of logistic and security. It was also emphasized that each branch in LWE districts should have ATM and all customers should be given debit cards. It was also suggested that Fertilizer shops, Ration shops, Kirana shops, Petrol pumps etc. be encouraged to install PoS machines.</p> <p>Secretary (FS) emphasized that immediate action is required to select at least one district in each State for saturation with PoS machines and debit cards. As already agreed to, it was suggested to install 100 PoS per LWE district free of cost by banks which needs immediate action for compliance.</p>	<p>It is informed that under e_ payment and alternative delivery channels of banking services, to avoid dependency on small denomination currency notes, PoS machines are to be floated in each district.</p> <p>Banks are in process of Operationalising the new scheme during this kharif 2012. There is need to sensitise bankers by conducting workshops on the guidelines of the said two schemes. Banks should cover 100% KCC to all eligible farmers in the district during this season. Gollaprolu Mandal has been selected to cover 100% KCC finance to farmers by providing PoS to all identified fertilizer dealers/ pesticide dealers/farm equipment dealers/ and by establishing ATMs by banks etc.</p> <p>Banks need to incorporate the parameters of working out and operation of the KCC limits in their respective CBS software, so that the</p>

		<p>farmers will have access to draw the money through ATMs/Merchant Establishments, Point of Sale (PoS) etc. also. The new scheme circulated by NABARD provides for KCC to be used through ATM card/(PoS) terminals. All the banks were requested to circulate and follow the guidelines both in case of existing as well as new borrowers under the scheme.</p> <p><b>Under Aadhar based Financial Inclusion:</b></p> <p>Andhra bank has selected East Godavari district and State Bank of India has selected Vijayanagaram district on pilot basis and the SLBC advised other three lead banks also to select one district for implementation and inform to SLBC.</p> <p>In the selected districts PoS machines are to be supplied to all the merchant establishments and all the house hold will be provided with bank account with debit cards/smart cards.</p> <p>All LDMs are advised to provide 100 PoS machines in each LWE district free of cost to improve alternate delivery channels.</p> <p>District administration has selected 47 fair price shops in 20 villages of 14 mandals and started opening of new Bank accounts seeding of Aadhar numbers with existing bank accounts of the households.</p>
	<p><b>(vii) Manpower in Rural Branches and Backup Power for Branches:</b></p> <p>Adequate staff be posted in rural branches. NABARD should discuss with RRBs for staff strength problems so that recruitment of staff can be done as per</p>	<p>All banks have taken necessary steps to recruit/strengthen the staff in Rural branches to suit the needs of Financial Inclusion.</p>

	<p>requirement.</p> <p>Inadequate availability of power supply causes a problem in remote areas which can be mitigated by using solar power devices. Government of India provides subsidy for the projects which uses solar power, and the same can be made use of by the Banks.</p>	<p>Battery/UPS back ups are available for required time for uninterrupted power supplies. In the rural areas, power back up through Solar power, may also be explored for uninterrupted supply of power.</p>
2	<p><b>b) Credit Availability:</b></p> <p>NABARD and Banks should focus on credit growth in rural areas, particularly in LWE districts, by financing SHG and JLG. Help of NGO can be taken for SHG formations and no MFI is to be employed / financed for this purpose. Each family of the FI village should have linkage with bank through SHG. NABARD should be proactive in formation of SHGs.</p> <p>State level representatives of NABARD shared the progress in financing SHGs in their States. The objective should be to ensure that every woman in each village becomes a member of some SHG. It needs to be ensured that there is credit saturation in these villages.</p> <p>NABARD should formulate schemes of agriculture which are suitable for draught areas, help in providing quality seed supply and for natural resource management. Information should be shared among NABARD operating in different districts so that best practice can be identified and shared.</p> <p>Secretary (FS) desired NABARD should identify SHGs for credit dispensation and fix targets for its LDMs as well as CGMs in the States having LWE districts for financing SHGs. It must be ensured that</p>	<p>As per Gol directions SERP has been identified as Anchor NGO as SHPI for support of Women SHGS in Andhra Pradesh.</p> <p>MoU has been entered in all 16 LWE districts with the Anchor NGO and all LDMs are advised to take necessary steps for implementation of Action plan in this regard.</p> <p>NABARD has conducted a work shop on 07.08.2012, for promotion and support of Women SHGs. All LDMs of 16 Districts, Project Directors of all 16 Districts and other Lead Bank representatives along with Convenor, SLBC were invited for the work shop.</p> <p>All the participants were enlightened with the objectives of the support and promotion of Women SHGs.</p> <p>Further, on accepting the terms and conditions an upfront grant of 5% i.e. Rs. 72.45 lakh has been released by NABARD to SERP (The Anchor NGO).</p> <p>The target proposed by SERP is as</p>



	<p>activities of SHGs should have backward/forward linkage and should generate income for poor.</p>	<p>follows:</p> <table border="1" data-bbox="898 233 1432 432"> <thead> <tr> <th>Year</th> <th>No. of SHGS proposed</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>17,517</td> </tr> <tr> <td>2013-14</td> <td>13,365</td> </tr> <tr> <td>2014-15</td> <td>13,648</td> </tr> </tbody> </table> <p>It is also advised that Saturation should reach in the LWE districts at the earliest.</p> <p>NABARD has prepared Livelihood development plans for Khammam and Adilabad districts and the plan is to be prepared for the remaining 14 districts.</p> <p>All LDMs are advised to follow up with the DDMs of NABARD at district level in preparation of Livelihood Plans for the remaining districts also.</p>	Year	No. of SHGS proposed	2012-13	17,517	2013-14	13,365	2014-15	13,648
Year	No. of SHGS proposed									
2012-13	17,517									
2013-14	13,365									
2014-15	13,648									
3	<p><b>(c) Advocacy:</b></p> <p>There is urgent need to strengthen the FLCC so that communication with people can be done effectively in local dialect and in a cost effective manner. FLCCs need activation to explain the benefits of e-payment methods to the customers so that dependence on cheque payments and clearing of payment instruments can be reduced. It will also help in improving security of the accounts of customers. Benefit of schemes should be communicated in local dialect through loudspeaker/visual-audio, local radio/local cable channel, local fairs, at local haats, wall paintings, handbills, pamphlets and other Ad-campaign methods etc. Publicity material should be shared among SLBC conveners so that best practice can be shared in a cost effective manner. Measures taken by Banks in advocacy would be discussed and reviewed at next meeting.</p>	<p>In Andhra Pradesh FLCCs are functioning in all 23 districts.</p> <p>SLBC advised all Lead Banks to open FLCCs at the Divisional Level in all the Districts as a part extension of Financial Literacy.</p> <p>As per RBI recent guidelines all LDMs are advised to open FLCs in their respective LDM offices immediately and follow the action plan given by RBI and utilise the material prescribed by RBI in this regard.</p> <p>LDM office, Guntur, East Godavari and Srikakulam have opened FLC centre at their Lead District Office.</p> <p>It is also advised by the RBI to extend financial literacy at villages also by the rural branches extensively.</p>								

	Publicity of various products such as KCC, SHG bank linkage scheme, Micro insurance, e-payment etc. should also be undertaken through BCAs and at the Ultra Small Branches. This publicity is needed to create a demand.	Necessary instructions in this regard were issued to all Banks.
<b>4</b>	<p><b>(d) Livelihood Development</b></p> <p>NABARD should ensure integration of schemes for rural development so that the complete income cycle is taken care of. NABARD to take lead to establish dairies in LWE districts with all the facilities of animal husbandry. Support should be extended to Dwarka Dairy project in the LWE districts to improve the availability of dairy products.</p>	<p>NABARD has prepared livelihood development plans for two districts in Andhra Pradesh viz. Khammam and Adilabad.</p> <p>The progress of implementation is being monitored.</p> <p>SLBC has requested NABARD to prepare Development Plans for the remaining 14 districts under LWE category.</p>

**P. Opening of Branches in Unbanked Mandals – Opening of branches in Tribal areas and Shifting back of the branches.**

Reserve Bank of India has been time and again reiterating the guidelines with regard to opening of Bank Branches in unbanked mandals, closed/shifted in the past due to security reasons. SLBC has advised all Banks and LDMS to place the matter in the DCC meetings in the respective districts and take necessary steps for opening of such branches.

The matter was also discussed at length in the meeting held by Reserve Bank of India on 08.08.2012 and the Regional Director, RBI has emphasized the need for immediate opening of branches which were closed earlier.

As per the information available with SLBC the following 8 branches in 5 districts are to be opened immediately.

S.No	District	Unbanked Mandals
1.	East Godavari	a) Gangavaram b) Maredumilli c) Y.Ramavaram
2.	Guntur	Veldurthi
3.	Karimnagar	Mahamutharam
4.	Visakhapatnam	a)Gudem kotta veedhi b) Munchingput
5	Kadapa	Gopavaram

All Banks and LDMs are requested to ensure opening of Branches in the above centres. Steps are to be initiated at the DCC by LDMs for providing banking facilities in these villages on priority.

**Q. Establishment of clearing houses in the centres where three or more bank branches are Functioning**

MoF has given instructions to all SLBC convenors to identify the Centres where 3 or more branches are existing but no clearing house is functioning. SLBC has called for the information from all LDMs and in the State of Andhra Pradesh 295 such centers were identified. The information is given to the Ministry of Finance. SLBC received a communication from the Ministry of Finance to open Clearing Houses in all 295 identified centres. MoF has also directed Reserve bank of India to advise the Banks suitably in this regard.

As directed by MoF, SLBC has advised all LDMs to place the matter before DCC and take necessary steps to open clearing houses in their respective Districts. LDMs to keep inform the progress in this regard to SLBC. All Banks are requested to take necessary initiation in this direction and see that all clearing houses are opened immediately, as per guidelines.

**The District-wise list of such centres identified is as follows:**

Name of the State : Andhra Pradesh			
S.No	Name of District	Centres with Clearing House facility	Centres without Clearing House facility
1	SRIKAKULAM	3	11
2	VIZIANAGARAM	4	11
3	VISAKHAPATNAM	2	13
4	EAST GODAVARI	6	23
5	GUNTUR	8	12
6	PRAKASAM	3	23
7	ANANTAPUR	5	10
8	KURNOOL	4	12
9	MAHABUBNAGAR	1	15
10	MEDAK	3	15
11	NIZAMABAD	3	10
12	ADILABAD	3	4
13	KARIMNAGAR	3	11
14	WARANGAL	4	14
15	KHAMMAM	3	14
16	NALGONDA	5	8

	<b>Sub-Total</b>	<b>60</b>	<b>206</b>
17	NELLORE	3	17
18	KADAPA	2	17
19	CHITTOOR	5	19
20	KRISHNA	6	14
21	RANGA REDDY	3	2
22	WEST GODAVARI	7	20
	<b>TOTAL</b>	<b>86</b>	<b>295</b>

**All Banks and LDMs are advised to place the matter before the DCC and take initiative for establishment of clearing houses as directed by MoF.**

#### **R. Uploading of Modified Services area Plans on the district websites**

Service Area Plans were prepared by all districts and uploaded in their respective web sites except in Prakasam district.

Prakasam district web site construction is under process. LDM was advised to take up the matter with NIC and Collector, Prakasam district. SLBC has taken up the matter with NIC Hyderabad. In the meanwhile the service area plan of Prakasam district may be uploaded in SLBC website.

SLBC has communicated the Revised format of Service Area Plan received from MoF to all LDMs and advised them to upload the revised format at the earliest

#### **S. Establishment of Ultra Small Branches in LWE Districts under the guidelines for Integrated Action Plan (IAP) for selected Tribal and Backward Districts under the State Component of Backward Regions Grant Fund (BRGF)**

DFS, MoF, GoI has communicated the guidelines on establishment of USBs in LWE districts under the guidelines for Integrated Action Plan (IAP) for selected Tribal and Backward Districts under the State Component of Backward Regions Grant Fund (BRGF).

These USBs are also required to be established in Left Wing Extremism (LWE) affected areas.

The establishment of USB would comprise two cost components, namely Capital/ Fixed Costs of Rs. 1, 40,000/-.

In Andhra Pradesh 8 districts were identified under the scheme and SLBC has circulated the guidelines to all Banks and LDMs and advised them to take necessary steps in this regard.

**T. Insurance Initiatives- Appointing BCAs as Specified persons and Promoting Insurance Services**

During the recent meeting on Financial Inclusion with all Banks and Insurance Companies by the Secretary, DFS, MoF, Gol, held on 21.09.2012, it was advised that:

LDMs are advised to identify an NGO/SHG/MFI/Sec.25 company for the purpose of appointing them as Micro Insurance Agent by Insurance Companies and in turn they will appoint the BCAs as specified persons for extending both life and non life insurance products.

SLBC was advised to convene a meeting of LDMs immediately to finalise the identification process of NGO/Sec.25 Company/MFI/SHG federation.

The process should be completed by 15<sup>th</sup> October, 2012.

Insurance companies were advised to make arrangements for training of the BCAs simultaneously.

All insurance companies were advised to appoint a district manager to monitor the BCAs in the respective districts.

**11. Lead Bank Scheme****A. Implementation of High level Committee Recommendations- progress Report June, 2012**

**HIGH LEVEL COMMITTEE TO REVIEW LEAD BANK SCHEME  
ACTION POINTS FOR SLBC CONVENOR BANKS as on 30<sup>th</sup> June, 2012**

S.NO	Rec. No	RECOMMENDATIONS	PRESENT STATUS/ACTION POINTS
1	1	The Lead Bank Scheme (LBS) is useful and needs to continue. The State Level Bankers Committee (SLBC) and various fora under LBS should focus on addressing the 'enablers' and 'impeders' in advancing greater financial inclusion and flow of credit to priority sectors, while monitoring govt. Sponsored Schemes. (para 3.1, 3.8)	The State Level Bankers' Committee is setting a target for Priority Sector Advances under Annual Credit Plan by consolidating the District Credit Plans received from all districts in the State.  SLBC is monitoring the progress under all Government sponsored schemes and achievement of Annual Credit Plan quarterly and taking steps for 100% achievement of target of Priority Sector Advances. Required corrective steps are being initiated whenever required.
2	3	The over arching objective of Lead bank Scheme shall be to enable banks and State	In the State of Andhra Pradesh State Government and Banks are working

		Governments to work together for inclusive growth. )Para 3.4)	together and maintaining cordial relationship to achieve the inclusive growth.
3	4	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.(Para 3.7)	We have regularly followed up with all Banks and Lead District Managers to ensure that all the 6640 villages with population of over 2000 in the State of Andhra Pradesh are provided with banking services by the end of March, 2012 as a part of financial Inclusion. All 6640 villages are covered with Banking facilities.  As on 30-06-2012, FLCCs are working in all the districts in the state of Andhra Pradesh.
4	7	Banks need to take the maximum advantage to available IT solutions. The funding arrangements available under Financial Inclusion Technology Fund (with NABARD) or other options such as the support offered for distribution of Government payments by RBI may be explored for the purpose. However, connectivity should not be an issue of consideration for not pursuing Financial Inclusion by commercial banks/ RRBs. (Para 3.13)	Banks are taking maximum advantage from the IT Solutions. Banks have issued smart cards to the tune 136.42 lakhs for the payment of Social Security Pensions & NREGA Payments. Banks are implementing ICT Based BC Model for providing banking facilities in the villages of more than 2000 population as a part of Financial Inclusion.
5	9	Although permitted, Primary Agricultural Credit Societies (PACS) are not being used as BCs. Concerted efforts may be made for using PACS as BCs where such PACS are running well.(Para 3.16)	We have advised all banks to consider Primary Agricultural Credit Societies also which are running well as BCs.
6	11	State Government to ensure road/ digital connectivity to all centers where penetration by the formal banking system is required. The achievement of such connectivity may be monitored by a sub -committee of the DCC. Advantage may be taken of the special scheme offered by RBI of satellite connectivity through small V-SATs in remote areas. (Para 3.19)	We are pursuing with State Government to provide road/digital connectivity where penetration by the formal banking system is required.
7	12	State Governments to ensure conducive law and order situation, adequate security uninterrupted power, water supply and	We are pursuing with State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and

		irrigation facilities. (Para 3.20)	irrigation facilities wherever required.
8	18	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.Chakrabarthy, April 2008) , a scheme for utilizing specified NGOs for providing training and other services to tiny micro enterprises may be considered by the SLBC convener banks in consultation with State Governments as per the guidelines contained in RBI circular RPCD.SME&NFS.BC.No.102/06.04.01/2008-09 dated May 04,2009(Para 3.26)	In the State of Andhra Pradesh, RSETIs have been established in all districts. In all RSETIs training programmes are being conducted for unemployed youth for entrepreneurial development and for taking up small business activity & self employment. This will ensure credit plus services to the needy people. SLBC has advised all Banks to support the trained candidates with bank finance.  Industry Associations are being used in the entrepreneurship education programmes.
9	31	The educational loans granted by banks may be monitored and progress reviewed in the meetings of the SLBC by evolving a tracking mechanism with the help of State Governments, educational institutions and banks, so as to ensure proper recovery of such loans. (Para 3.44)	The portfolio of Educational loans granted by banks is being monitored by SLBC in every SLBC Meeting and the problems are being discussed.
10	32	The activities of NGOs in facilitating and channeling credit to the low income households are expected to increase in the coming years. Bank's linkage with such NGOs/Corporate houses operating in the area to ensure that the NGOs/Corporates provide the necessary 'credit plus' services can help leverage bank credit for inclusive growth. Success stories could be presented in DCC/SLBC meetings to serve as models that could be replicated. (para 3.45)	Andhra Pradesh is leading in SHG Bank linkage programme and many innovations have emanated from the State.  As per GoI guidelines an Anchor NGO has been identified to promote Women SHGs in LWE affected districts and all banks have entered into MoU with the identified NGO.  Action plans were drawn to identify and promote new Women SHG groups in the 16 LWE districts. NABARD has prepared Livelihood development plan for two districts Adilabad and Khammam and preparing for the remaining LWE districts also shortly.
11	33	SLBC/DCC to identify academicians and researchers engaged in research and	We are regularly inviting Project Directors of NIRD and officials of MSME

		development studies to be invited occasionally to the meetings of these bodies. (para 3.46)	Institute for SLBC Meetings and we note to involve other academicians and researchers.
12	37	In States where the Chief Minister or the Finance Minister takes active interest in the SLBC and present in the meetings, the SLBC has been more effective as a coordination forum.(Para 4.2)	In Andhra Pradesh every SLBC Meeting is being attended by Hon'ble Chief Minister along with concerned Hon'ble Ministers and reviewing the progress under all Government sponsored schemes & Priority Sector Advances.  The coordination is very effective in the State and is regarded as one of the model states.
13	39	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, grant of educational loans, improvement in land records/other evidence for land ownership/occupation, improving recovery systems, measures to deal with downturn, promoting banks/SHG linkage and addressing issues relating to provision of microfinance in the State. (Para 4.4)	In Andhra Pradesh, the system of conducting steering committee meetings is established and almost all the issues are sorted out in these meetings.  We have constituted Sub Committees for review of FIP Progress, SHG-Bank Linkage programme, Government of India Action Plan for improving Lending to Agriculture Sector, Financial Services State Plan, Government sponsored Housing Loans, Government sponsored schemes, Implementation of CGTMSE Scheme and Lending to Minority communities and SCs/STs.  The sub-committee meetings were conducted and action points emerged was circulated to all banks for effective implementation.
14	41	The various fora at lower levels should give adequate feedback to the SLBC on issues needed to be discussed on a wider platform. Important issues/decisions of the BLBC, DCC and DLRC should be placed before the next meeting of the SLBC, so that these receive adequate attention at the State Level. (Para 4.6)	The important issues/decisions of the JMLBC, DCC and DLRC are being placed before the SLBC.  DCCs are also encouraged to refer unresolved issues to SLBC.
15	42	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	Our office is sufficiently strengthened with all required infrastructure.



		functions. (Para 4.7)	
16	60	Every SLBC should have its own website where all instructions issued by Reserve Bank and other agencies as also in respect of Government Schemes for the benefit of common persons are made available. (Para 5.8&5.9)	Exclusive website of SLBC of Andhra Pradesh was put in place. The website can be viewed at <a href="http://www.slbcap.nic.in">www.slbcap.nic.in</a> The website can also be viewed from the website of Andhra Bank at <a href="http://www.andhrabank.in">www.andhrabank.in</a> by clicking icon – SLBC, Andhra Pradesh available on home page.
17	62	Each SLBC may have a dedicated Financial Literacy Division to propagate the various instructions. 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. (Para 5.11)	<p>SLBC has constituted a sub-committee of representatives of five Lead Banks for study of common approach to be adopted to provide financial counseling services through all financial Literacy &amp; Credit Counseling Centers &amp; State Level FLCC, proposed to be established. The common approach is envisaged to ensure that no duplication of efforts in preparation of material required and to design suitable programmes for financial literacy. However, later the banks have opined that individual approach is better by each Lead Bank in their Lead districts.</p> <p>At present 23 FLCCs are established and SLBC has advised all LDMs to open FLCCs at Divisional level in their respective district to extend further financial literacy.</p> <p>SLBC has also advised all LDMs to open FLCs at Lead district office in all districts as per RBI guidelines immediately.</p>

### **B. Reoriented Role of Lead District Managers: Strengthening of Office of LDMs – Infrastructure**

During the recent past many initiatives are being taken up by GoI and RBI and SLBC is regularly advising all banks and LDMs. The GoI and RBI are frequently reviewing the progress.

The subject has come for discussion in the recently held work shop of LDMs. As per the discussions SLBC has advised all LDMs to give the full particulars of infrastructure facilities to enable to take up with concerned authorities if there are any lacunae.

All the Lead Banks were advised to ensure proper infrastructure and staff support to LDMs to enable them to meet the reoriented role.

### **C. Video Conference facilities**

#### **Web-based Desktop Video Conferencing**

Department of Financial Services has arranged web-based Desktop Video Conferencing facility through the National Informatics Centre (NIC).

Ministry of Finance advised all LDMs` offices should have Video conference facilities to enable the DFS, MoF to hold meetings directly with the LDMs to review the progress on implementation of financial Inclusion plan.

Accordingly SLBC has advised all LDMs and Controllers of Lead banks to provide VC facility to their respective LDMs.

Convenor, SLBC has taken Video conference on 27.09.2012 with all LDMs, for which only eight LDMs could be present. All Lead Banks are advised to verify the VC facility to their respective LDMs and see that it is put in place immediately.

## **12. Social Welfare Schemes**

### **A. Lending to Minority Communities under Priority Sector Lending**

All banks were advised to ensure that lending to minority communities be given a thrust and banks should aim at achieving 15% of their Priority sector lending to minority communities.

At National Level banks have achieved 14.55% of Priority Sector to minority Communities by March, 2012. However in Andhra Pradesh the lending to minority communities amounting to Rs. 12,716.83 is 6.81 % of PSL as on 30.06.2012.

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

1. A subcommittee of SLBC was constituted which met on 09.05.2012 and gave specific recommendations to be implemented by Government and Banks.

Important among them are:

- LDMs to discuss the progress under Minority communities in all JMLBC meetings and DCC Meetings regularly.

- Special DCC Meetings are to be conducted by all LDMs and the representatives from the District Level Office of Minority Communities should attend for fruitful deliberations.
- LDMs should intimate the dates of DCCs to the MD, Minorities Corporation in advance to facilitate participation from state level and to ensure participation of District Officers.
- Special awareness camps are to be conducted for identification of candidates under Minority action plan and the Minorities Department to take initiation for conducting of such camps with the approval of District Collectors.
- It is advised that SME loans also to be promoted to Minority Communities which will enhance the finance to Minority Communities by concentrating in the area of minorities.
- Awareness programmes or camps are to be conducted like MSME clusters, where minority population is concentrated.
- Corporation to ensure that candidates are sponsored to all RSETIs to enable RSETIs to conduct exclusive Programme and further tie-up to Bank credit.
- It is informed by Minority Finance Corporation that except in Hyderabad and Nizamabad district, there is no problem in opening of scholarship accounts. Hence, the LDMs of Hyderabad and Nizamabad are advised to conduct local bankers` meet and if necessary take up reallocation of areas among banks.
- The Minority Corporation to ensure participation of their officials in all JMLBC and DCC meetings and issues are to be deliberated.
- The Minority Corporation to ensure that their officials coordinate with Bank for improving recovery.
- Minorities Corporation has to give the list to SLBC indicating the names of districts or mandals where minority population is concentrated.

2. The Social Welfare Department has conducted a series of meetings and in two meeting Chief Secretary, GoAP has also participated. A detailed review on all aspects of PM`s 15 – Point Programme has taken place.

3. All Government departments were advised to ensure that due share is allocated to Minority Communities in all Government sponsored Bank linkage programmes.

4. In the review meeting held with Secretary, Social Welfare Department, GoAP proposed to constitute a sub-Committee to suggest measures for improving high value lending and to promote entrepreneurship among Minority Youth.

All Banks are advised to:

- Ensure following guidelines of RBI as per master circular dated 01.07.2012.
- Ensure opening of branches in Minority Concentrated mandals (list enclosed)
- Ensure promotion of entrepreneurship among minority community youth.
- Ensure achieving saturation in SHG promotion in association with SERP and MEPMA.

- Conduct awareness camps in the mandals, where minority population is concentrated in coordination with Social Welfare Department of GoAP.

All LDMs are advised:

- To discuss the issue in all JMLBC and DCC Meetings and ensure participation of Minority Department officials in all these meetings.
- Identify minority community concentrated pockets and take steps for opening of branches in these areas.

### **B. Credit Flow to Weaker Section**

Weaker Section advances as on 30.06.2012 is **Rs.54, 654.54 crores**. As per RBI norms the Weaker Section advances are to be **10%** of ANBC. In our State it is more than the stipulation i.e., **13.86%**.

**(Bank wise statement is enclosed)**

### **C. Credit Flow to Women**

As on 30.06.2012 advances to Women are at **Rs. 42,660.94 crores**. As per RBI norms the advances to Women is to be 5% of Net Bank credit. In our State it is more than the stipulation i.e., **10.28%**.

**(Bank wise statement is enclosed)**

### **D. Credit Flow to Scheduled Castes / Scheduled Tribes**

Reserve Bank of India issued guidelines on providing Credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) vide Master Circular No. RBI 2010 -11/53 RPCD No. SP. BC. 03/09.09.01 / 2010-11 July 1, 2010.

As on 30.06.2012, the lending to SC/STs is **Rs.13, 461.63 crores**, comprising of **7.21 %** of priority sector advances and **3.24%** of total credit.

**(Bank wise statement is enclosed)**

In terms of 177 th SLBC proceedings, a Sub-Committee to review the progress on loans to Minority Communities and SCs/STs was constituted by SLBC and a meeting was held on 09.05.2012 to discuss the issues for low progress. On the points that emerged during the meeting, instructions were issued to all Banks and LDMs.

### E. Credit Flow under DRI

As on 30.06.2012 the credit outstanding under DRI is Rs.260.55 crores. (Target under DRI for 2012-13 is Rs.3943.98 crores (i.e., 1% of the total outstanding advances of previous year, total outstanding advances as on 31.03.2012 are Rs.3, 94,398 crores).

(Bank wise statement is enclosed)

### 13. Government Sponsored Schemes

#### PROGRESS UNDER GOVERNMENT SPONSORED SCHEMES

The Progress under implementation of Government Sponsored Schemes is not on the expected lines during the first quarter ended with June, 2012. Some of the departments have indicated latest position, which is also not satisfactory.

The low progress in implementation of sponsored schemes has come for discussion in the 178<sup>th</sup> meeting of SLBC and earlier meetings also. SLBC has constituted sub-committee to review the position and measures to be taken.

It was generally observed that –

1. The field level functionaries of Government Departments have to attend the DCC and JMLBC meetings and the progress is to be reviewed at regular intervals. It is informed that some departments are not regular in attending these meetings.
2. The Grama Sabhas were completed mostly during second quarter, and the subsidy amount is yet to be received by Banks.
3. The Government departments are not bringing to the notice of the SLBC, the specific issues, if any to be resolved with banks for improving the performance.
4. Some of the Government departments are not active in assisting banks in recovering chronic dues and this is also contributing to low performance.

SLBC has advised all Banks and Government departments to take corrective steps on the above for improved performance.

As per the information available with SLBC, Credit camps were conducted only recently in many of the districts and they are yet to be conducted in some of the districts.

It is observed that, the performance is low in the following schemes.

1. Fisheries
2. Sericulture
3. Housing Sector-ISHUP
4. Andhra Pradesh Backward Co-Op Finance Corporation
5. Animal Husbandry
6. Andhra Pradesh State Christian Finance Corporation
7. Andhra Pradesh Scheduled Tribes Co-Op Finance Corporation Ltd (TRICOR)(Not communicated the targets to SLBC )

### Subsidy Administration System

The Steering committee of SLBC has discussed the subject of creating uniform subsidy administration system on 07.09.2012 and as per resolution constituted subcommittee.

The Sub –Committee met on 11.09.2012 and has suggested to Finance (IF) Department and the same was adopted by GoAP with slight modification and GO MS.267 Dt.26.09.2012 and another GO MS No.276, Oct. 2012 with some clarifications, have been released.

GoAP is requested to expedite the subsidy release process to enable banks to ground the schemes.

### A. Central Government Sponsored Schemes

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

Achievement as on 30.06.2012

(Rs. In Lakhs)

Name of Organization	Target				No. of Projects	Achievement for the year 2011-12			
	Phy (No)	Fin. (MM)	Bank Credit	Emp		No .of Projects	Fin. (MM)	Bank Credit (Rs. Lakh)	Emp
KVIC, SO, Hyd	734	1688.06	5216.11	5872	22	20	54.31	167.82	175
KVIC DO Vizag	204	468.90	1448.90	1632	8	7	20.97	64.80	60
APKVIB	938	2156.96	6665.01	7504	478	0	0	0	0
DIC	1250	2875.96	11101.21	10000	397	225	925	3570.50	2978
<b>Total</b>	<b>3126</b>	<b>7189.88</b>	<b>24431.23</b>	<b>25008</b>	<b>905</b>	<b>252</b>	<b>1000.28</b>	<b>3803.12</b>	<b>3213</b>

**2. Interest Subsidy Scheme for Housing Urban Poor (I S H U P)**

The financial target for the year 2012-13 under the scheme was 40,000 units. There is no progress in implementation of the scheme during the first quarter. The Department concerned and all Banks are advised to take necessary steps for achieving the targets.

**3. Swarna Jayanthi Shahari Rozgar (SJSRY)**

Achievement as on 11.09.2012

(Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage	91330	1900.00	32707	829.03

**SGSY:** The scheme has been modified as National Rural Livelihood Mission (NRLM) by Government of India and the relative targets have not yet received from Gol so far during the current year.

**4. Differential Rate of Interest - DRI**

(Rs. In Crores)

Total Advances as on Year (31.03.2012)	Target (1% of total advances)	Achievement as on 30.06.2012
394398	3943.98	260.55

**B) Government of Andhra Pradesh****5. Andhra Pradesh Micro Irrigation Project (APMIP):**

Achievement as on 30.06.2012

(Rs. In Crores)

Target	Physical			Benef. Contribution / Credit requirement	Total Project Outlay
	Area (in Hect)	Total GOI	State Share		
	120000	295.00	278.46	121.97	695.43
Achvt.	8866	35.00	33.98	8.78	77.76

**6. Animal Husbandry****Pasu Kranthi Padhakam**

The physical and financial target for the year 2012-13 under the scheme is 7,321 units and Rs.28.79 Crores. There is no progress during the first quarter. The Department concerned and all Banks are advised to take necessary steps for achieving the targets.

**Rashtriya Krishi Vikas Yojana**

Achievements as of 30.06.2012

(Rs. In Crores)

Category	Annual Target	
	Phy (units)	Financial
A) Milch Animals	7084	141.68
B) Heifers	3062	8.64

There is no progress during the first quarter. The Department concerned and all Banks are advised to take necessary steps for achieving the targets.

**Jeeva Kranthi Pathakam:**

Achievement as on 30.06.2012

(Rs. In crores)

Sheep & Goat Units				Ram Lamb Units			
Target		Achievement		Target		Achievement	
436	1.20	NIL	NIL	426	0.60	NIL	NIL

Breeding Ram units	Target		Achievement	
		7999	1.20	NIL



**7. Fisheries****Achievement as on 30.06.2012**

(Rs. in Crores)

Bank Credit Component	Subsidy Component	Total	Subsidy Released	Achievement
72.03	69.05	141.08	6.20	NIL

The issue of low progress was discussed in the Steering committee meeting of SLBC held on 11.09.2012, wherein the Department of Fisheries has clarified that there is no issue with Bankers for poor performance.

**8. Sericulture****Achievement as on 30.06.2012**

(Rs. In crores)

Annual Targets		Targets approved by DCC		Applications sponsored	Sanctioned		Units Grounded	
No	Amount of Loan	No	Amount of Loan	No	No	Amount of Loan	No	Amount of Loan
4780	32.26	4462	29.42	155	98	0.96	80	0.74

The issue of low progress was discussed in the Steering committee meeting of SLBC held on 11.09.2012, wherein the Department of Sericulture has clarified that there is no issue with Banks for poor performance.

**9. Handlooms & Textiles****Achievements as on 30.06.2012**

(Rs. in Crores)

Scheme	Target	Finance (Crores)	Appl. sponsored	Sanctioned	Financed so far (crores)	%of Target
<b>Artisan Credit Cards</b>	2610	21.80	274	NIL	NIL	NIL

Scheme	Target	Finance (Crores)	No of Groups formed	No of weavers covered by Banks	Amount released by the Banks (Crores)	%of Target
<b>Handloom Weavers group</b>	955	36.15	94	340	0.02	9.84%

**10. A.P. Backward Classes Co-op. Finance Corporation****Margin Money (Subsidy) Scheme for 2012-13****Achievement as on 31.07.2012**

(Rs. In crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
33333	80.00	203	203	61	0.11	NIL	NIL	NIL

**Rajiv Abhyudaya Yojana Scheme**

Achievement as on 31.07.2012

(Rs. In Crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
6668	16.00	122	131	56	0.36	NIL	NIL	NIL

**Andhra Pradesh Krishna Balija , Poosala Cooperative societies Federation Ltd.**

Achievement as on 31.07.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
680	4.08	NIL	NIL	NIL	NIL

**Andhra Pradesh Nayee Brahmins Cooperative Societies Federation Ltd**Achievement as on **30.06.2012**

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
4000	24.00	NIL	NIL	NIL	NIL

**Andhra Pradesh Washermen Cooperative Societies federation Ltd**Achievement as on **30.06.2012**

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
4300	25.80	NIL	NIL	NIL	NIL

**Andhra Pradesh Uppara Cooperative Societies Federation Ltd.**Achievement as on **30.06.2012**

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
700	4.20	NIL	NIL	NIL	NIL

**Andhra Pradesh Vaddera Cooperative Societies Federation Ltd.**Achievement as on **30.06.2012**

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded			
No	Amount	No	Amount	No	% of target	Amount	% of target
680	4.08	NIL	NIL	NIL	NIL	NIL	NIL

**Andhra Pradesh Valmiki /Boya Cooperative Societies Federation Ltd.**

Achievement as on 30.06.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
700	4.20	NIL	NIL	NIL	NIL

**Andhra Pradesh Bhatraj Cooperative Societies Federation Ltd**

Achievement as on 30.06.2012

(Rs. in Crores)

Annual Target		Appl. Sanctioned		Applications Grounded	
No	Amount	No	Amount	No	Amount
680	4.08	NIL	NIL	NIL	NIL

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

Achievement as on 30.09.2012

(Rs. in Crores)

Annual Targets		Sponsored Applications	Sanctioned up to July , 2012		Grounded		%of target
Phy.Nos	Amount		Phy.Nos	Amount	Phy.Nos	Amount	
45816	245.78	25889	11623	46.80	1612	6.25	3%

**12. Andhra Pradesh State Christian Finance Corporation**

Achievement as on 30.06.2012

(Rs. In Crores)

Annual Targets		Sanctioned		Subsidy/MM Released		Subsidy/MM Utilized	
Phy. No	Amount	Phy. No	Amt	Phy. No	Amt	Phy No	Amt
1700	10.30	NIL	NIL	NIL	NIL	NIL	NIL

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

TRICOR has not reported the Target for the Year 2012-13

**14. A.P.State Minorities Finance Corporation Ltd.**

Achievement as on 31.07.2012

(Rs. in Crores)

Annual Target		Appl. Sponsored	Appl. Sanctioned		Applications Grounded			
No	Amount		No	Amount	No	% of target	Amount	% of target
8500	21.25	1938	1025	2.19	331	4	0.78	4

**15. Andhra Pradesh Youth Services - A.P.S.T.E.P**

Achievement as on 05.10.2012

(Rs. in Crores)

Annual Target		Applications sponsored	Admn. Sanctions		Units grounded	
Phy	Amount		Phy	Amount	Phy	Amount
9000	90.00	4573	1207	11.63	1	0.01

**16. Society for Elimination of Rural Poor (SERP)**

Achievement as on 11.09.2012

(Rs. In crores)

Particulars	Target		Achievement	
	Accounts	Amount	Accounts	Amount
SHG Bank linkage	360977	9127.37	108683	2675.94

**17. Mission for Elimination of Poverty in Municipal Areas (MEPMA)**

Projections &amp; Achievement for 2011-12 as on 11.09.2012

(Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage	91330	1900.00	32707	829.03
2	SHG Disability Programme	2532	48.00	1622	0.39
3	USEP Programme under SJSRY	10000	100.00	7395	64.13
4	UWSP Programme under SJSRY	2500		99	4.95
	<b>TOTAL</b>	<b>106362</b>	<b>2048.00</b>	<b>41823</b>	<b>898.53</b>

**14. Overdue/NPA Position****Overdue/NPA position as on 30.06.2012 under various sectors****(Rs. in Crores)**

Sector	Outstanding		Overdues			Non – Performing Assets	
	No. of a/cs	Amount	No. of overdue accounts	Total balance in overdue accounts	Actual overdue amount	No. of accounts	Amount
Short Term Crop Production Advances	9658377	53556.77	1594775	10600.80	7892.02	346995	2231.80
Agrl.Term Loans Including Agrl. Allied Activities Advances	3142641	47214.90	590730	9655.79	3167.80	235218	2801.41
Total Agriculture Advances	12788698	98843.08	2183562	20217.52	11016.55	582067	5021.34
Non Farm Sector Advances	932580	29759.34	235661	6846.17	3876.62	157212	2620.67
Other Priority Sector Advances	1681656	42531.13	346607	8585.04	2683.41	145009	2584.01
Total Priority Sector Advances	15172152	169291.96	2756138	34392.62	16779.65	888375	10212.81
Educational Loans Advances	242258	5348.25	53441	893.09	252.26	20911	349.13
Housing Loans Advances	552950	26206.94	130578	4641.16	850.34	56085	1127.72
Self Help Groups Advances	1314482	16734.84	170131	3577.08	2174.46	83365	812.69

**\*overdue data is received from major Banks only****Short Term Agriculture Crop Production Loans:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.10600.80 crores** which is 19.79% and NPA is **4.17%** to total outstandings and NPA in real terms it is **Rs.2231.80 crores**.

**Agriculture Term Loans Including Allied Activities:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.9655.79 crores** which is 20.45% and NPA is **5.93%** to total outstandings and NPA in real terms it is **Rs.2801.41 crores**.

**Total Agriculture:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.20217.52 crores** which is 20.45% and NPA is **5.08%** to total outstandings and in real terms it is **Rs.5021.34 crores**.

**SME Sector:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.6846.17 crores** which is 23.01% and NPA is **8.81%** to total outstandings and in real terms it is **Rs.2620.67 crores**.

**Other Priority Sector Advances:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.8585.04 crores** which is 20.19%. and NPA is **6.08%** to total outstandings and in real terms it is **Rs.2584.01 crores**.

**Total Priority Sector Advances:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.34392.62 crores** which is 20.32% and NPA is 6.03% to total outstandings and in real terms it is **Rs.10212.81 crores**.

**Educational Loans:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.893.09 crores** which is 16.70% and NPA is **6.53%** to total outstandings and in real terms it is **Rs.349.13 crores**.

**Housing Loans:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.4641.16 crores** which is 17.71% and NPA is **4.30%** to total outstandings and in real terms it is **Rs.1127.72 crores**.

**Self Help Groups:**

The total outstanding balance in overdue accounts (PNPA) is **Rs.3577.08 crores** which is 21.38 % and NPA is **4.86%** to total outstandings and in real times it is **Rs.812.69 crores**.

**Since all Banks have not submitted data, the above is indicative only.**

**Action Points:**

- All the banks are requested to submit the data on quarterly basis in the prescribed format regularly.
- Government is requested to extend required cooperation / support to banks for improving the recovery position



**15. Regional Rural Banks**

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

**Performance of Regional Rural Banks on important parameters****Deposits:****Rs. In crores**

S.No	Name of the RRB	31.03.2011	31.03.2012	30.06.2011	30.06.2012
1	APGVB	4794.72	5152.71	4395.97	4995.71
2	APGB	4079.05	4512.73	3893.56	4408.48
3	CGGB	759.16	949.41	748.38	866.42
4	DGB	2600.94	2920.64	2505.95	2866.31
5	Sapthagiri Grameena	1553.62	1852.29	1598.08	1828.27
	<b>Total</b>	<b>13787.49</b>	<b>15387.78</b>	<b>13141.94</b>	<b>14965.19</b>

**Advances:****Rs. In crores**

S.No	Name of the RRB	31.03.2011	31.03.2012	30.06.2011	30.06.2012
1	APGVB	4894.43	5532.73	4847.03	5652.77
2	APGB	4291.01	5490.25	4388.46	5560.85
3	CGGB	847.42	1148.74	838.25	1246.48
4	DGB	1966.16	2362.32	1959.67	2418.99
5	S G B	1754.75	2213.56	1874.10	2349.97
	<b>Total</b>	<b>13753.77</b>	<b>16747.60</b>	<b>13907.51</b>	<b>17229.06</b>

**CD Ratio:**

S.No	Name of the RRB	31.03.2011	31.03.2012	31.03.2010	30.06.2011	30.06.2012
1	APGVB	102.08	107.38	101.59	110.26	113.15
2	APGB	105.20	121.66	101.31	112.71	126.14
3	CGGB	111.63	121.00	104.17	112.01	143.87
4	DGB	75.59	80.88	71.17	78.20	84.39
5	S G B	112.95	119.50	111.31	117.27	128.54
	<b>Total</b>	<b>99.76</b>	<b>108.84</b>	<b>96.71</b>	<b>105.83</b>	<b>115.13</b>

**Bank Net Work:**

S.No	Name of the RRB	No. of Branches as on 30.06.2012
1	APGVB	574
2	APGB	425
3	CGGB	117
4	DGB	244
5	S G B	151
	<b>Total</b>	<b>1511</b>

**Total Agricultural Advances:****Rs.in crores**

S.No	Name of the RRB	Crop Loans		Agrl. Term Loans	
		30.06.2011	30.06.2012	30.06.2011	30.06.2012
1	APGVB	1608.25	1976.88	1153.54	1240.41
2	APGB	2190.51	2758.24	1231.54	1419.13
3	CGGB	444.75	785.69	198.37	255.50
4	DGB	608.75	816.25	623.96	745.84
5	S G B	800.44	1106.90	497.64	515.13
	<b>Total</b>	<b>5652.70</b>	<b>7443.96</b>	<b>3705.05</b>	<b>4176.01</b>

**Total Advances:****Rs. In crores**

S.No	Name of the RRB	Outstanding		Total Agriculture	
		30.06.2011	30.06.2012	30.06.2011	30.06.2012
1	APGVB	4847.03	5652.77	2761.79	3217.29
2	APGB	4388.46	5560.85	3422.05	4177.37
3	CGGB	838.25	1246.48	643.12	1041.19
4	DGB	1959.67	2418.99	1232.71	1562.09
5	S G B	1874.10	2349.97	1298.08	1622.03
	<b>Total</b>	<b>13907.51</b>	<b>17229.06</b>	<b>9357.75</b>	<b>11619.97</b>

- **Deposits:** Between **30.06.2011** and **30.06.2012** the deposits increased from **Rs.13, 141.94 Crores** to **Rs.14, 965.19 Crores** registering a growth of **Rs.1, 823.25 crores** which is **13.87 %**.
- **Advances:** Between **30.06.2011** and **30.06.2012** the advances increased from **Rs.13, 907.51 Crores** increased to **Rs.17, 229.06 crores** registering a growth of **Rs.3, 321.55 crores** which is **23.88%**.
- **CD Ratio:** Between **30.06.2011** and **30.06.2012** the CD ratio increased from **105.83 %** to **115.13%**.
- **Crop Loans:** Between **30.06.2011** and **30.06.2012** the Crop Loans increased from **Rs.5,652.70 crores** to **Rs 7,443.96 crores** registering a growth of **Rs.1,791.26 crores** which is **31.69%**.
- **Agriculture Term Loans:** Between **30.06.2011** and **30.06.2012** Agricultural Term Loans increased from **Rs. 3,705.05 crores** to **Rs 4,176.01 crores**, registering a growth of **Rs 470.96 crores** which is **12.71%**.
- **Total Agri Advances:** Between **30.06.2011** and **30.06.2012** the total agricultural advances increased from **Rs.9,357.75 crores** to **Rs.11,619.97 crores**, registering a growth of **Rs.2,262.22 crores** which is **24.17%**.

- **The percentage of Agricultural advances** to total advances as on **30.06.2011** was **67.29%** and increased to **67.44%** as on **30.06.2012**.

## **16. Flow of Information**

### **A. Flow of Information – Discussions in the recently held LDMs meeting in RBI.**

All Banks and LDMs are advised to submit the quarterly information to be submitted to SLBC immediately after completion of the respective quarter to enable the SLBC to consolidate the position and to convene the SLBC meetings as per schedule.

The delay in submission leads to delay in conducting of SLBC meetings and hence adhere to the time schedule and submit the data on time to run the SLBC schedule smoothly.

### **B. Formats to be submitted quarterly by Banks and LDMs**

SLBC has advised all Banks and LDMs to suggest any modifications required with regard to the information to be given in the formats to be submitted by the Banks and LDMs quarterly to the SLBC. Since no modifications received from anybody we enclose the relative formats to be submitted by banks and LDMs to this agenda for information and submission.

### **C. Communications/Decisions taken at SLBC level**

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

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

All LDMs are also advised to circulate the guidelines given to them by SLBC, to the branches in their district to enable them to implement the same.

**17. Important Communications received after 26.06.2012****A. Reserve Bank of India****1. RBI/2012-13/164, DBOD.No.LEeg.BC.35/09.07.005/2012-13, dated August 10, 2012.**

Reg: Financial Inclusion – Access to Banking Services- basic Savings Bank account

**2. RBI. RPCD (H) LBS No.452/02.03.031/2012-13, dated August 14, 2012.**

Reg: Loan Eligibility Card Scheme for Tenant Farmers for availing Institutional credit

**3. RBI/2012-13/228, RPCD.No.FSD.BC.31/05.04.02/2012-13, dated September 28, 2012.**

Reg: Union Budget 2012-13 – Interest subvention scheme – 2 percent interest subvention and 3 percent additional subvention for short term crop loans in 2012-13

**18. A. Meetings held after 178<sup>th</sup> SLBC Meeting (Dt.26.06.2012)**

Sl.No.	Name of the Meeting	Date of Meeting held
1	Small Group Meeting	03/07/2012
2	Meeting of FIP Implementing Banks with Life and Non-life Insurance companies	07/07/2012
3	Sub-Committee Meeting on AADHAAR (AEPS)	11/07/2012
4	Sub-Committee Meeting on Housing	17/07/2012
5	4 <sup>th</sup> Steering Committee Meeting of SLBC	19/07/2012
6	Meeting of LWE district LDMs	07/08/2012
7	Meeting of Member Banks of SLBC of AP	10/08/2012
8	Meeting of Life and Non-Life Insurance Companies	24/08/2012
9	Meeting with General managers of Five Lead Banks	06/09/2012
10	5 <sup>th</sup> Steering Committee Meeting of SLBC of AP	07/09/2012
11	Sub-Committee Meeting on Subsidy Administration System	11/09/2012
12	Sub-Committee Meeting on AEPS	11/09/2012
13	Meeting on Financial Inclusion with Sri D.K. Mittal, Secretary, Department of Financial Services, MoF, GoI	21/09/2012

**B. Minutes of the meeting on Financial Inclusion with Sri D.K. Mittal, Secretary, DFS, MoF, Gol held on 21.09.2012.**

A review meeting on Financial Inclusion was held at 2.00 PM on 21.09.2012 at Hotel Taj Krishna, Hyderabad, by Sri D.K. Mittal, Secretary, Department of Financial Services, Gol. Sri B.A. Prabhakar, CMD, Andhra Bank and President of SLBC of AP, Sri Umesh Kumar, Joint Secretary, DFS, Gol, Sri Aravind Kumar, Joint Secretary, DFS, Gol, Sri. M. Bhagavantha Rao, MD, State Bank of Hyderabad, Sri K.K. Misra, ED, Andhra Bank, Sri B. Narendranatha Reddy, General Manager, Andhra Bank and Convenor, SLBC of AP, Sri K.R. Nair, CGM, NABARD, Sri S. Mallikarjun, General Manager, SIDBI, General Managers of Banks, Regional Heads of Banks, and Representatives from Insurance Companies, RRBs, LDMs and others were present.

**FINANCIAL INCLUSION**

S.No	Agenda item	Discussion/Decision
I)	Progress in extension of banking facilities as per Financial Inclusion Plan (Extension of Swabhimaan Campaign) – 1000 to 2000 population in NE & Hilly States and 1600-2000 population in other States.	<p>The process of extending Financial Services through the existing BCAs should not be stopped and they co-exist with new BCAs to be appointed under New RFP process.</p> <p>The new BC appointed (FINO Fintech Foundation) should technologically integrate with the existing technologies of Banks.</p> <p>BCAs appointment and training should go simultaneously. SHGs and Common Service centres (CSCs) may be considered for appointing as BCAs.</p> <p>All 2125 villages in population 1600-2000 should be provided with Banking services by 31.03.2013.</p> <p>Performance of BCA s with regard to opening of new accounts, CASA deposit mobilisation and recovery to be monitored by Banks.</p> <p>Concerned Branch Managers should review the performance of BCAs regularly. This will ensure improved performance by BCAs and make the USBs viable.</p> <p>USBs to be treated as extended arms of Branches.</p> <p>Robust Technology platform to be established by the banks &amp; the service provider and integrated by</p>

		<p>15.10.2012.</p> <p>Adjoining uncovered villages also should be covered under FIP along with above 2000 and villages 1600-2000 population</p> <p><b>(Action: FINO Fintech Foundation, SBH, Andhra Bank and all FI implementing Banks )</b></p>
ii)	<p>Progress in opening of branches in under-banked and other districts as per strategy and guidelines on Financial Inclusion issued by the Department.</p>	<p>In Andhra Pradesh, a total of 208 villages with above 5000 population are identified under strategy and guidelines of financial inclusion. Out of above in 123 centres Brick and mortar branches are opened in the remaining 85 centres USBs are functioning.</p> <p>Out of 208 villages, 121 villages fall under under banked districts. Branches are already opened in 68 centres and in the remaining centres USBs are functioning.</p> <p>In under banked districts in respect of villages with above 5000 population, USBs should work on full time basis as per direction of Gol.</p> <p><b>(Action: All Banks)</b></p>
iii)	<p>Progress in establishment of Ultra Small Branches in all FI villages (visits, identification of space for Ultra Small Branches, provision of Laptop, connectivity, etc.)</p>	<p>USBs can be opened on part time and full time basis as per guidelines of Gol.</p> <p>The process of Operationalisation of Laptops should be completed by 15.10.2012. Any connectivity issues to be resolved by contacting Telecom department. If they are not resolved inform to SLBC.</p> <p>Efforts to be made for function of USBs in Gram Panchayat/any other public place in coordination with district administration. Problems to be brought to the notice of SLBC. Officers visiting USBs should be provided conveyance facility as instructed.</p> <p>In respect of under banked districts the USBs should function on full time basis and these full time USBs will be considered as Rural branches as</p>

		<p>per RBI guidelines.</p> <p>Banks can open full time USB instead of opening a Brick and Mortar branch keeping in view the viability.</p> <p>Sustainability and profitability should be the watch word for opening brick and mortar branches <b>(Action: All Banks )</b></p>
<b>iv)</b>	Preparing plan for BCs separately in hill and tribal areas by identifying points on routes serviced by public transport where pathways of two or more villages converge and to identify a local shopkeeper to act as a BCA.	<p>Banks to take steps for improving banking services in all Tribal and hilly areas.</p> <p><b>(Action: All Banks and LDMs)</b></p>
<b>v)</b>	Engagement of BC/BCA under Common RFP floated for BC services.	<p>All Banks should sign RFP and the process should be completed immediately.</p> <p>The activity in pilot districts to be taken up by service provider latest by 15.10.2012.</p> <p><b>(Action: All FI Implementing Banks)</b></p>
<b>vi)</b>	Campaign to ensure that each family has atleast one account in the rural areas.	<p>LDMs to provide voters list to all Bank Branches to enable them to map the existing accounts and open accounts wherever required.</p> <p>In urban and semi-urban areas, wards Allocation should be completed among banks and localities may be allocated among the Banks present in the area and the responsibility and business to be shared.</p> <p>Wherever necessary specific areas within a ward may be allotted to a bank.</p> <p>The opening of accounts should be completed before 15<sup>th</sup> October in Rural Areas and 31<sup>st</sup> October, 2012 in Urban areas.</p> <p><b>(Action: All Banks and LDMs)</b></p>

Vii)	Progress in urban financial inclusion by way of opening accounts of migrant labourers and facilitate remittance.	Banks to take steps for opening of accounts for migrant labors as advised by GoI.  Guidelines for establishment of Call centre will be issued by Government of India shortly.  <b>(Action: Banks)</b>
viii)	Convergence of insurance facilities with the FI initiatives.	LDMS are advised to identify an NGO/SHG/MFI/Sec.25 company for the purpose of appointing them as Micro Insurance Agent by Insurance Companies and in turn they will appoint the BCAs as specified persons for extending both life and non life insurance products.  SLBC was advised to convene a meeting of LDMS immediately to finalise the identification process of NGO/Sec.25 Company/MFI/SHG federation.  The process should be completed by 15 <sup>th</sup> October, 2012.  Insurance companies were advised to make arrangements for training of the BCAs simultaneously.  All insurance companies were advised to appoint a district manager to monitor the BCAs in the respective districts.  <b>(Action: All LDMS, SLBC and all Public Sector Insurance Companies)</b>
ix)	Creation/release of Online charge by banks on land holdings.	It was advised that SLBC may contact NIC for implementing online creation of charge as being followed in Karnataka before going for a study visit to Bangalore. The NIC officials at Hyderabad may take up with their Authorities at Delhi.  The project can be started in atleast one district on pilot basis immediately.  <b>(Action: SLBC )</b>
x)	Progress in establishment of Currency Chest and Clearing Houses.	It is advised that a formal clearing house structure should be put in place by October, 2012 in all the identified centres.



		<p>Clearing House responsibility may be shouldered by all major banks.</p> <p>Banks may take up Rationalization of currency chests presently working in cities and bigger towns.</p> <p style="text-align: right;"><b>(Action: All LDMs and Banks)</b></p>
<b>xi)</b>	GIS data entry – monthly updating.	<p>In the discussion Joint Secretary informed that the GIS data uploaded by the LDMs needs reconciliation and it should be updated immediately. The updation should be on ongoing basis.</p> <p style="text-align: right;"><b>(Action: All LDMs)</b></p>
<b>xii)</b>	Uploading of Service Area Plans on district web-sites in terms of instructions issued vide DFS letter No.11/4/2011-FI dated 25 <sup>th</sup> June, 2012.	<p>The construction of website of Prakasam District may be taken up with Senior Technical Director, NIC by SLBC.</p> <p>Till such time the data pertaining to Prakasam district may be uploaded on SLBC site.</p> <p>Revised service area plans are to be uploaded by all LDMs immediately.</p> <p style="text-align: right;"><b>(Action: SLBC)</b></p>
<b>xiii)</b>	Progress in Women SHG bank linkage programme.	<p>NABARD should complete the process of preparation of Livelihood plans for all other districts and identify the activities suitable for the area for promotion of women SHGs.</p> <p>For Dairy activity all care should be taken for Backward and forward linkages. It should be ensured that saturation is achieved in WSHG promotion and bank linkage.</p> <p style="text-align: right;"><b>(Action: NABARD , SERP and Banks)</b></p>
<b>xiv)</b>	Establishment of FLCs as per recent guidelines of RBI.	<p>LDMs should conduct a meeting of Bankers once in a month and sensitize the e_ Payments in a campaign mode.</p> <p style="text-align: right;"><b>(Action: All LDMs)</b></p>
<b>xv)</b>	Establishment of Desktop Video Conference (VC) facility in LDM offices.	<p>All LDMs should have the VC facility &amp; if any LDM is not having such facility so far, may be provided immediately.</p> <p style="text-align: right;"><b>(Action: All Banks and LDMs)</b></p>

**B. CD RATIO**

S.No	Particulars	
i)	Progress in issuance of KCC and GCC to all eligible persons.	<p>All non-loanee farmers are to be covered by RABI 2012-13.</p> <p>ATM cards/Debit cards to be issued to all farmers having KCC/Short term crop production facility.</p> <p><b>(Action: All banks)</b></p>
ii)	Housing loan, Agriculture Loan and Education/Skill loan	<p>With regard to Educational Loans there must a grievance Redressal mechanism.</p> <p>Banks should not reject the Educational loan applications of the candidates under Management Quota and policy may be framed to have quality lending.</p> <p>There must be a check on rejection of proposals under Educational Loans and it should be done by authority one level higher than the sanctioning authority.</p> <p>It is also suggested that online application process may be encouraged by all Banks to have more transparency.</p> <p><b>(Action: All Banks)</b></p>
iii)	SME clusters	<p>All Banks are advised to open dedicated branches in MSME clusters.</p> <p>Specialised Branches may also be opened to cater to the needs of MSME clientele.</p> <p><b>(Action: All Banks and SIDBI)</b></p>
iv)	Monitoring of Large Projects (with Investment of more than Rs.1000 crore)	<p>It is suggested that it should be an item of Agenda in all SLBC meetings.</p> <p>With respect to issues relating to AP Rajiv Swagruha Corporation Ltd., SBH to discuss with all banks and come out with a solution within 15 days.</p> <p><b>(Action: SBH and SLBC)</b></p>

## C. E\_ PAYMENTS

S.No	Particulars	
i)	Progress in Electronic Benefit Transfer	It is suggested that RBI Model only to be put in place with regard to convergence of EBT with FI and the issue to be resolved with GoAP. <b>(Action: SLBC)</b>
ii)	E-payment	
	A) Installation of ATMs as per recently finalized RFP	ATMs roll out to be given importance. Hyderabad is identified as pilot district for implementation.  Technological issues are to be resolved on a pilot basis before installation of ATMs in large scale and the process should complete immediately.  All branches including rural/semi-urban/urban should have on-site ATM invariably. (If for any reason, on-site ATM is not possible, then only that branch should be exempted and they may open offsite ATM.)  Branch without ATM may not be encouraged. RRBs should also establish ATMs at all their branches. <b>(Action: All Banks and Bank of India)</b>
	B) issuance of Debit Cards (including by RRBs)	All Banks and RRBs should issue Debit cards to all the customers. This should be done in a campaign mode. <b>(Action: All Banks)</b>
	C) Installation of PoS devices at Merchant Establishments	PoS machines to be given to all Merchant establishments and Debit cards/smart cards are to be issued to all customers.  Process should commence immediately in the districts identified for transfer of Kerosene subsidy and fertilizer subsidy. <b>(Action: all Banks)</b>
	D) Publicity Campaigns to promote ADC.	Banks to promote campaign publicity for alternate delivery channels including in Rural Areas.  Banks should educate the customers about features and benefit of electronic payment system <b>(Action: all Banks)</b>

iii)	Sub-membership of NEFT to Cooperative Banks/Local Area Banks	<p>It is advised that Banks should have a policy for enrolling cooperative Banks for NEFT.</p> <p>Each bank should adopt a policy to give sub membership to eligible cooperative Banks/LABs.</p> <p style="text-align: right;"><b>(Action: SLBC ,RRBs and all PSBs)</b></p>
iv)	Remittances	<p>The NEFT/RTGS transactions are to be promoted instead of cheque payments.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>
v)	Linking up of treasuries	<p>SLBC is advised to take up interface of Treasuries with Banks with State Government for implementation.</p> <p style="text-align: right;"><b>(Action: SLBC)</b></p>
vi)	E-payment drive by each branch - Efforts to reduce cheque transactions	<p>Each Branch Manager is to be sensitized to reduce the cheque transactions.</p> <p>LDM to identify Top 20 branches with respect to no. of cheque transactions and advise the respective Banks/branches to educate the customers for switching to electronic payments.</p> <p>Convince the large business group using Cheques to go for e_ payments mode.</p> <p>No Branch should pay any amounts by way of cheques/DD for payments to be made by them to the vendors from 1<sup>st</sup> October, 2012.</p> <p>In respect of Government Sponsored schemes also, this should be 100%.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>
vii)	Implementation of online Loan filing and tracking Application	<p>e_ tracking of applications to be introduced for loan applications by all Banks.</p> <p style="text-align: right;"><b>(Action: All Banks)</b></p>