

**180th Meeting of
STATE LEVEL BANKERS` COMMITTEE OF
ANDHRA PRADESH**

Agenda & Background Notes

**Date: 02.02.2013 - Time: 11.30 AM
Venue: Jubilee Hall, Public Gardens, Hyderabad**

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

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01. Adoption of the Minutes of 179th SLBC Meeting held on 19.10.2012 & Adoption of Minutes of other meetings of the SLBC held after 19.10.2012.

The Minutes of **179th SLBC Meeting** held on **October 19, 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 **19.10.2012** and up to **17.01.2013** were circulated to the members of SLBC, LDMs and Government Departments concerned.

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

02. Banking Statistics**BANKING AT A GLANCE IN ANDHRA PRADESH
(As on 30.09.2012)**

Total Number of bank branches (No s)	9,130
Rural - 3323 Semi Urban - 2391 Urban -2147 Metro - 1269	

(Rs. In Crores)

Total Deposits in the State	3,69,724
Total Advances in the State	4,32,712
Credit Deposit Ratio (RBI norm -60%)	117.04%

Total Priority Sector Advances	1,94,887
% of Priority Sector Advances to ANBC (RBI Norm 40%)	49.41%

Priority Sector Advances	(Rs. In Crores)
Agricultural Advances % of Agrl. Adv. To ANBC (RBI norm – 18%)	1,12,062 (28.41%)
Non Farm Sector (% to Net Bank Credit)	32,136 (7.43%)
Other Priority Sector Advances (% to Net Bank Credit)	50,689 (11.71%)
Total Priority Sector Advances	1,94,887
Educational Loans	5,716
Housing Loans	31,327
SHGs	16,684

BANKING KEY INDICATORS OF ANDHRA PRADESH

S.No	PARTICULARS	As on 31.03.2010	As on 31.03.2011	As on 31.03.2012	As on 30.09.2012
1.	Number of Branches:				
	Rural	2857	2997	3245	3323
	Semi Urban	1941	2107	2327	2391
	Urban	1922	2030	2096	2147
	Metro	956	1077	1210	1269
	Total	7676	8211	8878	9130
2.	Deposits (Rs. Crores)	2,45,686	2,83,600	3,41,894	3,69,724
3.	Incremental Deposits (% of increase)	39,787 (19.32%)	37,914 (15.43%)	58,294 (20.56%)	27,830 (8.14%)
4.	Advances (Rs. Crores)	2,69,760	3,27,275	3,94,398	4,32,712
5.	Incremental advances (% of increase)	59,466 (28.28%)	57,515 (21.32%)	67,123 (20.51%)	38,314 (9.71%)
6.	C.D. Ratio (RBI norm – 60%)	109.80%	115.40%	115.36%	117.04%
7.	Incremental CD Ratio	149.49%	151.70%	115.15%	137.67%

- Number of bank branches in the State as on **30.09.2012** is 9130. During the financial year under reference **252** branches were opened (Rural- **78**, Semi urban-**64**, Urban-**51** and Metro-**59**).
- The Credit Deposit Ratio of banking sector in Andhra Pradesh as on **30.09.2012** is **117.04%** as against the desirable ratio of 60% and incremental **CD ratio** is **137.67%**.
- Deposits of banking sector in A.P. are **Rs.3,69,724 crores** as at the end of September, **2012** with a growth rate of **8.14 %** from **March, 2012**
- Aggregate advances of banking sector in A.P. as at the end of September, **2012** are **Rs.4,32,712 crores** registering a growth rate of 9.71% 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 31.03.12	As on 30.09.12
1	Crop Production	33,986	41,752	52,127	59,878
2	Agrl. Term Loans including allied activities	34,672	41,346	49,563	52,184
3.	Total Agrl. Advances	68,658	83,098	1,01,690	1,12,062
	% of Agrl. Advances to ANBC (RBI norm- 18%)	32.65%	30.80%	31.07%	28.41%
4.	Non Farm Sector (% to Net Bank Credit)	22,868 (8.48%)	27,033 (8.26%)	31,569 (8.00%)	32,136 (7.43%)
5.	Other Priority Sector Advances (% to Net Bank Credit)	34,989 (12.97%)	44,096 (13.47%)	46,484 (11.79%)	50,689 (11.71%)
Total Priority Sector Advances		1,26,515	1,54,227	1,79,743	1,94,887
% of Priority Sector Advances to ANBC (RBI norm -40%)		60.16%	57.17%	54.92%	49.41%

- Total Agricultural advances as at the end of **September 2012** are **Rs.1,12,062 crores** constituting **28.41%** of previous year`s Net bank credit as against the RBI norm of 18%.
- Total Agricultural advances registered a growth of **Rs.10,372 crores** which is **10.20%** over **March, 2012**.The year on year growth of Agricultural advances from **30.09.2011** to **30.09.2012** is **23.62%**.
- Total Priority sector advances are **Rs.1, 94,887 crores** as on **30.09.2012** constituting **49.41%** of previous year`s Net bank credit as against the prescribed RBI norm of **40%**.
- Priority sector advances registered a growth of **Rs.15,144 crores** which is **8.43%** over **March, 2012**. The year on year growth of Priority sector advances from 30.09.2011 to 30.09.2012 is **19.62%**.

(Annexure 1-7)

03. Achievement of Annual Credit Plan 2012 – 13

A. Achievement as on 30.09.2012

(Rs: crores)

Sl.No	Item	Target 2012-13	Achievement (Disbursements during 01.04.12 to 30.09.2012)	% of Achmt
1.	Short Term Crop Production Loans			
	Khariff	23,828	27,820	116.75
	Rabi	13,300	--	--
	Total	37,128	27,820	74.93
2.	Agri.Term Loans			
	Khariff	3,227	5,010	155.25
	Rabi	3,101	--	--
	Total	6,328	5,010	79.17
3.	Allied to Agriculture			
	Khariff	4,575	5,156	112.70
	Rabi	4,941	--	--
	Total	9,516	5,156	54.18
	Total Agriculture	31,630	37,986	120.09
		21,342	--	--
		52,972	37,986	71.71
4.	Non-Farm Sector	9,343	3,081	32.98
5.	Other Priority Sector	19,852	6,807	34.29
	Total Priority Sector	82,167	47,874	58.26

- **Short Term Crop Production Loans:** Total Achievement is **Rs.27, 820 crores** against the Kharif target of **Rs.23, 828 crores** for the year, which is **116.75%**.
- **Agri Term Loans including allied activities:** Total Achievement is **Rs.10,166 crores** against the **Kharif** target of **Rs.7, 802 crores** for the year, which is **130.29 %**.
- **Non Farm Sector:** Achievement is **Rs 3,081 crores** against the target of **Rs.9,343 crores** for the year, which is **32.98%**.
- **Other Priority Sector Advances:** Achievement is **Rs.6,807 crores** against the target of **Rs.19,852 crores** for the year, which is **34.29%**.
- **Total Priority Sector Advances:** Achievement is **Rs.47,874 crores** against the target of **Rs.82,167 crores** for the year, which is **58.26 %**.

(Annexure from 8-9)

Agricultural Advances - ACP Achievement as on 28.01.2013 (Provisional)

Particulars	Khariff Target	Khariff Achievement	Rabi Target	Rabi Achievement	Total Achievement	% of achievement
Short Term Crop Production Loans	23,828	27,820	13,300	6,458	34,278	92.32%
Term Loans incl. allied activities	7,802	10,166	8,042	529	10,695	67.29%
TOTAL	31,630	37,986	21,342	6,987	44,973	84.89%

Annual Credit Plan – Achievement (last three years)

Amount in crores

Sl.No.	Item	2009-10		2010-11		2011-12		2012-13 (As on 30.09.12)	
		Target	Achvmt	Target	Achvmt	Target	Achvmt	Target	Achvmt
1	Crop Production Loans	23500	24845	26261	30229	30985	36451	37128	27820
2	Agri.Term Loans incl.allied activities	9000	12728	11574	17701	17015	22060	15844	10166
3.	Total Agriculture	32500	37573	37835	47930	48000	58511	52972	37986
4.	Non Farm Sector	8000	7399	8150	11051	8198	8226	9343	3081
5.	Other Priority Sector	15000	12200	15700	13897	17118	12039	19852	6807
Total Priority Sector		55500	57172	61685	72878	73316	78776	82167	47874

04. Action Points of earlier SLBC Meetings - Status

Sl. No.	Action Point	Present Status
A	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 by respective Lead Banks.</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 improving financial literacy. Accordingly State Bank of India opened FLC at Amalapuram and DCCB at Kakinada of E.G. District.</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. At present 12 such FLCs are working in Lead District Offices and the remaining 11 to be opened</p> <p>Financial Literacy activity to be taken up by all Rural branches. Confirmation from Banks yet to be received.</p>
B	Small, Micro Enterprises – 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.
C	Strengthening the office of LDM	<p>In view of the renowned focus under Lead Bank Scheme, SLBC has advised all Lead Banks to take steps for strengthening the office of LDM to meet the field level requirement.</p> <p>Some of the Lead Banks are yet to take steps in that direction. This is to be done immediately to enable the LDMs to perform better.</p>

05. Agriculture Sector**A. Short Term Loans – Progress****1) Progress In lending Short Term Production Loans**

(Rs in crores)

Sl.No	Item	Target 2012-13	Achievement (Disbursements during 01.04.12 to 30.09.2012)	% of Achmt
1.	Short Term Crop Production Loans			
	Khariff	23,828	27,820	116.75
	Rabi	13,300	--	--
	Total	37,128	27,820	74.93
2.	Agri.Term Loans			
	Khariff	3,227	5,010	155.25
	Rabi	3,101	--	--
	Total	6,328	5,010	79.17
3.	Allied to Agriculture			
	Khariff	4,575	5,156	112.70
	Rabi	4,941	--	--
	Total	9,516	5,156	54.18
	Total Agriculture	31,630	37,986	120.09
		21,342	--	--
		52,972	37,986	71.71

2) Progress in lending to LEC holders

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.

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 28.01.2013

No. of LECs Issued			No. Of Licensed Cultivators Sanctioned Crop Loans	
Replacement or renewal of old LEC (2011-12)	No. of LECs Issued fresh (2012-13)	Total	Khariff/Rabi	
			Number	Amount (Rs. In Crores)
2,44,082	1,79,246	4,23,328	1,26,157	270.76

(Annexure -10)

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.

During the year 2012-13, banks could cover only 1, 26,157 LEC holders. The matter was discussed in the recently held Joint Collectors` conference conducted by GoAP.

As a measure to improve the lending to LEC holders it was advised by GoAP to complete the process of issuing LECs by the end of April, 2013 for the coming season and lists also are to be sent to concerned Bank branches.

Close coordination between banks and Agriculture Department is required for improving lending and recovery performance under the scheme.

Banks need to give valid reasons for not allowing loans to any eligible LEC holder and there is also need for allowing loan as per scale of finance. Bank finance to eligible LEC holders is required for sustaining agriculture sector.

In this regard, all Banks are once again advised to:

- Sensitize all their branch managers on the necessity for extending finance to LEC holders.
- Finance may be extended either individually or through JLG Model (as per the choice of LEC holders)
- Wherever the loan is denied to LEC holder, reasons are to be given by the branches for denial of the loan.

- LDMs are advised to review the progress periodically in DCC and other meetings.

Wherever recovery problems / issues on renewal of earlier LEC cards persist, these issues are to be brought to the notice of Agriculture Department and Revenue Administration seeking their help for redressal.

All Banks are once again advised to ensure that all eligible LEC holders are extended finance and all branches are sensitized on the matter.

3. Implementation of Revised 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 are advised to adhere to the above while fixing the KCC limits.

4. A. NAIS/MNAIS/Weather Based Crop Insurance Scheme – for RABI 2012

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. NAIS-MNAIS & WBCIS – Sub Plan for SCs and STs - Incorporation of farmer's category as SC/ST/OC in the declaration forms.

We are aware that, State Sub-Plan bill was passed by the Andhra Pradesh Legislative Assembly (APLA) and is going to be implemented from 2013-14 financial year. Accordingly the State budget will be released component wise exclusively for SCs and STs for any welfare programme. The budget requirement shall be prepared on the SC & ST farmers coverage under the scheme. The State level committee may review the funds utilization and No. of farmers benefited category wise.

In view of the above, GoAP has advised for incorporating the farmers category as SC/ST/OC in the declarations to be furnished by Banks to the AIC. After completion of the data entry of enrollment, the AIC has to furnish the funds requirement component wise for the State Share of Premium subsidy, Claims and other liabilities separately; else the funds may not be released by the Government in future.

Therefore, the Deputy General manager, AIC of India is requested to take all the necessary steps in this regard for incorporating the category of farmer viz. SC/ST/OC in the declaration forms for smooth implementation of all the Crop Insurance Programmes being implemented in the State.

C Advance Premium payment by Banks for coverage under Crop Insurance

Instances are coming to the notice of SLBC that some branches are not submitting insurance declarations within stipulated time, though premium is debited to the accounts well within time. But in some cases the accounts are not covered due to oversight, in some cases the names of villages/mandals and category of loans are mentioned wrongly. This is causing lot of issues and many times AIC, Hyderabad has to take up with their HO. To avoid this, payment of advance premium by Banks for coverage under crop insurance was suggested and the matter was discussed in the Sub-Committee meeting held on 17.01.2013.

AIC is requested to take up with their HO and suggest modalities for discussing with Banks.

B. Agriculture – Issues

1) Declaration of Drought and Nilam Cyclone

SLBC has conducted a Steering committee meeting on 08.11.2012 and discussed about the recently hit of Nilam cyclone in East Godavari, West Godavari, Krishna, Visakhapatnam & Khammam and to some extent in Guntur & Prakasam districts and also partially in other parts.

It was discussed in the meeting that some of the districts affected due to heavy rains and as per estimations, the Agricultural crops were damaged in around 7.04 lakh Hectares and suitable instructions were given to the District Collectors by the GoAP.

The meeting was convened to broadly take a view of the damage due to heavy rains and steps to be initiated for extending necessary help to the affected farming community.

Sri V.Nagi Reddy, IAS, Principal Secretary, Agriculture, GoAP has informed the house that the major damage is due to inundation of paddy crop in many parts of the State. State Government may shortly declare the affected areas. He requested Banks to reschedule loans of farmers as per RBI guidelines.

The following **Action Points** were adopted in the meeting

- All LDMs of affected districts to conduct special DCC meeting within 10 days and adopt resolution to extend relief measures from Banks as per RBI guidelines.
- All Banks to advise their branches in the affected areas to take up relief measures as per RBI guidelines.
- GoAP may take immediate steps for notification of affected areas to facilitate Banks to extend relief measures.
- The Government while releasing input subsidy, may send to the account of the beneficiary in the service area branch/where party has availed loan.

GoAP vide their GO MS No.1, dated 09.01.2013, has declared 234 Mandals as drought affected and all Banks are advised to take necessary measures.

With regard to Nilam Cyclone GoAP is requested to release notification immediately to enable Banks to take necessary measures to the affected farmer community.

2) Submission of claims of Pavala Vaddi pertaining to Rabi 2011-12

During the Steering Committee meeting held on 08.11.2012, the Principal Secretary, Agriculture Dept informed that in respect of earlier Pavala Vaddi Scheme (upto Khariff 2011), claims are yet to be received by JDAs from many banks. He requested all Banks and LDMs to expedite as funds are already available with JDAs.

In respect of 'Vaddi Leni Runalu' scheme being implemented from Rabi 2011, he requested banks to submit claims as on 31.10.2012 and 31.03.2012.

He informed that from Khariff 2012, banks need to collect only principal from farmer. To facilitate the process GoAP will place advance estimated interest amount with banks. He requested all banks to inform the estimated interest amount on Khariff 2012 loans through SLBC, to enable GoAP to place funds.

The representative of ING Vysya Bank has made request to Principal secretary to consider case of Private Sector Banks also, as farmers borrowing from these banks are not getting full benefit of 'Pavala Vaddi', Zero Interest benefit as these banks are not eligible for GoI interest subvention scheme. He also requested for allowing internal auditor certificate for private sector banks while submitting claims. The Principal Secretary has assured to look into the matter.

Action Points:

- All Banks to ensure submission of claims under Pavala Vaddi Immediately.
- In respect of Vaddi Leni Runalu Scheme for Rabi 2011, claims are to be submitted as on 31.10.2012 and as on 31.03.2012. The final cut off date is 30.04.2012 for receiving claims by O/o Commissioner of Agriculture.
- For implementing Vaddi Leni Runalu scheme from Khariff 2012, all banks to indicate to SLBC, the likely interest portion on the loans allowed during the season, to enable GoAP to place advance amount with Banks.
- From Khariff, 2012 crop loans, banks should not collect interest from the beneficiary as per scheme guidelines covering Vaddi Leni Runalu Scheme of GoAP.

3. Reimbursement of Interest on Crop loans by GoAP for loans disbursed from Khariff 2012 Modalities for interest reimbursement by GoAP

During the 7th Steering committee meeting held on 30.11.2012, the Principal Secretary, Agriculture, GoAP informed that the Khariff loans disbursed from 01.04.2012 onwards farmers will pay only Principal and the Interest will be paid by the State Government.

While discussing the methodology of Interest reimbursement to Bankers, he suggested the following two methods:

- Banks may take only principal amount from farmers and claim Interest from Government.
- Government to keep advance amount with banks and Banks has to claim from that Suspense account and later give UCs.

On discussion many Banks have opted for the second option of keeping advance amount with Banks instead of first option. In this case Banks have to give the expected amount of Interest reimbursement in advance and it was decided to maintain Separate accounts for each season i.e., for Khariff and Rabi to avoid reconciliation problems at a later date. Bankers are required to give the estimated figures basing on disbursements immediately.

It is decided that a Subcommittee of SLBC be constituted with the Representatives of Five Lead Banks, Deccan Grameena Bank, NABARD, Finance (IF) Department and Agriculture Department, GoAP as members to decide the modalities for settlement of Interest amounts to Banks under Rythu Sri Scheme for crop loans from Khariff, 2012 onwards:

Accordingly SLBC has constituted a subcommittee and meeting is conducted on **10.01.2013** and has suggested the following and the same is communicated to GoAP and all Banks.

The Subcommittee has discussed the following points

Bankers to work out the quantum of 4% interest amount under Vaddileni Panta Runalu and Pavala vaddi and 1% interest amount required to settle the claims on crop loans disbursed during 2012-13 proportionate to the crop loans disbursed and recoveries expected basing on the previous year's recovery.

- The forum on discussion felt that basing on the assessment that the amount of Interest will be around Rs. 600 crores for Khariff 2012-13 and Government may place initially Rs.100 crores with the Banks in proportionate to their loan portfolio.
- Once the amount placed with a particular bank is exhausted, the respective Bank should indent for additional amount expected and the Government may reimburse the same immediately.
- The Bank wise requirement may be given by the apex level Banks category wise (SC, ST, and General) through State Level Bankers Committee of AP, if possible. Bankers have expressed their inability to give category wise for advance placement.
- Banks should adjust the interest amount from the amount placed with the Banks for Zero percent interest loans and Pavala vaddi loans as per guidelines, and no interest should be collected from farmers.
- All Banks to inform the SLBC as well as Department of Agriculture, Government of AP about their **NODAL BRANCH**, preferably at Hyderabad since the funds are centralized at Hyderabad. The RRBs may decide upon Nodal Branch at their Head quarters.
- Government may place first installment of advance amount before 31st January, 2013 with respective Banks.
- The **NODAL BRANCH** should maintain **TWO** Separate accounts one for **Khariff, 2012-13** and one for **RABI, 2012-13** for easy accounting purpose.
- UCs are to be submitted by the Banks along with a consolidated list to the Department of Agriculture **ONCE** in a month **before 10th Succeeding month**.
- Banks may evolve a mechanism internally on the modalities for debiting the **NODAL BRANCH** account for adjustment of Interest, whenever the farmer closes his crop loan account.
- It is resolved that farmer-wise, Village-wise; Mandal-wise detailed list is to be prepared at the Branch and should be kept ready for any future inspections by the Government/Auditors. Only a consolidated report District-wise and category wise be prepared by each Bank.

- Banks are advised to submit **Audited Certificate** on Yearly basis i.e., **as on 31st March** every year to the Government. This should be submitted before **30 th JUNE**.
- Banks may include the same in their Audit Manuals along with Certificates Interest Subvention by Gol.
- Banks are advised to give a Balance confirmation of their **NODAL BRANCH** account at periodic intervals as required by the Government.

Resolutions passed with regard to RABI 2011-12 (Back end Interest claim)

- One single Claim to be submitted Bank-wise in Duplicate in AP format –II Category wise i.e., SC/ST/General separately.
- Advance Stamped Receipt is to be submitted by each Bank for the entire amount to the Commissioner & Director of Agriculture.
- Certificate by Internal Auditors is enough for the claims.
- GoAP will transfer required funds to Apex Bank branches.
- The Commissioner and Director of Agriculture shall handover the Cheques/DDs to Bankers (Apex Banks) under proper acknowledgement.
- Bankers to ensure that the interest subsidy amounts should be adjusted to the beneficiary farmers accounts and submit Utilization certificates to Commissioner and Director of Agriculture to that effect.
- The Category wise list of beneficiaries village-wise may be maintained at Branch Level to enable inspection by officials of Department of Agriculture.

Claims pertaining to previous seasons are to be submitted by all Banks before 31 st JANUARY, 2013.

All Banks are advised to follow the suggestions made by the Subcommittee in this regard.

4) Kisan Credit Card Scheme – Issues

RBI has introduced revised Kisan Credit Card (KCC) scheme and the matter was discussed in Bankers` meeting for operationalising the revised scheme.

As per guidelines of RBI each withdrawal under the short term sub-limit as estimated be allowed to be liquidated in 12 months without the need to bring the debit balance in the account to zero at any point of time. No withdrawal in the account should remain outstanding for more than 12 months and the term loan component will be normally repayable within a period of 5 years depending on the type of activity / investment as per the existing guidelines applicable for investment credit. Financing banks at their discretion may provide longer repayment period for term loan depending on the type of investment.

In this regard, some Banks are giving different due dates for their short term loans as per harvesting for Khariff and Rabi seasons and some banks are giving the due dates as one year.

In view of the cash credit limits sanctioned by all Banks for Short term loans, it is felt necessary to have a common due date structure for all Banks for assessing the prompt repayment for `ZERO interest scheme` of GoAP. Hence the same may be discussed by the sub-committee of SLBC for suggesting uniform modalities.

6. Micro, Small & Medium Enterprises (MSME) Sector

A. Position of Lending under MSME sector

The total outstanding under MSE sector as on **30.09.2012** is **Rs.39, 854.86 crores** and total MSME sector is **Rs.52, 752.19 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 30.09.2012
Micro Enterprises	11,001	12,775	13561.80
Small Enterprises	17,386	26,741	26293.06
Total MSE	28,387	39,516	39854.86
Medium Enterprises	11,820	12,260	12897.33
Total MSME	40,207	51,776	52752.19

(Annexure 18)

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

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	01.04.2012-29.01.2013	17286	543.53

(Annexure- 16-17)

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 the action points emerged in the meeting were circulated to all concerned for taking necessary steps for improving lending under CGTMSE.

C. 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 24th 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.

D. Handloom Weavers**1) Progress in implementation of RRR Scheme**

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.

9th Meeting of SIMRC was held on 28.12.2012, at NABARD, Hyderabad by the Department of Handlooms and it was informed in the meeting that claims were received from Banks only in respect of 7,883 cases under Govt. of India`s RRR package for Handloom Sector. During the meeting the Principal Secretary, Handlooms and Textiles Department, GoAP felt that there could be a large number of weaver loans, for which claims are yet to be submitted by Banks and since the scheme will be closed shortly and he advised for immediate submission to NABARD to avoid unnecessary complications.

SLBC has since advised all Banks vide their Lr.No.666/30/21/1444, dt.29.12.2012, to submit the claims if any, immediately.

2) Progress in lending under Weaver Credit Card Scheme

During the recent SIMRC meeting held on 28.12.2012, at NABARD by the Department of Handlooms, the Principal Secretary, Handlooms and Textiles Department, GoAP, expressed a lot of concern on the slow progress in implementation of Weaver Credit Card (WCC) Scheme. Out of target of 20000 units set for the year 2012-13, only 1526 loans have been allowed to a tune of Rs. 418.10 Lakhs so far as per available data.

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

SLBC advised all Banks to give necessary instructions to their branches to improve the lending under Weaver Credit Card Scheme.

07. Housing Loans**A. Position of Housing Loans – September, 2012**

(Rs in Crore)

Year	Total Outstanding		Disbursements	
	No. of a/cs	Amount	No. of a/cs	Amount
2010-11	581136	24504	94019	5918
2011-12	590216	27649	59095	5102
2012-13(as on 30.09.2012)	620989	31327	35827	2765

Issues relating to RGK & VAMBAY claims with APSHCL:

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

The Settlement of Claims is pending as AP State Housing Corporation Ltd. Is seeking clarification from the Govt. pertaining to schemes executed by AP Housing Board are to be reimbursed by the AP Housing Board itself or by the AP State Housing Corporation.

SLBC request the Housing Department, GoAP to kindly clarify the issue and advise AP State Housing Corporation to expedite settlement of claims submitted by Banks.

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

To have demonstrative effort, Housing Department is requested to reallocate a few cases. It will have positive impact on recovery.

(Annexure -19)

08. Educational Loans**A. Position of Educational Loans**

(Rs in Crore)

Year	Total Outstanding		Disbursements	
	No. of a/cs	Amount	No. of a/cs	Amount
2010-11	249071	5607	70615	1515
2011-12	244906	5483	52057	885
2012-13 (as on 30.09.2012)	242284	5716	28038	543

The reasons for low progress were:

- Govt. fee reimbursement
- Repayment of earlier loans sanctioned

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, Gol.

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

All Banks are advised to put in efforts to reach the set targets.

(Annexure -20)

09. Self Help Groups

A. Position of SHG-Bank Linkage Programme- September, 2012

(Amount in crores)

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

S. No.	Year	Rural SHG Disbursements			Urban SHG Disbursements			Total Disbursements			Outstanding (Rural& Urban)	
		Target (Rs in Crs)	Number	Amount (Rs in Crs)	Target (Rs in Crs)	Number	Amount (Rs in Crs)	Target (Rs in Crs)	Number	Amount (Rs in Crs)	Number	Amount (Rs in Crs)
1.	2008-09	10655	476195	6637	800	92238	843	11455	568433	7480	989382	9837
2.	2009-10	9000	404439	6501	1200	107962	1253	10200	512401	7754	1167000	11764
3.	2010-11	7236	389439	7093	1400	90614	1481	8636	480053	8574	1690393	13153
4	2011-12	9084	345549	7875	1600	74999	1655	10684	420548	9530	1364980	15548
5	2012-13	9127	250982	6352 (28.01.2013)	1900	54235	1447 (31.12.12)	11027	305217	7799	1374528	16684

(Annexure-26)

10. Export Credit

A. Position of Export Credit in Andhra Pradesh

SLBC has taken up with Export and Industry Associations and Banks for giving issues to be discussed in Export Sub-Committee meetings. SLBC has not received any issue in this regard.

The Position of Export credit of major Banks as on 30.09.2012 is given in the annexure-12..

11. Financial Inclusion

A. Providing Banking Services in all Villages with above 2000 - Progress as on 31.12.2012 in Opening of accounts and transactions

Banks have completed process of providing Banking services in respect of all the allocated villages in the State of Andhra Pradesh and the latest progress is given in the annexure.

Banks are advised to ensure that the number of transactions in the FI villages is improved And the services of BCs are effective.

Banks are also advised to open intermediary structures as advised by RBI for effective functioning of BCAs.

B. Implementation of FIP in below 2000 population – Appointment of BCAs before December, 2012 in all Villages in Identified Five pilot Districts for Direct Cash Transfer scheme and villages with population of 1600-2000 in other districts - Progress,

MoF, GoI has advised all Banks to implement Financial Inclusion in all villages of below 2000 population villages in the identified five pilot districts and villages with population of 1600-2000 in other districts before 31st March, 2013.

Accordingly SLBC has advised all Banks to appoint BCAs in all FI villages of below 2000 population in the identified five pilot districts and 1600-2000 population villages in other districts.

It is advised by the MoF that all the FI villages are to be provided with banking facilities by 31st March, 2013 in other than pilot districts

SLBC has submitted the Road Map as advised by Reserve Bank of India in respect of below 2000 population villages. Reconciliation process was attended to by all LDMS. In the meeting conducted on 28.01.2013 by RBI, it was advised to maintain a healthy mix of 5% to 10% of brick and mortar branches of the total BC outlets.

The Road map is given in the annexure.

C. Opening of One Bank Account for each household in all FI villages to enable to implement Direct Cash Transfer Scheme from 01.01.2013. Launch of campaign to ensure at least one bank account for each family in FI villages

Ministry of Finance, GoI has vide their communication Letter No. F.No.8/11/2011-FI, dated 15th May, 2012, advised all Banks to **Launch of campaign to ensure at least one bank Account for each family in FI Villages.**

Attention of all Banks is invited to Para 7 of the Master Circular on Strategy and Guidelines on Financial Inclusion (issued on 4th April, 2012) relating to Electronic Benefit Transfer wherein Convener Banks of SLBC have been advised to take up the matter of electronic transfer of subsidies under the 32 Schemes of Govt. of India in which benefits are to be given directly into the accounts of the beneficiaries who can then withdraw it from the bank branch or the ATM or the micro ATM. For such electronic transfer of subsidies, it is important that the beneficiaries have an account in the bank in tune with the guidelines of the Reserve Bank of India.

In view of the above, it has been decided by the Ministry of Finance, GoI that:-

- Each bank will launch a campaign to ensure that each family living in the service area of a branch having rural villages attached to it has an account with the branch. If the family already has an account, no new account needs to be opened.
- In cases where the family already has more than one account in the name of its member(s), they may be encouraged to combine these into a Joint Family Account. However, in case the family wishes to continue with the separate account(s), they should be allowed to maintain such account(s).
- There are no requirements of Government of India to open separate account for each benefit, hence, no account be opened of the family scheme-wise.

- For this purpose, the last electoral roll of each village may be obtained and they may be assigned to respective BCA for the sub-service area assigned to them and where there is no BCA to any other staff of nearby branch for opening of bank account.

Wherever the account holder has Aadhar number, the same should also be obtained at the time of opening of account and included in the account details.

As per guidelines of GoI, SLBC advised all LDMs to get voters` list and supply to all bank branches. The process was completed successfully in tall five pilot districts. However, difficulties were faced by some of the LDMs in other districts. Hence, SLBC has collected voters` list at State Level for all districts and supplied to respective LDMs.

To ensure 100% coverage of opening of accounts to all households, mapping with voters` list is necessary.

SLBC also advised all Banks and LDMs to complete the process of seeding the Aadhar numbers in the existing accounts wherever Aadhar cards are available and open new accounts with Aadhar numbers.

D. Setting up BCAs - Engaging Common Service Centers as BCAs

GoI vide their communicated dated December 10, 2012 advised that in order to ensure convergence and to assist viability of BC, it would be necessary that in the villages to be covered, wherever CSC exists, the CSC is to be made as BCA.

It may be noted that Common Service Centers have been set up in the country under the Department of Electronics and Information Technology, Govt. of India under the National e-Governance Plan. In order to extend the outreach of BCAs, Public Sector Banks have signed an agreement with the CSC e-Governance Services India Ltd (CSC SPV), a special purpose vehicle setup by the Government of India to monitor and manage the Common Services Centre, for engaging CSCs as BCA.

All Banks are requested to note the above.

E. Mapping of Gram Panchayats for coverage through Branch/ BCA/ CSC –Sub service area approach

It was advised by Gol, vide their communication dated 20th December, 2012 that banks need to ensure that 1000 to 1500 households are available in the sub-service area of BCA.

In case of larger Gram Panchayats, more than one BCA could be appointed. In case of smaller Gram Panchayats more than one contiguous Gram Panchayat, taking into consideration geographical area could be assigned to each BCA.

It was advised that, it should be ensured that the Gram Panchayats to be covered by each bank branch/BCA is clearly identified as Sub-service area within the service area of the branch.

Accordingly, the exercise was completed in all pilot districts and the process is going on in other districts.

The statement showing sub-service area mapping of five pilot districts is given below:

Sl. No.	Name of State	Name of District	Number of Gram Panchayats (GPs)	Number of Sub Service Areas (SSAs)	Existing and Proposed Banking Coverage Through Panchayats (No. of SSAs and Panchayats)							
					Existing Bank Branch		Existing Functional BCAs		Existing Functional CSCs		Proposed BCAs/CSCs	
					5		6		7		8	
					SSAs	GPs	SSAs	GPs	SSAs	GPs	SSAs	GPs
				5a	5b	6a	6b	7a	7b	8a	8b	
1	Andhra Pradesh	Anantapur	920	809	213	242	417	462	2	2	177	214
2	Andhra Pradesh	Chittoor	1367	981	218	231	410	673	1	1	352	462
3	Andhra Pradesh	East Godavari	1008	1226	246	196	756	673	0	0	224	139
4	Andhra Pradesh	Ranga Reddy	705	275	50	125	114	213	0	0	111	367
5	Andhra Pradesh	Hyderabad (Not Applicatble)	0	0	0	0	0	0	0	0	0	0
		TOTAL	4000	3291	727	794	1697	2021	3	3	864	1182

It was advised that in the sub-service area where neither a BCA nor a functional CSC is available, the M/s CSC e-Governance Services India Ltd. would establish a new CSC for which suitable advice would be issued by the CSC Services India Ltd. In case this is not feasible, the Banks could engage a new BCA.

F. Opening of Bank branches/USBs on full time basis in 5000 and above population villages in under banked districts and 10000 and above population in other districts

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. This can be an ultra small branch where one officer of the Bank visits every day.

In A.P. a total of 184 villages with above 5000 population are identified under Strategy and Guidelines of Financial Inclusion. Of which in 123 centers brick and mortar branches are opened and in the remaining 61 centers USBs are functioning.

Out of 184 villages 106 villages fall under 13 under banked districts. Branches are already opened in 68 centers and in the remaining 38 centers 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 above 10000 population villages in respect of other districts.

G. Establishment of ATMs

GoI has advised all Banks to establish Onsite ATMs in all areas of 10000 and above population centres invariably at all Bank branches.

Further Ministry of Finance has directed all Banks including Regional Rural Banks to plan for ATMs for all their Branches before 31st March, 2013 in pilot districts. Accordingly Banks have to plan for establishment of ATMs immediately.

MoF also advised Banks to go for offsite ATMS wherever there is no possibility of Provision of site and other infrastructures readily available. It is also advised that top priority is to be given for establishment of ATMs in Five identified Pilot districts for Direct Benefit Transfer.

All Banks to ensure that ATMs are placed in all such centres.

H. 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.

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

As directed by MoF, to enable the Government of India to implement Direct Cash Transfer scheme in the five pilot districts from 01.01.2013 and roll out of the same in other districts thereafter all Banks are advised to open one bank account per each household before 31st December, 2012. It is also directed that all Banks have to complete the seeding of Aadhaar Numbers in the existing Bank accounts and open new accounts with Aadhaar numbers.

All Banks are advised to be ready with Aadhaar Payment Bridge (APB) to enable the Government for implementation of Direct Benefit Transfer Scheme. All Banks are also advised to upload the Aadhaar seeding data with NCPI for Aadhaar enabled Payment System.

All banks and LDMs were advised to complete the task by 31st December, 2012.

Progress report as on 31.12.2012 – Aadhar Seeding

District	Name of the Lead Bank	Aadhar Numbers generated (Data given by UIDAI)	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	6
East Godavari	Andhra Bank	43,23,537	44,97,137	4,45,040	9.90
Anantapur	Syndicate Bank	35,11,841	27,54,886	2,86,769	10.41
Chittoor	Indian Bank	34,68,894	40,45,000	2,04,195	5.05
Ranga Reddy	SBH	26,40,404	39,22,649	52,132	1.33
Hyderabad	SBH	49,96,127	52,03,922	2,42,130	4.65

MOF vide their Lr.No.6/41/2012-FI, dated 31st December, 2012, informed that as per the guidelines issued by Planning Commission, Govt. of India, on standardized Format for collection of Basic Data for Direct Benefit Transfer (DBT) in Pilot Districts.

As per para 7(1) and Annexure C of the guidelines of Planning Commission, it has been stated that the beneficiary database has to be digitized in the format at Annexure C. This format to be prepared by the Government User Department for each scheme will have Bank name, Account Number and Aadhaar Number.

Banks had been advised vide D.O. No.6/23/2012-FI (Vol. II) dated 04.12.2012 to accept the details of Aadhaar Numbers and Bank Accounts (into which benefits are to be transferred) sent to them by the concerned Departments and seed into the account information. In such cases there would be no need of asking account holder to furnish Aadhaar information again to the banks.

The data base on beneficiaries bank account details and Aadhaar could be sent to banks by the Departments directly or through CPSMS for seeding.

In view of the above, Banks should immediately, on receipt of Beneficiary database prepared by the Government user Departments as per Annexure C of the Planning Commission guidelines, see the Aadhaar Number in the CBS. In order that the seeding process is completed quickly and without errors, banks are also advised that other methods for seeding must be avoided. However, in case a beneficiary approaches the bank directly for seeding Aadhar in bank account, this may be done as per prevailing practice.

All Banks are advised to act accordingly.

J. Action Plan for Financial Inclusion in LWE affected 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
	TOTAL		14490	1449.00	144.90

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.

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

K. 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)

GoI has directed vide letter nos. F. No.21/13/2009-FI (Pt.) dated 28.12.2011, 09.02.2012, 20.03.2012 and 01.08.2012 regarding establishment of Ultra Small Branches (USBs) in all FI villages covered or to be covered through BC agents.

These USBs are also required to be established in Left Wing Extremism (LWE) affected areas. Ministry of Home Affairs has notified 83 Left Wing Extremism (LWE) affected districts in the country. These districts have been found to have poor banking coverage and slow pace of implementation of Financial Inclusion Plan due to various logistics and security concerns in the districts.

The Planning Commission has also formulated guidelines for Integrated Action Plan (IAP) in 78 selected tribal and backward districts under the State component of Backward Regions Grant Fund (BRGF). On comparison of this list of 78 districts with the list of 83 LWE districts, 66 districts are found to be common. The guidelines on Integrated Action Plan provide that a Committee headed by District Collector/District Magistrate and consisting of the Superintendent of Police of the District and District Forest Officer will be responsible for implementation of the Scheme.

The establishment of USB would comprise two cost components, namely Capital/ Fixed Costs of Rs. 1, 40,000/- and the recurring costs as per details circulated. In order to provide assistance to banks for establishment of USBs in the identified habitations with population of over 2000 in 66 Left Wing Extremism (LWE) affected districts, a proposal was submitted by this Department to Planning Commission for inclusion of funding of capital cost for the establishment of USBs as a permissible activity under Integrated Action Plan.

Planning Commission has included funding of capital cost for the establishment of USB amounting to Rs. 1, 40,000/- per USB as permissible work/ project under IAP and informed the State Governments concerned to take necessary action in this regard.

In view of the foregoing, SLBC advised all LDMs in the 16 identified LWE districts to approach the District Collector/District Magistrate of the respective District for funding of capital cost for the establishment of USBs in the identified villages having population of above 2000.

L. 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.

M. Financial Literacy and Credit Counseling Centers (FLCCCs) and Financial Literary Centers (FLCs)- Position in A.P. – Recent RBI guidelines

FLCCs are opened and functioning in all 23 Districts and 12 FLCs are opened in Lead District Offices of Andhra Pradesh.

All Lead Banks are advised to open FLCs in all Divisional Head quarters in their respective districts to further extend the services for improving financial literacy. Accordingly Andhra Bank opened FLC at Rajahmundry, State Bank of India opened at Amalapuram and DCCB at Kakinada.

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.

At present 12 FLC s are functioning in Lead District Offices and SLBC has advised other LDMs also to open FLCs in their offices immediately and confirm to SLBC.

RBI has also advised that financial literacy activity should be taken up by all rural branches.

All Banks are advised to take necessary steps in this regard and ensure submission of progress made to RBI and SLBC.

(Detailed report is given as annexure-15)

N. Rural Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh Bankers Institute of Rural Entrepreneurship Development

In Andhra Pradesh 25 RSETIs are functioning effectively and during the current year upto October, 2012; 11016 candidates were trained by them. Out of the trained candidates 7298 were settled. (Detailed report is given as annexure)

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 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.

(Annexure -14)

O. 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 25th 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.

P. Insurance Initiatives- Identifying an NGO/SHG Federation to act as Micro Insurance Agent for Promoting Insurance Services – PROGRESS

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 finalize the identification process of NGO/Sec.25 Company/MFI/SHG federation.

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.

Q. Uploading of Modified Services area Plans on the district web sites

GoI has directed vide their Lr.No. F.No.11/4/2011-FI(C-48762), dated the 11th September, 2012 for preparation of Revised Service Area Plans (SAPs) with additional information and for uploading the same on district(s) website.

The format has been sent to all LDMs for preparation of revised service area plan on the basis of Gram Panchayat with details about all financial inclusion villages identified under Swabhimaan Campaign and with additional details/ contact number of BCAs/ bank officials etc.

But, it has, however, been observed that many districts are yet to upload the Service Area Plan as per format circulated vide letter dated 25th June, 2012.

It may also be appreciated that the Service Area Plan needs to be periodically updated to account for appointment of new BCAs, change of BCAs, change of identified Bank official for weekly visit etc.

Therefore, SLBC has advised all LDMs, requested to ensure that the service area plan with requisite details have been prepared and uploaded on the district website and also being updated regularly on a monthly basis whenever any change takes place. The date of updation of Service Area Plan must be mentioned on the website.

R. Establishment of Call Centre at SLBC on behalf of all Banks for Urban Financial Inclusion

SLBC has conducted two meetings one on 30.10.2012 with all Public Sector Banks and one on 05.11.2012 with Core group consisting of Five Lead Banks, DGB and APGVB and discussed the modalities for Establishment of Call Centre by SLBC on behalf of all Banks and it was resolved that A COMMON Call Centre will be established at Andhra Bank Head office, by SLBC and the expenditure incurred will be shared by all Banks proportionately.

Accordingly a call centre was established in SLBC on behalf of all banks to clarify the doubts in opening of accounts. SLBC has undertaken campaign through leading Telugu, Urdu and Hindi news papers.

AP SLBC CALL CENTRE

OBJECTIVES AND ACTION POINTS FOR BANKS AND LDMs

To inculcate savings habits and to extend banking services to the migrant labour and street vendors/hawkers in the urban areas, the drive to open SB accounts needs to be intensified.

The Department of Financial Services, Ministry of Finance, Govt of India has vide their letter DO NO 25/9/2012-BO.II dated 21st Sept 2012 has instructed all the SLBC convener banks to start a call center with toll free telephone Number, SMS service, email queries facilities to provide for an effective and centralized grievance redressal and facilitation mechanism for opening of Bank accounts of migrant labour and street vendors/hawkers in the urban areas. This facility is required as such people face difficulties in remitting their earnings to their families back home, besides the financial and economic system not being able to generate savings from them.

As per the communication received from Govt. of India, SLBCs of respective states are advised to spearhead the campaign and set up a toll free number, SMS number and dedicated e mail ID to promote the campaign and achieve its objectives. Accordingly for the state of Andhra Pradesh, the call center was made operational with required infrastructure. At present, the Call Centre is based at Andhra Bank, Head Office on outsourced model.

The details of call centre are as follows:

TOLL FREE NUMBER : 1800 425 8525
MOBILE NUMBER FOR SMS : 849 881 3322
EMAIL ID : apslbccallcentre@gmail.com

- The call center will function on behalf of all the member banks of SLBC of Andhra Pradesh on cost sharing basis
- Call agents will inform the procedure for opening Basic Savings Deposit Account
- Call agents shall guide/direct prospective clients to nearest/allotted bank Branch for opening account
- Call agents will escalate complaints if any to the Controlling Offices of respective Banks
- At present, the call centre will address the issues relating to opening of accounts and in course of time, it will be extended to Educational loans also

To facilitate the opening of accounts of targeted group in urban/ rural areas, the following actions need to be taken by Banks and LDMs:

1. The call centre contact details to be displayed at branches of all the Banks.
2. Advertisements will be released in the vernacular language newspapers by SLBC. Advertisements will be repeated to enable to reach the desired target group. The first advertisement appeared in EENADU News Paper on 10.12.2012. **The cost of the Call Centre and advertisement cost will be shared by all Banks in proportion to their number of branches in Semi-Urban, Urban and Metro areas.**
3. **All member banks need to designate two nodal officers - One at middle level cadre and other at executive cadre (For grievance redressal) and inform the full contact particulars like name, landline no, Mobile no, e mail ID etc to SLBC immediately to enable to launch the campaign on full scale.**
4. LDMs/Banks to co-ordinate with district level labour department officials and obtain the District wise data of migrant labourers registered with them for opening of accounts.
5. LDMs to co-ordinate with banks for conducting account opening campaigns at potential centres in each district.
6. The monitoring of the account opening will be done on weekly basis and the information will be sent to the MoF.

SLBC requests all banks and LDMs to come up with suggestions for conducting the campaign successfully.

S. Publicity Campaign for opening of Accounts by SLBC on behalf of all Banks

SLBC has conducted a meeting with major Banks on 14.12.2012 to discuss the issues related to opening of bank accounts under Urban Financial Inclusion pertaining to Hyderabad and Ranga Reddy Districts.

In the meeting it was resolved that:

- The forum unanimously agreed to take up common advertisement by SLBC on behalf of all Banks in the State of Andhra Pradesh by way of :
 - Advertisements in FM Radio
 - Advertisement in News papers(Telugu/Urdu/English)
 - TV Scrolling in two leading Telugu News channels
 - Posters and pamphlets
- **The above advertisements should contain and cover the following:**
 - For opening of account for those who are not having Bank accounts and
 - Seeding of Aadhar numbers in the existing Bank account by producing the Aadhar Card to their Bank branches.

Accordingly, SLBC has taken up publicity Campaign on behalf of all Banks by publishing in the Telugu, English and Urdu leading News papers, TV Scrolling and Jingles in FM Radio.

T. Direct Benefit Transfer Scheme – Visit of Sri Jairam Ramesh, Hon`ble Union Minister for Rural Development, to East Godavari District

Sri Jairam Ramesh Honb`le Union Minister for Rural Development and Sri.N.Kiran Kumar Reddy, Hon`ble Chief Minister of Andhra Pradesh have launched the following schemes of Govt. of India at Gollaprolu Village (Gollaprolu Pilot Mandal) of East Godavari District which is one of the 5 pilot districts of A.P on 06-01-2013:

1. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)
2. Social Security Pensions (SSP)
3. Janani Suraksha Yozana
4. Scholarships
5. National Child Labour Project - Stipend to Children

The following banks have participated through AEPS scheme wise:

1. Mahatma Gandhi National Rural Employment Guarantee Schemes (MGNREGS) – **ICICI Bank**
2. Social Security Pensions (SSP) – **ICICI Bank**
3. Janani Suraksha Yozana – **Axis Bank**
4. Scholarships – **Axis Bank**
5. National Child Labour Project - Stipend to Children – **Axis Bank**

The following Banks have demonstrated the mode of payments through PoS machines in respective stalls/display of posters on FI:

1. Andhra Bank 2. ICICI Bank 3. Axis Bank 4.State Bank of India 5.State Bank of Hyderabad 6. Bank of India 7.Corporation Bank 8. Canara Bank 9. Central Bank of India.

The above matter was discussed in the 8th Steering Committee meeting of SLBC of AP which was held on 10.01.2013 and the minutes were circulated to all Banks.

U. Meeting of Desk Officers of Financial Inclusion

SLBC has conducted LDMs conference on 20.10.2012 immediately after 179th SLBC meeting in which ED, Andhra bank, Sri K.K. Misra has addressed the LDMs and highlighted the importance attached to the LDMs in the present scenario and also the need for strengthening of LDM office to meet the field level requirements and to perform better.

SLBC has also conducted a meeting on Urban Financial Inclusion on 14.12.2012, in which the higher level Officials of all Banks participated. Sri K.S. Kalra, Executive Director, Andhra Bank, has addressed the forum. He has emphasized the need for readiness of Banks in opening of bank accounts for all Households for Direct Benefit Transfer which is being implemented by Gol.

Further, SLBC has conducted a meeting of all Desk Officers of Financial Inclusion on 06.12.2012 to discuss various issues concerning banks, especially at operational level,

The following action points were emerged in the meeting:

- All banks are advised to submit the information to RBI/SLBC on time and data consistency is to be maintained.
- All Banks are advised to submit the disaggregated data on FIP to Reserve Bank of India as per the format suggested immediately.
- The existing BC may be continued to maintain continuity of business even for implementation of Financial Inclusion of below 2000 population villages.
- All banks are advised to direct their LDMs to open FLC centres at Lead District Office and submit the quarterly information on FLCs to SLBC regularly without any gaps.
- Banks are advised to open number of accounts and improve the transactions in the accounts opened with regard to 2000 and above population villages.
- **All Banks to inform the discrepancies if any in allocation of villages with population of 2000 and below to SLBC by 13.12.2012 otherwise it will be presumed that there is no dispute with regard to allocation.**
- All banks have to appoint BCAs in all FI villages of below 2000 population in five identified Pilot districts for Direct Cash Transfer and 1600-2000 population villages as per road map submitted to RBI in other districts and provide banking services by March, 2013.

- All banks are advised to instruct their branches to complete the mapping of voters` lists with the existing accounts and open once bank account for all the households before December, 2012 more particularly in the five identified districts for pilot project of Direct Cash Transfer.
- All Banks are advised to give the required information to respective LDMs to enable them to consolidate the District position and submit to SLBC.
- All Banks are advised to give the data on opening of Bank branches, ATMs etc., to the Lead District Managers to enable them to update the GIS data on MoF module.
- All Banks are advised to give suitable instructions to their branches for seeding of Aadhar Numbers to the existing bank accounts and open new accounts with Aadhar numbers.

SLBC will continue the efforts for resolving the issues and for improving overall performance of Banks.

V. Direct Cash Transfer of Subsidies – Field Visits by Officers of Department of Financial Services -Visit to Chittoor and East Godavari Districts

MoF vide their Lr.No.F. No.1/3/2012-FI (C-52466) informed that in order to assess the functioning of Withdrawal Infrastructure for Direct Benefit Transfer (DBT) in districts, the officers from this Department will visit for 2-3 days between 14th to 23rd January 2013 to the concerned district.

Accordingly, Sri Sandeep Kumar, Director, DFS had visited East Godavari District and Sri Mihir Kumar, Director, DFS had visited Chittoor district on 20th and 21st of January, 2013.

On visit they have advised the following:

For smooth roll out of the schemes the following 4 steps to be taken up.

- a) Banks to ensure to open Savings Bank accounts to all households/beneficiaries of various Govt. Departments. UIDAI will ensure to provide Aadhaar enrollment to all beneficiaries of the schemes.

Banks should ensure that 100% saturation is reached in opening of accounts to all beneficiaries.

b) Banks need to take steps for seeding of Aadhar numbers in the accounts and steps are to be taken for mapping with NPCI.

There is huge gap found in Aadhaar number seeding in banks data base and up loading to NPCI for mapping and it should be filled up immediately by banks.

c) Banks to provide more banking outlets especially in rural areas.

d) SMS alerts to be enabled for the transactions under Financial Inclusion.

e) Transactions to be improved by all Banks.

f) Micro Insurance business to be undertaken by the entire field BCs

g) All Banks should have onsite ATMs by 31.03.2013 in these pilot districts.

W. GIS (BFS) module enabled for SLBC Coordinators/Lead Banks

MoF vide their communication dated 23rd October, 2012 informed that the GIS module of Banking Amenities Data for Financial Inclusion is now accessible to SLBC Convenors/Lead Banks. The GIS module is for visualisazation and query purposes only and any data errors need to be corrected only through the data entry module. The data thus modified will be reflected in the GIS module on a periodic basis.

SLBC has communicated the help document and guidelines in this regard to all LDMS and Lead Banks.

All LDMs and Lead Banks are advised to correct the data errors if any for which the data is already uploaded and update the data on GIS Module on periodical basis i.e., on Monthly intervals since the GoI is proposed to place the GIS module in public domain once the data entered is get verified by SLBC from LDMs.

SLBC request all LDMs to confirm immediately to SLBC that the data on GIS module is error free and it is updated.

X. Unbanked Mandals / One Banked Mandals / Opening of branches in Tribal Areas**Unbanked Mandals**

SLBC has taken up the matter of Unbanked Mandals in several fora and advised all Banks and LDMs to take necessary steps for opening of branches in those mandals. Reserve Bank of India also conducted a meeting and advised all Banks to take necessary steps in this regard.

Andhra Bank has opened branches at Maredumilli in East Godavari district and Veldurthi in Guntur district.

After continuous follow up the following are left over as unbaked Mandals.

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

All Banks and concerned LDMs are requested to take necessary steps for opening of branches in the above mandals.

One Banked Mandals

SLBC has collected data on one banked mandals some time back and there were 107 such centers identified which is almost 10% of the total mandals of Andhra Pradesh.

SLBC has advised all LDMs to collect the latest data to review the position. SLBC has advised all Banks and LDMS are requested to take steps for improving presense of bank branches in the one banked mandals.

Opening of branches in Tribal Areas

The Tribal welfare Department has requested Banks to open bank branches in 34 centers identified by them where banking services are required. SLBC has taken up the matter in the Bankers` meetings. The GoAP has also conducted a meeting of RRBs and SLBC Convenor recently and requested the Regional Rural Banks to explore the possibility of opening of branches in those Tribal areas.

Sl.No.	Name of the District	Centre
1	Vijayanagaram	Kedaripuram, Neelakantapuram, JM Valasa, Gangareguvalasa, Sambara, Baguvalasa, Mosuru & Panukuvalasa
2	Visakhapatnam	Ananthagiri, Dumbriguda, G.K. Veedhi, Hukumpeta & Munchingiputtu
3	East Godavari	Maredumilli and Y. Rayavaram
4	Khammam	Allapally, Venkatapuram and Wazeedu
5	Warangal	Laxmidevipet (v)
6	Adilabad	Shyampur, Lokari, Lingapur, Kondibaguda, Navedhari, Indhani, Allampally, Munival and Jannaram
7	Prakasam	Chintala
8	Kurnool	Kottalacheruvu
9	Guntur	Loyapally

In the meeting the following Banks have agreed to open bank branches in the following centers

Sl./No.	Name of the Bank	Places proposed to open Bank branches
1	Deccan Grameena Bank	Ravindranagar (Adilabad), Mahamutharam(Karimnagar)Gudihathnoor (Adilabad)
2	Andhra Pradesh Grameena Vikas Bank	Munchingput- USB opened (Visakhapatnam) Regonda (Warangal) Pachipenta (Vijayanagaram)
3	Chaitanya Godavari Grameena Bank	Rentachintala (Guntur)

(Financial Inclusion Reports - Annexure -13)

12. Others

Usage of Electronic Weighing Machines with 1 mg variation instead of 10 mg

It is brought to the notice of SLBC by some Banks that as per G.O. issued by Legal Metrology Department (Weights & Measures), Government of Andhra Pradesh, the traders who are dealing with the trading of Jewellery, are supposed to use Electronic Weighing Machines of 0.001 g (1 mg) accuracy variation.

The Legal Metrology department is applying the same rule to Banks on par with the Jewellery traders and insisting the Banks to use Electronic Weighing Machines with 1 mg accuracy variation at branches. It involves substantial expenditure to supply Electronic Weighing Machines with 1 mg accuracy variation.

In this regard we inform that as far as Banks are concerned, the principle of 1 mg accuracy variation is not required as Banks are using electronic weighing machines to weigh the gold ornaments for sanctioning of loans taking into consideration of lowest gram, ignoring milligrams.

In view of the above, SLBC requested the Legal Metrology Department (Weights & Measures), GoAP not to insist to use Electronic Weighing Machines of 1 mg variation, on par with traders and permit the Banks to use Electronic Weighing Machines with 10mg accuracy variation.

SLBC has addressed a letter to this effect to GoAP and requested that the necessary instructions may be passed to the concerned.

13. Lead Bank Scheme**A. Implementation of High level Committee Recommendations- progress Report September, 2012****HIGH LEVEL COMMITTEE TO REVIEW LEAD BANK SCHEME as on 30th September, 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 Governments to work together for inclusive growth.)Para 3.4)	In the State of Andhra Pradesh State Government and Banks are working 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	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

		development for inclusive growth, develop grievance redressal mechanism, etc.(Para 3.7)	<p>Inclusion. As on 30-06-2012, all 6640 villages are covered with Banking facilities.</p> <p>As on 30-09-2012, 24 FLCCs are working in all 23 districts in the state of Andhra Pradesh and 1 FLC is opened at Lead District Office Guntur as per RBI guidelines.</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 improving financial literacy. Accordingly State Bank of India opened FLC at Amalapuram and DCCB at Kakinada of E.G. District.</p> <p>As of now, 24 FLCC are functioning in all 23 districts and 12 FLCs are functioning in Lead District Offices and 2 FLCs in Divisional head quarters in EG Dist.</p>
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	We have advised all banks to consider Primary Agricultural Credit Societies

		using PACS as Bcs where such PACS are running well.(Para 3.16)	also which are running well as BCs.
6	11	State Government to ensure road/ digital connectivity to mall 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. We have advised all Banks to open bank branches and provide Banking services where they have earlier closed/shifted branches due to security reasons.
7	12	State Governments to ensure conducive law and order situation, adequate security uninterrupted power, water supply and irrigation facilities. (Para 3.20)	We are pursuing with State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and 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-	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 small business & 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.

		09 dated May 04,2009(Para 3.26)	
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)	<p>The portfolio of Educational loans granted by banks is being monitored by SLBC in every SLBC Meeting and the problems are being discussed.</p> <p>SLBC has advised all banks for evolving online tracking mechanism for educational loans. The Targets given by the Ministry of Finance have been communicated to all Banks for the year 2012-13.</p>
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)	<p>Andhra Pradesh is leading in SHG Bank linkage programme and many innovations have emanated from the State.</p> <p>As per Gol 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.</p> <p>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.</p>
11	33	SLBC/DCC to identify academicians and researchers engaged in research and development studies to be invited occasionally to the meetings of these bodies. (Para 3.46)	We are regularly inviting Project Directors of NIRD and officials of MSME Institute for SLBC Meetings and we note to involve other academicians and researchers.

12	37	<p>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)</p>	<p>In Andhra Pradesh every SLBC Meeting is being attended by Hon'ble Chief Minister of Andhra Pradesh along with concerned Hon'ble Ministers and reviewing the progress under all Government sponsored schemes & Priority Sector Advances.</p> <p>The coordination is very effective in the State and is regarded as one of the model states.</p>
13	39	<p>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)</p>	<p>In Andhra Pradesh, the system of conducting steering committee meetings is established and almost all the issues are sorted out in these meetings.</p> <p>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.</p> <p>The sub-committee meetings were conducted and action points emerged was circulated for all banks for effective implementation.</p>
14	41	<p>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</p>	<p>The important issues/decisions of the JMLBC, DCC and DLRC are being placed before the SLBC.</p>

		before the next meeting of the SLBC, so that these receive adequate attention at the State Level. (Para 4.6)	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 functions. (Para 4.7)	Our office is sufficiently strengthened with all required infrastructure.
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 www.slbcap.nic.in The website can also be viewed from the website of Andhra Bank at www.andhrabank.in 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)	SLBC have 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 & Credit Counseling Centers & 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. At present 23 FLCCs are established and SLBC has advised all LDMs to open FLCCs at Divisional level in their

			<p>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 and one such FLC is opened at Lead District Office, Guntur.</p>
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B. Conducting of Meetings under Lead Bank Scheme

DCC Meetings/ DLRC Meetings/ JMLBC Meetings/ Deficiencies observed in the above meetings/
Suggested Agenda for the Meetings

SLBC on review of the minutes received by the LDMs with regard to various meetings held at District level and JMLBC level, it is observed that:

- DCC and other meetings are not conducted for all the 4 quarters in some districts.
- The schedule and agenda of the meeting are not informed to SLBC in advance by some of the LDMs.
- The schedule fixed for the meetings is changed frequently
- Certain important subjects of current relevance are not being included in the agenda points for discussion in the meeting
- Agenda adopted for the meetings by the Lead Banks is not uniform all over the state
- Proceedings of the meeting are not submitted regularly to SLBC for review

Based on the recommendations of the High Level Committee of RBI to review Lead Bank Scheme, a list of relevant agenda points to be discussed by the DCC, Which need to adopted commonly by all Lead Banks is given in annexure.

Action Points to all LDMs:

- To conduct DCC and DLRC meetings for all 4 quarters of the Financial Year invariably.
- To communicate the schedule and agenda of the meetings to SLBC in advance.
- To adhere to the schedule fixed for conducting the meetings.

- To adopt uniform agenda for discussion apart from the local issues to be discussed
- Implementation of Financial Inclusion
- Review of Govt. sponsored schemes
- Progress in Minorities Welfare schemes

All LDMs are advised to follow the above guidelines.

14. 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. 13,173.65 is 6.76 % of PSL as on 30.09.2012.

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

(Annexure -21)

B. Credit Flow to Weaker Section

Weaker Section advances as on 30.09.2012 is Rs.59,273-68 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., 15.02%.

(Annexure -22)

C. Credit Flow to Women

As on 30.09.2012 advances to Women are at Rs. 46,058.93 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., 10.64%.

(Annexure -24)

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 dated 01.07.2012 and all banks and LDMs are advised to be guided by the same.

As on 30.09.2012, the lending to SC/STs is Rs.14, 443.83 crores, comprising of 7.41 % of priority sector advances.

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.

(Annexure -23)

E. Credit Flow under DRI

As on 30.09.2012 the credit outstanding under DRI is Rs.276.37 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**).

(Annexure -25)

15. Government Sponsored Schemes**1) Prime Ministers Employment Generation Programme (PMEGP)****Achievement as on 31.12.2012**

(Rs. In Lakhs)

Name of Organization	Target				No. of Projects sanctioned	Achievement for the year 2012-13			
	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	52	52	170.75	392.08	549
KVIC DO Vizag	204	468.90	1448.90	1632	26	14	45.12	139.42	139
APKVIB	938	2156.96	6665.01	7504	312	219	893.02	2759.43	2679
DIC	1250	2875.96	11101.21	10000	487	225	925.00	3570.50	2978
Total	3126	7189.88	24431.23	25008	877	510	2033.89	6861.43	6345

2. Interest Subsidy Scheme for Housing Urban Poor (I S H U P)**Achievement as on 15.01.2013**

Amt. In Crores

Target - Units	No. of applications filed	No. of loans sanctioned	Achievement	
			Units	Amt.
40000	10501	4209	925	2.27

It is informed by the National Housing Bank vide their letter dated November 30, 2012, that the scheme envisages the provision of Interest subsidy of 5% p.a. on NPV basis for loans up to Rs.1 lakh for whole duration of the loan availed by the EWS/LIG category beneficiaries from the financial Institutions.

All banks are requested to give thrust for financing under the Scheme.

Progress made under Bridge Loans as on 30.11.2012

Target	No. of Loans sanctioned so far
300677	9032

3. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)**Achievement as on 31.12.2012**

(Rs. In crores)

S. No.	Item	Target		Achievement	
		Accounts	Amount	Accounts	Amount
1	Urban SHG Bank Linkage	91330	1900.00	54235	1446.89

4. Swarna Jayanthi Gram Swarojgar Yojana(SGSY) / National Rural Livelihood Mission (NRLM) Scheme:

The scheme has been modified as National Rural Livelihood Mission (NRLM) by Government of India and the SHG Bank linkage target under rural sector is taken as target under NRLM.

S. No.	Item	Target		Achievement	
		Accounts	Amount	Accounts	Amount
1	Rural SHG Bank Linkage(As on 28.01.2013)	360977	9127.37	250982	6350.68

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

Achievement as on 31.12.2012

(Rs. In Crores)

Target	Physical			Benef. Contribution / Credit requirement	Total Project Outlay
	Area (in Hect)	Total GOI share	State Share		
	120000	295.00	278.46	121.97	695.43
Achvt.	62959	233.47	247.90	46.21	527.58

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. The Department concerned and all Banks are advised to take necessary steps for achieving the targets.

Rashtriya Krishi Vikas Yojana

Under RKVY it was proposed to finance a total of 41121 animals with total unit cost of Rs.239.27 Crores with Bank loan portion of Rs.167.67 crores.

Jeeva Kranthi Pathakam:

Achievement as on 30.11.2012

(Rs. In crores)

Sheep & Goat Units		Ram Lamb Units	
Target	Achievement	Target	Achievement
62	30	106	118

Breeding Ram units	Target	Achievement
	1022	1159

7. Fisheries**Achievement as on 31.12.2012**

(Rs. in Crores)

Bank Credit Component	Subsidy Component	Total	Subsidy Released	Achievement
72.03	69.05	141.08	12.40	0.54

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 31.12.2012**

(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	1222	894	6.30	701	4.84

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 LOW performance.

Sericulture Department vide their Lr.No.RC.No.2293/09-TM4, dated 17.01.2013 informed that in several districts Banks are not coming forward for financing Sericulture units though applications were sponsored to them.

All Banks are advised to ensure sanction of loans in respect of all eligible cases and ground the units that are sanctioned.

9. Handlooms & Textiles**Achievements as on 30.09.2012**

(Rs. in Crores)

Scheme	Target	Finance (Crores)	Appl. sponsored	Sanctioned	Financed so far (crores)	%of Target
Artisan Credit Cards	2610	21.80	689	50	0.10	1.92

Scheme	Target	Finance (Crores)	No of Groups formed	No of weavers covered by Banks	Amount released by the Banks (Crores)	% of achievement to physical Target
Handloom Weavers group	955	45.15	340	1856	0.25	35%

10. A.P. Backward Classes Co-op. Finance Corporation**Margin Money (Subsidy) Scheme for 2012-13****Achievement as on 31.12.2012**

(Rs. In crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
33334	78.77	28738	28731	17094	49.87	52	0.10	--

Rajiv Abhyudaya Yojana Scheme**Achievement as on 31.12.2012**

(Rs. In Crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
6668	15.98	5616	5616	2979	11.02	26	0.10	--

11. A.P.Scheduled Caste Co-operative Finance Corporation Limited**Achievement as on 31.12.2012**

(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	37415	27309	115.87	3849	15.31	6%

12. Andhra Pradesh State Christian Finance Corporation**Achievement as on 30.09.2012**

(Rs. In Crores)

Annual Targets		Sanctioned		Subsidy/MM Released	
Phy. No	Amount	Phy. No	Amt	Phy. No	Amt
1250	3.75	657	1.75	273	0.82

13. Andhra Pradesh Scheduled Tribes Co-op Finance Corporation Ltd. (TRICOR)**Achievement as on 31.12.2012**

(Rs. In Crores)

Annual Targets		Sponsored Applications		Sanctioned		Grounded		%of target
Phy.Nos	Amount	Units	Benif	Phy.Nos	Amount	Phy.Nos	Amount	
16702	128.37	3954	3954	2904	16.45	10	0.06	0

14. A.P.State Minorities Finance Corporation Ltd.**Achievement as on 31.12.2012**

(Rs. in Crores)

Annual Target		Appl. Sponsored	Appl. Sanctioned		Applications Grounded			
No	Amount		No	Amount	No	% of target	Amount	% of target
8500	21.25	7410	4817	11.01	1941	23	4.41	21

Issues:

- Proposal on Special Project for the Rehabilitation of Flood Victims of Kurnool District was referred by the Corporation to the SLBC. The same was sent to the LDM Kurnool and it was informed that the proposal was approved in principal in DCC and steps are being taken for implementation.
- Proposal of 500 sewing machines each for the Muslim Minority Women of Warangal and Prakasam was received by SLBC recently and it was referred to LDMS of Warangal and Prakasam for necessary Action.

15. Andhra Pradesh Youth Services - A.P.S.T.E.P**Rajiv Yuva Shakthi Scheme****Achievement as on 19.01.2013**

(Rs. in Crores)

Annual Target		Applications sponsored	Admn. Sanctions		Units grounded	
Phy	Amount		Phy	Amount	Phy	Amount
9000	90.00	13280	9313	86.43	631	5.37

16. Society for Elimination of Rural Poverty (SERP)

SHG Bank linkage - Achievement

(Rs. In crores)

Particulars	Target		Achievement	
	Accounts	Amount	Accounts	Amount
As on 30.09.2012	360977	9127.37	174786	4272.46
As on 28.01.2013	360977	9127.37	250982	6350.68

17. Mission for Elimination of Poverty in Municipal Areas (MEPMA)**Projections & Achievement for 2012-13 as on 15.12.2012**

(Rs. in Crores)

S. No.	Item	Target		Achievement	
		Accounts	Amounts	Accounts	Amount
1	SHG Bank Linkage	91330	1900.00	54235	1446.89
2	SHG Disability Programme	2532	48.00	1622	0.39
3	USEP Programme under SJSRY	17000	340.00	2703	23.97
4	UWSP Programme under SJSRY	4200	210.00	28	1.47
	TOTAL	115062	2498.00	58588	1472.72

(All Govt. sponsored Schemes Annexure -29)

16. Overdue/NPA position

Overdue/NPA position as on 30.09.2012 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	10054523	58396.22	2171529	11898.05	9148.23	334303	1443.55
Agrl.Term Loans Including Agrl. Allied Activities Advances	3009643	44394.40	541066	9833.30	3072.99	205993	2202.10
Total Agriculture Advances	13065946	103075.53	2717894	21767.20	12630.76	541286	3649.00
SSI/MSE Sector Advances	965382	33538.74	251883	6609.91	3646.26	203164	2372.82
Other Priority Sector Advances	1739435	44821.89	364609	8309.05	2436.36	144995	2245.08
Total Priority Sector Advances	15527901	174995.31	3341164	36764.99	18589.35	918284	8757.61
Educational Loans Advances	240918	5670.73	58322	1005.30	335.94	21142	359.26
Housing Loans Advances	563619	27312.18	141592	5216.00	962.44	56473	1052.72
Total Advances	18626013	370007.81	3846243	54419.69	24434.64	1092208	15108.77
Self Help Groups Advances	1358490	16660.26	221759	2464.32	947.59	83549	679.55

(Annexure -27)

Short Term Agriculture Crop Production Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.11,898.05 crores** which is **20.37%** and NPA is **2.47%** to total outstandings and NPA in real terms it is **Rs.1,443.55 crores**.

Agriculture Term Loans Including Allied Activities:

The total outstanding balance in overdue accounts (PNPA) is **Rs.9,833.30 crores** which is **22.15%** and NPA is **4.96%** to total outstandings and NPA in real terms it is **Rs.2,202.10 crores**.

Total Agriculture:

The total outstanding balance in overdue accounts (PNPA) is **Rs.21,767.20 crores** which is **21.12%** and NPA is **3.54%** to total outstandings and in real terms it is **Rs.3,649.00 crores**.

SSI/ MSE Sector:

The total outstanding balance in overdue accounts (PNPA) is **Rs.6,609.91 crores** which is **19.71%** and NPA is **7.07%** to total outstandings and in real terms it is **Rs.2,372.82 crores**.

Other Priority Sector Advances:

The total outstanding balance in overdue accounts (PNPA) is **Rs.8,309.05 crores** which is **18.53%** and NPA is **5.01%** to total outstandings and in real terms it is **Rs.2245.08crores**.

Total Priority Sector Advances:

The total outstanding balance in overdue accounts (PNPA) is **Rs.36,764.02 crores** which is **21.01%** and NPA is **5.00%** to total outstandings and in real terms it is **Rs.8,757.61 crores**.

Educational Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.1,005.30 crores** which is **17.73%** and NPA is **6.34%** to total outstandings and in real terms it is **Rs.359.26 crores**.

Housing Loans:

The total outstanding balance in overdue accounts (PNPA) is **Rs.5,216.00 crores** which is **19.10%** and NPA is **3.85%** to total outstandings and in real terms it is **Rs.1,052.72crores**.

Total Advances:

The total outstanding balance in overdue accounts (PNPA) is **Rs.54,419.69 crores** which is **14.71 %** and NPA is **4.08%** to total outstandings and in real terms it is **Rs.15,108.77 crores**.

Self Help Groups:

The total outstanding balance in overdue accounts (PNPA) is **Rs.2464.32 crores** which is **14.79 %** and NPA is **4.08%** to total outstandings and in real terms it is **Rs.679.55 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

17. 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.

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

S. No	Name of the RRB	31.03.2011	30.09.2011	31.03.2012	30.09.2012
1	APGVB	4794.72	4583.08	5152.71	5166.25
2	APGB	4079.05	4162.69	4512.73	4607.65
3	CGGB	759.16	764.79	949.41	921.52
4	DGB	2600.94	2453.13	2920.64	2954.96
5	Sapthagiri Grameena	1553.62	1663.10	1852.29	1969.39
	Total	13787.49	13626.79	15387.78	15619.77

Advances:**Rs. In crores**

S. No	Name of the RRB	31.03.2011	30.09.2011	31.03.2012	30.09.2012
1	APGVB	4894.43	5162.22	5532.73	6291.06
2	APGB	4291.01	4929.03	5490.25	6103.13
3	CGGB	847.42	1012.65	1148.74	1543.44
4	DGB	1966.16	2181.32	2362.32	2668.32
5	S G B	1754.75	1997.81	2213.56	2589.39
	Total	13753.77	15283.03	16747.60	19195.34

CD Ratio:

S. No	Name of the RRB	31.03.2011	30.09.2011	31.03.2012	30.09.2012
1	APGVB	102.08	112.64	107.38	121.77
2	APGB	105.20	118.41	121.66	132.46
3	CGGB	111.63	132.41	121.00	167.49
4	DGB	75.59	88.92	80.88	90.30
5	S G B	112.95	120.13	119.50	131.48
	Total	99.76	112.15	108.84	122.89

Bank Net Work:

S. No	Name of the RRB	No. of Branches as on 30.09.2012
1	APGVB	574
2	APGB	431
3	CGGB	118
4	DGB	250
5	S G B	151
	Total	1524

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

S.No	Name of the RRB	Crop Loans		Agrl. Term Loans	
		30.09.2011	30.09.2012	30.09.2011	30.09.2012
1	APGVB	1796.44	2308.80	1192.94	1329.25
2	APGB	2583.21	3064.60	1352.74	1458.24
3	CGGB	593.73	1060.48	213.84	275.33
4	DGB	755.67	1020.60	660.57	755.28
5	S G B	889.48	1301.77	500.95	524.32
	Total	6618.53	8756.25	3921.04	4342.42

Total Advances:**Rs. In crores**

S.No	Name of the RRB	Outstanding		Total Agriculture	
		30.09.2011	30.09.2012	30.09.2011	30.09.2012
1	APGVB	5162.22	6291.06	2989.38	3638.05
2	APGB	4929.03	6103.13	3935.95	4522.84
3	CGGB	1012.65	1543.44	807.57	1335.81
4	DGB	2181.32	2668.32	1416.24	1775.88
5	S G B	1997.81	2589.39	1390.43	1826.09
	Total	15283.03	19195.34	10539.57	13098.67

- **Deposits:** Between **30.09.2011** and **30.09.2012** the deposits increased from **Rs. 13,626.79 Crores** to **Rs. 15,619.77 Crores** registering a growth of **Rs.1, 992.98 crores** which is **14.63 %**.
- **Advances:** Between **30.09.2011** and **30.09.2012** the advances increased from **Rs. 15,283.03 Crores** increased to **Rs. 19,195.34 crores** registering a growth of **Rs.3, 912.31 crores** which is **25.60%**.
- **CD Ratio:** Between **30.09.2011** and **30.09.2012** the CD ratio increased from **112.15 %** to **122.89%**.

- **Crop Loans:** Between **30.09.2011** and **30.09.2012** the Crop Loans increased from **Rs.6,618.53 crores** to **Rs 8,756.25 crores** registering a growth of **Rs.2,137.72 crores** which is **32.30%**.
- **Agriculture Term Loans:** Between **30.09.2011** and **30.09.2012** Agricultural Term Loans increased from **Rs. 3,921.04 crores** to **Rs 4,342.42 crores**, registering a growth of **Rs 421.38 crores** which is **10.74%**.
- **Total Agri Advances:** Between **30.09.2011** and **30.09.2012** the total agricultural advances increased from **Rs.10, 539.57 crores** to **Rs.13,098.67 crores**, registering a growth of **Rs.2,559.10 crores** which is **24.28%**.
- **The percentage of Agricultural advances** to total advances as on **30.09.2011** was **67.29%** and increased to **68.24%** as on **30.09.2012**.

B. Merger of RRBs in the State

Amalgamation of Regional Rural Banks in the State of Andhra Pradesh:

Amalgamation of Chaitanya Godavari Grameena Bank with Saphagiri Grameena Bank and Deccan Grameena Bank with Andhra Pradesh Grameena Vikas Bank in the State of Andhra Pradesh:

Introduction:

The structural consolidation of RRBs was initiated by the MoF in 2005 by amalgamating RRBs sponsored by same Bank in a state. The number of RRBs as a result got reduced to 82 from 196. It is opined by Gol that still there are large number of RRBs sponsored by different banks, functioning in a state and many of the RRBs are very small with network of less than 100 branches.

It is envisaged that geographically contiguous RRBs sponsored by different banks with in a state could be amalgamated with single sponsor bank. Such amalgamation will also help in optimizing the use of modern technology. As such it is intended to reduce the number of existing RRBs from 82 to 46.

Ministry of Finance, GoI, in consultation with NABARD, Sponsored Banks and State Government has decided that:

‘Chaitanya Godavari Grameena Bank’ (CGGB) in Andhra Pradesh is proposed to be merged with ‘Saptagiri Grameena Bank’ (SGB) sponsored by Indian Bank, with Indian Bank as sponsor Bank for the merged entity.

Similarly, it was proposed to merge Deccan Grameena Bank (DGB) sponsored by State Bank of Hyderabad is proposed to be merged with Andhra Pradesh Grameena Vikas Bank with State Bank of India as sponsor Bank.

But, recently Ministry of Finance, vide their Lr.,No.1/6/2012-RRB, dated 18.01.2013 has informed that:

In order to bring in geographical contiguity in the are of operation of amalgamated RRBs, the are of operation with amalgamation of RRBs i.e., (i) Chaitanya Godavari Grameena Bank & Saptagiri Grameena Banks and (ii) Andhra Pradesh Grameena Vikas Bank & Deccan Grameena Bank in the state of Andhra Pradesh has been decided to be reorganized as per recommendations of the State Government in the following manner:

Name of RRB	Existing area of operation in the districts of	Area of operation suggested by State Government of Andhra Pradesh after amalgamation
1	2	3
Chaitanya Godavari Grameena Bank	1) Guntur 2) West Godavari 3) East Godavari	1) Guntur 2) West Godavari 3) East Godavari
Saptagiri Grameena Bank	1) Krishna 2) Chittoor	4) Krishna 5) Srikakulam 6) Visakhapatnam 7) Vijayanagaram
Andhra Pradesh Grameena Vikas Bank	1) Srikakulam 2) Visakhapatnam 3) Vijayanagaram 4) Warangal 5) Khammam 6) Nalgonda 7) Mahaboobnagar 8) Medak	1)Warangal 2)Khammam 3)Nalgonda 4)Mahaboobnagar 5)Medak 6)Adilabad 7)Karimnagar 8)Nizamabad 9)Ranga Reddy

Deccan Grameen Bank	1)Adilabad 2)Karimnagar 3)Nizamabad 4)Ranga Reddy 5)Hyderabad	10)Hyderabad
Andhra Pragathi Grammena Bank (will remain stand alone)	1)Ananthapur 2)Nellore 3)Kadapa 4)Prakasam 5)Kurnool	1)Ananthapur 2)Nellore 3)Kadapa 4)Prakasam 5)Kurnool

18. Flow of Information

A. Information to be submitted quarterly by Banks and LDMs

All Banks and LDMs are advised to submit the quarterly information to be submitted to SLBC 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. Hence, All banks and LDMs are advised to submit the data well on time to adhere to the time schedule of SLBC meetings smoothly.

B. Initiative for online submission of information system to SLBC – Deploying system on Cost Sharing basis

It is proposed that to avoid delays and errors in submission of information to SLBC, a system of online submission of returns on the portal of SLBC is moved. The matter was discussed in the 8th Steering Committee meeting of SLBC of AP held on 10.01.2013 and it was resolved to put in place a system on cost sharing basis among all banks.

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.

19. Important communications received after 19.10.2012 (i.e., after previous SLBC meeting)

A. Reserve Bank of India

Revision in existing investment limits in plant and machinery / equipment for lending to Micro Enterprises in the 40:20 proportion

RBI/2012-13/354, RPCD. MSME & NFS. BC. No. 54/06.02.31/ 2012-13 December 31, 2012

In terms of paragraph II (i) of the Priority Sector Circular RPCD.CO.Plan.BC 13/04.09.01/2012-13 dated July 20, 2012, 40 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises having investment in plant and machinery up to Rs.5 lakh and micro (service) enterprises having investment in equipment up to Rs.2 lakh; and 20 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises with investment in plant and machinery above Rs. 5 lakh and up to Rs.25 lakh, and micro (service) enterprises with investment in equipment above Rs.2 lakh and up to Rs.10 lakh.

We have been receiving representations from banks that in view of increase in price index and cost inputs, there is a case to revisit the limits within the overall ceiling of Rs.25 lakh for micro enterprises as defined in the MSMED Act. The matter was discussed in the 14th Standing Advisory Committee meeting held on November 21, 2012 wherein it was decided to revise the existing guidelines. Consequently, the existing ceiling of lending to Micro enterprises in the 40:20 proportions has since been revised, as detailed in the **Annex**, with immediate effect.

You are requested to issue suitable instructions to your branches / controlling offices.

(Annexure -28)

20. Meetings held after 179th SLBC Meeting (Dt.19.10.2012)

Sl. No.	Name of the Meeting	Date of Meeting held
1	Half yearly -LDMs Conference	20/10/2012
2	Establishment of Call Centre	26/10/2012
3	Establishment of Call Centre	30/10/2012
4	Establishment of Call Centre	05/11/2012
5	6th Steering Committee Meeting of SLBC of AP	08/11/2012
6	Meeting GMs of Five Lead Banks	17/11/2012
7	Meeting with Five LDMs & Lead Banks with Director	23/11/2012
8	Meeting with Five LDMs & Lead Banks with Director	23/11/2012
9	7th Steering Committee Meeting of SLBC of AP	30/11/2012
10	Meeting of General managers of Lead Banks & DGB	05/12/2012
11	Meeting of Desk Officers of Financial Inclusion	06/12/2012
12	Meeting on Urban Financial Inclusion	14/12/2012
13	SLIIC Sub-Committee Meeting	20/12/2012
14	8 TH Steering Committee Meeting of SLBC of AP	10/01/2013
15	9 th Steering Committee Meeting of SLBC of AP	17/01/2013