Minutes of 184th meeting of

STATE LEVEL BANKERS` COMMITTEE OF

ANDHRA PRADESH

(1st SLBC meeting of Reorganized Andhra Pradesh State)

Date: 30.06.2014 - Time: 05.30 PM

Venue: Katriya Hotel & Towers, Rajbhavan Road, Somajiguda, Hyderabad

STATE LEVEL BANKERS` COMMITTEE OF A.P

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**The 184th Meeting of SLBC of Andhra Pradesh (1st SLBC meeting of reorganized A.P State) was conducted on 30.06.2014 at Katriya Hotel & Towers, Somajiguda, Rajbhavan Road, Hyderabad at 05.30 P.M.**

Sri N.Chandrababu Naidu, Hon’ble Chief Minister of Andhra Pradesh, Shri K E Krishna Murthy, Hon`ble Deputy Chief Minister and Minister for Revenue, Sri Yanamala Ramakrishnudu, Hon`ble Minister for Finance, Sri Prattipati Pulla Rao, Hon`ble Minister for Agriculture& Animal Husbandry, Smt.Peethala Sujatha, Hon`ble Minister for Women Empowerment, Child & Disabled Welfare, Sri I.Y.R. Krishna Rao, IAS, Chief Secretary, Govt of AP, Sri K.R. Das, Regional Director, Reserve Bank of India, Sri R.K. Rajput, General Manager, Reserve Bank of India, Sri Jiji Memman, Chief General Manager, NABARD, Smt Chandana Khan, IAS, Special Chief Secretary & Chief Commissioner of Land Administration, Sri Santanu Mukharjee, MD, State Bank of Hyderabad, Sri C.R. Sasi Kumar, Chief General Manager, State Bank of India, Sri S.Chezhian, GM, Indian Bank, Sri V. Giridhar, MD, APCOB, Senior Officials from Government of Andhra Pradesh, executives from Banks , Chairmen- RRBs, Lead District Managers have participated in the meeting. The detailed list of participants is given as annexure.

**Keynote address - Sri C.VR. Rajendran, CMD, Andhra Bank and President, SLBC of AP**

Sri C.VR. Rajendran, President, SLBC of A.P extended a hearty and warm welcome to Shri N. Chandrababu Naidu, Hon’ble Chief Minister of A.P, Council of Ministers, Chief Secretary, Principal Secretaries and Officials of State Administration, co-bankers, Members and Invitees to 184th Meeting of SLBC (1st SLBC meeting of reorganized A.P.State).

He congratulated Sri N Chandrababu Naidu for taking over the reins as the Chief Minister of the state. He is confident that the state of Andhra Pradesh under the able stewardship of Sri N Chandrababu Naidu will usher in a new era of growth and prosperity and fulfil the aspirations of the people of the state and turn the state into a “Happening State” in the years to come with the vision and dedicated hard work by the Chief Minister and the Govt. of AP.

The 183rd SLBC meeting was convened on 29th of May, 2014 and the performance of the banks during the year 2013-14 in the combined state was reviewed. It is noticed that the long period of agitation in the state has had its impact on the banking activities right from implementation of the schemes to growth in business and recovery of dues. The state also witnessed cyclones and heavy rains during October, 2013 wrecking havoc in many districts of the state affecting farmers, artisans and other petty businesses thus negating the impact of good rains received during Kharif, 2013.

Inspite of the above impediments, the performance of the banks under various key banking parameters has been good where as implementation of Govt. Sponsored schemes was not at expected levels. With the formation of the new states, banks are foreseeing ample business opportunities in the state owing to availability of tax holiday in Andhra Pradesh and the infrastructure facilities that accrue for the all-round development of the state. The State, endowed with a long coast line, fertile land, rivers and backed by excellent entrepreneurial talent, has been a pioneer in many developmental activities and with the active participation of the banks in the development of the state, we can look forward to a new era of development.

He placed before the House, performance of AP State under various banking parameters as on 31st March, 2014.

**Branch Network:** There are a total of 5,980 bank branches in the state as on 31.03.2014, with more than 68% of the branches being situated in rural and Semi-urban areas.

**Deposits and Advances:** The total deposits outstanding as at the end of March, 2014 is Rs. 1,65,242 crores and the total advances outstanding is Rs. 2,01,201 crores. As explained earlier, there is marked slowdown in resource mobilization and credit expansion during the current year over the previous years.

**Credit Deposit Ratio:** The CD Ratio of Banks in the State is 121.76 % which is one among the highest in the country.

**Priority Sector Advances:** The Priority Sector advances as at the end of March, 2014 stood at Rs.1,37,250 crores, constituting 80.87 % of ANBC as against the regulatory norm of 40%.

Total agricultural advances are at Rs.87,612 crores, constituting 51.62 % of ANBC against the regulatory norm of 18%. The agricultural credit of the State is one of the highest in the country. This clearly indicates the role of the banks in the state in channelizing the credit to the Agricultural sector in tune with the aspirations of the people of this Agrarian State.

Total credit outstanding under MSE sector is Rs.26, 302 crores, under Education Loans is Rs. 3,393 crores and Housing loans is Rs. 15,621 crores as on March 31, 2014,

**Performance under Annual Credit Plan 2013 -14 as on 31 March, 2014**

**Credit Flow to Priority Sector:** As against the annual disbursement target of Rs.66,956 crores for the year 2013-14 under Priority Sector, credit flow during the year is Rs.64,728 crores, with an achievement of 96.67% of the annual target.

The credit flow to agriculture has been Rs. 49,774 Crores as against the target of Rs.47,017 crores, i.e., an achievement of 105.86%. The flow of credit towards Agril Term Loans has been more during the period under review and banks could surpass the targets under Agriculture owing to lending of high value Agri. Term Loans. This achievement is inspite of the fact of the disturbances in the state for a long period that hindered the access to banking system by the farming community in view of forced closure and non-functioning of banks and the reluctance of the farmers to repay / renew the loans anticipating debt Waiver of farm loans.

**MSE SECTOR:** Flow of credit for Micro and Small enterprises is being closely monitored at all levels as the sector provides large scale self employment. The total outstandings under this head is Rs. 26,302 crores as at the end of 31 March, 2014. The banks in the state have to make efforts to channelize the flow of credit to Micro Enterprises and ensure that the stipulated target of 60% of the amount lent under MSE sector is achieved as recommended by the PM’s task force.

Another area of concern is the coverage of these loans under CGTMSE. The performance is not up to the expected level and it should be the endeavour of all banks to provide collateral free loans to MSE sector and the field staff needs to be suitably sensitized to achieve the desired results in this aspect.

**Social welfare schemes & implementation of government sponsored programmes:** The progress under implementation of various Govt. Sponsored schemes during the year has not been encouraging. This is mainly due to the factors beyond the control of the bankers.

The proactive role of Govt. Departments in allocating the targets, scheduling beneficiary selection campaigns and imparting training to the prospective entrepreneurs is much warranted in successful implementation of the Govt. sponsored schemes.

Banks need to step up efforts to achieve the desired results in respect of lending to PMEGP and minority communities with due coordination and cooperation from Govt.

**Implementation of F.I. / DBT/DBTL./ Financial literacy:** Banks have successfully implemented the F.I. Initiatives of GOI in villages with population of above 2000 and the progress in implementation in villages with population below 2000 is encouraging. But, the progress in establishment of onsite ATMs, POS machines and Biometric ATMs as advised by the Govt. of India and transactions in the villages through BCA needs special monitoring. Banks have to ensure that the target of providing on-site ATMs is achieved. The transactions at the BC outlets also need to be substantially improved to achieve 100% Financial Inclusion.

Department of Financial Services, Government of India has proposed to launch a new scheme “Sampoorn Vittiyea Samaveshan (SVS)” (Comprehensive Financial Inclusion) on 15th August, 2014 that ensures access to financial services and timely & adequate credit to the excluded sections i.e., weaker sections and low income group . He requested all the Banks to follow the timelines stipulated for successful implementation of the new scheme.

There are 32 Financial Literacy Centers functioning in the state. All rural branches are also advised to conduct Financial Literacy camps in the villages. The controllers are required to closely monitor the progress in this aspect as per the guidelines of RBI.

**Disbursement of agricultural loans during Kharif, 2014-15:** Though the state of Andhra Pradesh has been one of the leading states in terms of lending to Agriculture sector and banks in the state have always surpassed the targets, the scenario has changed during the last couple of years affecting both the farmers and the bankers in the state.

The farmers have demonstrated reluctance in repayment / renewal of crop loans and other agricultural term loans anticipating a debt waiver. The reluctance has been observed even in case of high value loan accounts and from term loan borrowers.

Banks are unable to recycle the funds owing to non repayment of loans and mounting overdues are badly affecting the morale of the field staff as bankers have been facing protests whenever they approach the farmers for educating them on the benefits of repayment / renewal of agricultural loans. The slippage of agricultural loans into NPAs is on a very high side resulting in higher provisioning ultimately affecting the credit rating of the banks.

Though the Kharif season is the most important season with 60-75% lending under crop loans, the current imbroglio is hampering the performance of the banks under Agricultural lending as Crop loan disbursements during the current season has almost come to a halt.

The need of the hour is to bring clarity on the proposed debt waiver with due publicity. There is need to educate the farmers on timely repayment and renewal of loans duly explaining the benefits of Crop Insurance and Interest Subvention schemes as subvention is linked to prompt repayment. He requested the Government to put in place an effective and undisputable recovery mechanism which can tackle the issue effectively, particularly in case of chronic and willful defaulters.

There are certain other long pending issues which will be put forth by the Convenor and he requested the forum to discuss those issues for their logical conclusion.

He assured the Government of the support and total involvement of SLBC and all banks in implementing the welfare measures of the Government. The banks have been and will continue to play a proactive role to carry forward the vision of the state Government to usher in a new era of development and in fulfilling the aspirations of the people of the state.

He requested the Hon’ble Chief Minister of AP, Sri Chandrababu Naidu to release the State Credit plan for 2014-15

After the launch of State Credit Plan 2014-15 by Hon’ble Chief Minister of A.P, Sri C.VR.Rajendran informed the house that the State Credit Plan for 2014-15 has been made meticulously prepared based on the State Focus paper released by NABARD, with a view to channelize the credit to fulfil the aspirations of the people with due priority to Agriculture, Micro & Small enterprises, housing and education etc., and he presented the highlights of the projected Credit Plan to the forum.

The total plan outlay has been pegged at Rs. 91,459 crores for 2014-15, with an allotment of Rs. 77,894 crores towards priority sectors, an increase of 20.34% over the achievement of previous year. The projections under Priority Sector in the present plan are close to the projections of Potential Linked Plan (PLP) given by NABARD in the State Focus paper which is Rs. 83,397 crores.

Under agricultural credit, an amount of Rs.56,019 crores has been earmarked for the current year with projected outlay towards short term production credit being

Rs. 41,978 crores.

Emphasis is being laid on investment credit with an allocation of Rs.14,041 crores under agricultural Term loans including allied activities. This is in tune with the NABARD focus paper which has suggested banks to ensure that 25% of total ground level credit may be allocated to Agril. term loans.

Farm mechanization is being given due importance with an outlay of Rs. 1,686 crores with thrust on Minor/ Micro Irrigation with an oulay of Rs. 847 crores.

Plantation & horticulture continues to be a focused area with a credit target of Rs. 739 crores. Due care has also been taken for, in allocation of funds in the current plan for development of SHGs, which form an integral part of empowerment of Rural Women.

Under investment credit, major thrust is given for Dairy Development with an outlay of Rs. 3,663 crores, Poultry – Rs. 870 crores, Fisheries - Rs.1,205 crores and Sheep / Goat /Piggery - Rs. 290 crores. He opined that these targets will amply take care of the credit needs of the allied activities which is essential for overall development of rural sector.

An amount of Rs. 2,569 crores has been earmarked for Development of Storage Godowns, Market Yards and other facilities during the current plan.

To nurture and encourage the entrepreneurial talent existing in the state, an amount of Rs. 10,850 crores has been projected under Micro & Small sector.

An amount of Rs.4, 795 crores has been earmarked for Housing Sector and Rs. 1,926 crores for Education Loans.

Thus, it can be observed that the allocations have been made to ensure that the credit needs of all sections and sectors are duly met during the current year.

He requested the banks in the state to ensure that the targets projected in the state credit plan are invariably achieved for the overall development of the state.

**Pending issues for resolution with Government of Andhra Pradesh:**

Sri C.Doraswamy, General Manager, Convenor, SLBC of A.P presented the issues for resolution which are long pending.

1. **Revisiting of LEC**: SLBC has requested GoAP to take necessary steps for revisiting the LEC scheme guidelines by involving all the stake holders and study the reasons for low progress and to suggest remedial measures for better implementation of the scheme as per the request of the then Chief Minister.

GoAP agreed to constitute a committee for suggesting refinement of the scheme.

1. **Integration of Land records** : In the state of Andhra Pradesh, with the initiation of GoAP in coordination with NIC, banks were provided with the facility of online viewing the digitalized land records from their branches and NIC has provided user IDs and passwords for 38 banks in this regard. Though the banks are able to avoid the cumbersome process of obtaining updated land records from the local revenue authorities by being able to view the digitalized land records at the branches, the facility of on line creation of charge on crop and land needs to be extended to take the project forward as envisaged. Further, it was agreed during a Steering Committee meeting of SLBC of AP that a small committee will be set up to work out modalities in this regard. But we are yet to receive any communication in this aspect.

Chief Secretary informed that he has advised CCLA to complete the process of online creation of charges in coordination with banks in line with the scheme implemented in Karnataka State.

1. **Establishment of 2nd DRT in the State:** SLBC has requested the Govt. of AP for setting up of second DRT in the state by which the huge pendency of cases can be much reduced and recovery process in high volume loans can hastened.
2. **Central Registry by GoAP for MSME sector :** Creation of a Central Registry by the State Governments for registration of charges of all banks and other lending institutions in respect of all moveable and immovable properties of borrowers incorporated as proprietorship, partnership, cooperative society, trust, company or in any other form as per the directions of RBI vide circular No. RBI/2008-09/467,RPCD.SME&NFS. BC.No.**102**/06.04.01/2008-09 May 4, 2009.
3. **Preparation of model projects under MSME at district level by General Manager, District Industries Centre:** General Managers, District Industries Centers (DICs) are advised to take immediate steps on the matter involving KVIC/KVIB and Lead District Managers to prepare the model projects and place on the district websites for the benefit of banks & 1st generation entrepreneurs.
4. **AP VAT Act – Revision:** The Andhra Pradesh VAT Act, 2005 has been amended to provide for attachment of the debit balance also in the overdraft accounts allowed to the traders by the banks. IBA has also clarified that debit balances in overdraft cannot be attached. This matter needs immediate resolution by way of amendment to the Act.
5. **VLR/Pavala Vaddi scheme of GoAP :** SLBC had requested GoAP to clarify on the issue of continuation of VLR and Pavala Vaddi Schemes after 2nd June, 2014

GoAP has agreed to continue the scheme.

1. Allotment of land for construction of building to RSETIs: Convenor requested GoAP to provide land for construction of own building to RSETIs located in Guntur, Chittoor and Tirupathi.

Chief Minister advised the officers concerned to address a letter to the District Collectors for allotment of site for construction of building to RSETIs in these districts.

1. Government of A.P is requested to issue crop insurance notification for MNAIS and WBCIS for kharif 2014 as the season has already commenced.

Sri N.Chandrababu Naidu, Hon’ble Chief Minister of Andhra Pradesh addressed the forum on the following issues:

He requested all the bankers to work with the Government with coordinated efforts for the development of the state with special focus on Agriculture and allied activities.

1. Efficient utilisation of technology: He stressed the importance of utilising technology for the benefit of common man and also for the efficient banking.
2. Reschedulement of crop loans allowed during 2013-14 due to natural calamities occurred in the year 2013 : He informed that the state has experienced drought in 113 mandals and Cyclone in 464 mandals during the year 2013 i.e 85% of mandals in the state were affected. To mitigate the problems faced by the farmers in the state, Government has taken a decision to implement Debt Waiver Scheme for which an expert committee has been appointed to work out the modalities. He requested the bankers to convert the short term production loans allowed during the year 2013-14 into term loans repayable in 3 to 7 years with an initial moratorium of one year. Conversion of short term loans into medium term loans within a period of three months from the date of occurrence of natural calamity is only a technicality and banks cannot take plea under this pretext for non-converting the short term loans into term loans. The delay in issue of G.O declaring affected mandals may be on account of special situation prevailed in the state due to prolonged agitation. Government of A.P has no intention to make the banks suffer. He also informed that it is proposed to cover crop loans allowed to all farmers and gold loans to women allowed for agriculture purpose whether they are overdue or regular. It was also made clear that debt waiver would be available for the loans outstanding on particular cutoff date (to be announced), even if they are un-paid or repaid subsequently. He reiterated that his Government is committed to farm loan waiver scheme. Till the finalization of the guidelines, he requested bankers not to pressurize the farmers for repayment of farm loans.
3. Disbursement of Kharif Loans: He requested the bankers to extend kharif loans to the farmers pending finalisation of proposed debt waiver scheme. At the same time, he requested the bankers to reschedule the crop loans allowed during 2013-14 due to natural calamities to enable the farmers to avail crop loans during Kharif 2014. He also felt that sufficient focus should be there on lending to tenant farmers.
4. Review of proposed state credit plan 2014-15: He suggested to give importance in lending to SCs/STs/Minorities/BCs during the year. Banks have to give thrust in lending to allied activities that will help the farmers during the period of natural calamity. Hence equal attention has to be given for allied activities in agricultural term loans.
5. Skill upgradation is absolutely required for growth in MSE sector. He opined that port and airport will change the economy and this can be achieved with the availability of long coastal line in Andhra Pradesh. Thrust also be given to agro processing industries to boost the farming economy. Agriculture and service sector should go together for all round development of the state.
6. Revisiting of Crop Insurance Scheme: He suggested constituting a small committee to revisit the crop insurance scheme to be made more farmer friendly and to suggest to Central Government for consideration. AIC of India should take a lead to constitute the committee in this regard.

**Sri K.R.Das, Regional Director, Reserve Bank of India** congratulated the new Andhra Pradesh Government that assumed office under the leadership of Shri Chandrababu Naidu. Though this is the first SLBC meeting of reorganized Andhra Pradesh the convener, Andhra Bank has an advantage of having rich experience in successfully organizing the SLBC meetings for the last 30 years. One of the main contributors for the success is, undoubtedly, the close coordination with which banks and State Government are functioning in the State. He did not have an iota of doubt about continuance of the same in future also. During the last 30 years, Reserve Bank of India has been lending a helping hand to SLBC convener bank in cases of need and he assured that it would continue in future also to the two convener banks in AP and Telangana. Going ahead, better understanding and greater working relations between SLBC convener banks and RBI on one hand and State Governments on the other will continue as the key elements in steering forward the States to new heights of economic development.

The new State Government is endowed with healthy banking indicators as can be observed from the SLBC statistics—which are significantly high in percentage terms when compared to the position in the combined State. CD ratio of 122%, 81% of bank credit to priority sector advances, 14% and 19% incremental deposits and advances respectively over last year are to mention some. As per the estimate of CSD & Ministry of Agriculture, GOI food grain production in AP has improved from 186.6 lakh MT in 2012-13 to 202.6 lakh MT in 2013-14 recording a growth of 6% over previous year. In addition to what is stated by SLBC under Agenda 4, he would like to flag some issues of concern for the attention of State Government and banks.

1. RBI has been pursuing the financial inclusion and financial literacy measures by advising the banks to provide banking facilities in every village through BC-ICT model. Basic Savings Bank Deposit Accounts (BSBDA) are being opened by the Business Correspondents (BC) for the villagers and extending the banking services of Savings bank operations, Recurring deposits, small value remittances etc. All the 3911 villages having population above 2000 have already been covered by banking outlets. For villages having population below 2000, coverage by banks was commendable. Out of 10731 villages to be covered by 2016, 95% villages have already been reported covered by March 2014. He opined that providing banking facility in the unbanked village should not end up with opening of bank accounts alone. Banks have to ensure that villagers are operating these accounts for their daily transactions. Ideally, the village population should be able to get all types of banking facilities at their village, no matter, what type of banking facility viz., branch, BC or other mode, has been provided at their village. A minimum of four types of transactions have been prescribed in this regard. They are, a deposit account with small amount of OD, recurring deposits, small value remittances. In a study conducted by our officers, it was revealed that many SHG members are also wishing to repay their loan instalments at BC outlets. All these items need to be examined.
2. DCC / DLRC meetings annual calendar is prepared by the lead banks in the district after due consultation with the District Collectors concerned. However, it is observed that very often the schedule is not being adhered to and the meetings are convened at a very short notice on dates other than the mutually agreed. Further, the last minute cancellation of such meetings has also become very common. On account of the multiple cancellations/ short notice, no formal agenda of the meeting or the action taken report of the previous meetings are circulated to the members. Many stakeholders are also not able to participate in the meetings on account of short notice. All this hampers meaningful discussion on important mandatory issues such as ACP achievements, financial inclusion, MSME issues etc. and most often these meetings are reduced to discussion on disbursal of crop loans alone. District Collectors may be advised to adhere to the calendar of meetings. In case, for any reason, the District Collector cannot chair the meeting, he/she may delegate the responsibility to suitable officials under them so as to increase the chances of participation of all stakeholders in the discussion. This will reenergize the forum to achieve the goal of all round development in the district.
3. Directors nominated by State Government on the Boards of RRBs are not able to attend the Board Meetings of RRBs as they are senior level functionaries (Secy. Finance) in the Government and, thus, have other pressing commitments. As a result, RRBs are deprived of valuable guidance of State Government Officials. Government may consider the possibility of nominating a director who will be able to attend all the board meeting of RRBs. It was given to understand that the issue is already under active consideration of Government and look forward to an early decision in this regard.
4. RD quoted the foreword of RBI, Governor Shri Raghuram Rajan to the latest financial Stability Report where Hon’ble Governor has observed that “India’s financial System remains stable, although the Public Sector Banks face challenges in coming quarters in terms of their capital needs, asset quality, profitability and more importantly their governance and management processes. While India remains committed to implement global regulatory norms priorities may differ as the Indian Financial System faces a different set of challenges as compared to those jurisdictions that faced financial/banking crisis. The country has chosen a stable government; markets expect more decisiveness in Govt. policy formation as well as greater efficiency in implementation. Going forward, further progress on fiscal consolidation, a predictable tax and policy regime and low and stable inflation rates will be the key anchors in promoting India’s macroeconomic as well as financial stability”.

He reminded all banks that they have to transfer the unclaimed funds including interest in all accounts that remained for 10 years and above are to be transferred before closure of working hours of **today** to a recently constituted fund –Depositors’ Education and Awareness Fund (DEAF) maintained with Reserve Bank of India. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank his/ her deposit or any other unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor / claimant and claim refund of such amount from the Fund.

He expressed his wish that the 184th SLBC meeting would end up with fruitful discussion on all the agenda items.

**Sri Jiji Memman, Chief General Manager, NABARD** expressed thatthe development of the state would be progressive during the years to come. He observed that more disbursements are happening in short term credit and requested the bankers to give thrust on lending under investment credit with a minimum of 25% of disbursal in the total agriculture lending. NABARD is providing refinance to the banks for recycling of funds. He requested the bankers to give focused approach in extending credit to horticulture and other area based schemes based on the potentiality. The committee for fixation of unit costs has been revived recently and the meeting will be convened shortly to look into the new areas having potential for credit flow. He informed that a separate fund with Rs.500 crores was earmarked to warehousing sector for the state. He suggested PACS to develop their fertilizer godowns into scientifically managed storage structures which will be supported by NABARD. He further informed that high power committee on RIDF will meet shortly to discuss on allocation of funds to various activities from RIDF.

**Sri K.Madhusudhana Rao, Commissioner & Director of Agriculture** informed that the farmer is investing Rs.8000/- to Rs.9000/- per acre towards inputs whereas the input subsidy is provided to the extent of Rs.2500/-. Crop Insurance policy may be made open-ended and any compensation is to be made professionally to meet the total loss suffered by the farmer. The crop insurance scheme is also affected due to lack of sufficient automatic weather stations as per the requirement and dependence on crop cutting experiments.

**Ms. Rajeswari Singh, Chief Manager, AIC of India** informed to the house that crop insurance notification for the Kharif 2014 season is pending with the Government for clearance. With regards to the claims pertaining to the cyclone and other calamities occurred during the last year, she informed that their office is yet to receive approval from the thier HO.

**Sri M.Krishna Rao, Director, APBIRED** informed that the institute is providing skill upgradation programmes to the rural youth to establish self employment ventures.

**Sri S.K.Sampath Kumar, special invitee** expressed that BPL families are not aware of the benefits provided by the government. The decisions taken at the highest forum for the benefit of these families are not being percolated to the field level.

**Sri K.E.Krishna Murthy, Deputy Chief Minister and Minister for Revenue** informed that banks sanctioned loans to the extent of 50% of the Loan Eligibility Cards issued to the beneficiaries. He does not want any discouragement from the bankers in this regard. In reply, Convenor, SLBC of A.P informed that though the bankers are proactive, the following are some of the reasons which hindered performance in lending to Loan Eligibility Card holders.

* The owner farmers have already availed the crop loans on the same piece of land where the charge on the crop is existing towards the loan amount outstanding from the Bank.
* Tenant farmers have availed crop loans with the banks either in RMG/JLG mode.
* The earlier crop loans availed by tenants are not repaid
* District administration has not taken sufficient interest in identifying the eligible tenant farmers and issuance of cards before onset of monsoon/at the early days of Khariff season as envisaged in the guidelines of GoAP.

Chief Secretary clarified that there should be much coordination between banks and Govt. He opined that the process of identification of beneficiaries needs refinement and requested CCLA to look into to sort out the problems.

**Sri Jiji Memman, CGM, NABARD** requested GoAP to provide interest subvention/incentive on prompt repayment for agriculture term loan beneficiaries.

Chief Minister of A.P requested the forum to deliberate on rescheduling of short term loans provided during the kharif 2013 into term loans on account of natural calamities. He also informed that as per master circular of Reserve Bank of India, extending relief measures within three months from the date of occurence of natural calamity will not come in the way for the bankers to reschedule crop loans.

In response, the Regional Director, RBI informed that RBI master circular states, “Asset classification of restructured account as on date of natural calamity will continue if the restructuring is completed within a period of three months from the date of natural calamity.” Though banks can do restructuring even beyond three months, asset status as standard will not continue. It was further clarified that any deviation to the extant guidelines requires approval from their Central Office.

Chief Minister of Andhra Pradesh has moved a resolution, for adoption of the House, to request Central Office, RBI, Mumbai seeking approval for conversion of short term loans allowed during Kharif 2013 into term loans in the areas affected by natural calamities beyond three months from the date of occurrence, given the special circumstances prevailed in the state.

Chief Minister of Andhra Pradesh desired to have more meetings to review the performance of the banks and Government departments and to resolve the issues that emanate during implemenation. He informed that house that Government is working for a solution for farm loan waiver and till such time, banks are requested not to go for harsh methods for recovery of loans.

**Sri C.VR.Rajendran, President, SLBC of A.P**

1. Informed that SLBC has advised all controllers of banks & LDMs to initiate necessary relief measures in the affected mandals on account of natural calamities declared by Govt.of AP vide GO Ms. No. 1 dated 03.01.2014 and GO Ms No.3 dated 23.01.2014. In spite of bankers persuasion, farmers have not come forward to get the loans rescheduled, anticipating proposed debt waiver of the state Government.
2. He informed the house that, by virtue of non-rescheduling/restructuring of loans, most of the agricultural loan accounts are becoming overdues and NPAs, disabling the farmers to avail the benefit of interest subvention on prompt repayment. Due to these reasons all banks are being forced to add to their NPAs under agricultural sector resulting in heavy provisioning which adversely affects the rating of the banks. Further, this position will not facilitate the banks with sufficient funds to meet the further credit requirements of the borrowers.
3. He requested the Government to announce the cut-off date for implementation of the proposed debt waiver scheme and also to communicate the modalities of the scheme with ways and means for implementation.
4. In response to the request of Hon’ble Chief Minisiter on reschedulement of loans, President SLBC informed that any deviation to the RBI guidelines needs special approval of Reserve Bank of India.
5. He suggested the Government of AP to give publicity on repayment of loans with an assurance that any decision of the government on farm relief will be effective from the cutoff date decided by the government and any repayment shall not disqualify the eligibility of the benefit proposed by the Government.
6. He advised the banks to enter the pattadar pass book number in the system to weed out the duplicity of benefits and ineligible borrowers in the proposed debt waiver.

**Review of Agenda by Sri C. Doraswamy, Convener, SLBC of AP:** The minutes of **183rd SLBC meeting** held on **May 29, 2014** and minutes of the meeting held on **21st May, 2014** on Revisiting of Documentation – SHG Bank Linkage- Cash Credit System 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.

Chief Minister of Andhra Pradesh awarded Raja Bhasha shields and certificates for the year 2012-13 to the executives of the banks viz., Central Bank of India (1st prize), State Bank of Hyderabad (2nd prize) and Punjab National Bank (3rd prize) for their performance in implementation of Raj Bhasha.

The house placed on record the contribution of Sri P.Nagarjun, General Manager, AIC of India, Hyderabad on his superannuation on 30th June, 2014.

The meeting was concluded by the vote of thanks proposed by Sri K.S.Sudhakar Rao, Chairman, Saptagiri Grameena Bank.

**Action Points emerged in the meeting**

|  |
| --- |
| * Government of A.P to constitute a committee for revisiting the scheme guidelines of LEC. * Government of A.P has to provide the facility of online creation of charge on crop and land to webland portal by the bank branches. * To establish second DRT in A.P State. * Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. * Preparation of model projects under MSME at district level by GM, DIC and to place in the District website. * Amendment to AP VAT ACT 2005 not to attach debit balance in the overdraft account of the traders. * G.O is to be issued by Govt of AP on continuation of VLR/Pavalavaddi Scheme on crop loans after re-organisation of the state. * Govt. of AP to issue crop insurance notification for MNAIS and WBCIS for kharif 2014. * Allotment of site to RSETIs located at Guntur, Chittoor and Tirupathi. * All banks are requested to reach the set targets under various sectors proposed in the state credit plan 2014-15.   **(Action: All banks, LDMs, AIC of India, CCLA and Govt. of AP)** |

**Concluded**

**LIST OF PARTICIPANTS**

**Chief Guest**

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

**Hon'ble Ministers**

|  |  |  |  |
| --- | --- | --- | --- |
| 2 | K E Krishna Murthy | Hon’ble Dy. Chief Minister & Minister for Revenue, Stamps & Registration | Govt. of Andhra Pradesh |
| 3 | Yanamala Ramakrishnudu | Hon’ble Minister for Finance & Planning, Commercial Taxes, Legislative Affairs | Govt. of Andhra Pradesh |
| 4 | Prattipati Pulla Rao | Hon’ble Minister for Agriculture, Agri-Processing, Marketing & Warehousing, Animal Husbandry, Dairy Development & Fisheries | Govt. of Andhra Pradesh |
| 5 | Peethala Sujatha | Hon’ble Minister for Women Empowerment, Child Welfare and Disabled & Senior Citizens Welfare, Mines & Geology | Govt. of Andhra Pradesh |

**Government of India**

|  |  |  |  |
| --- | --- | --- | --- |
| 6 | Dr. N.Srinivasa Rao | Director, Ministry of Finance | Govt. of India |

**CHIEF SECRETARY**

|  |  |  |  |
| --- | --- | --- | --- |
| 7 | I Y R Krishna Rao, IAS | Chief Secretary | Govt. of A.P |

**SLBC OF A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 8 | C VR Rajendran | Chairman & Managing Director and President, SLBC of A.P | Andhra Bank |
| 9 | S K Kalra | Executive Director | Andhra Bank |
| 10 | C. Doraswamy | General Manager &  Convenor, SLBC of A.P | Andhra Bank |
| 11 | M Bala Bhaskar | Chief Manager, SLBC | Andhra Bank |

**RESERVE BANK OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 12 | K R Das | Regional Director | Reserve Bank of India |
| 13 | R K Rajput | General Manager | Reserve Bank of India |
| 14 | A S V Kameswar Rao | Asst. General Manager | Reserve Bank of India |

**NABARD**

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | Jiji Memman | Chief General Manager | NABARD |
| 16 | Toolika Pankaj | Dy. General Manager | NABARD |
| 17 | Dr. Y Hara Gopal | Asst. General Manager | NABARD |

**SIDBI**

|  |  |  |  |
| --- | --- | --- | --- |
| 18 | Y M Kumari | Dy. General Manager | SIDBI |

**GOVERNMENT OFFICIALS**

|  |  |  |  |
| --- | --- | --- | --- |
| 19 | Chandana Khan, IAS | Special Chief Secretary &  Chief Commissioner of Land Administration | Govt. Of A.P |
| 20 | Ajeya Kallam, IAS | Principal Secretary, Finance Dept. | Govt. of AP |
| 21 | L Premachandra Reddy, IAS | Secretary, Finance (IF) Dept. | Govt. of A.P |
| 22 | Anil Chandra Punetha, IAS | Principal Secretary,  Agriculture Department | Govt. of A.P |
| 23 | Dr Manmohan Singh, IAS | Principal Secretary,  Animal Husbandry Department | Govt. of A.P |
| 24 | R Karikal Valaven, IAS | Principal Secretary,  Housing Department | Govt. of A.P |
| 25 | K Madhusudana Rao, IAS | Commissioner of Agriculture | Govt. of A.P |
| 26 | Shashi Bhushan Kumar, IAS | Commissioner, Rural Development | Govt. of A.P |
| 27 | Anita Ramachandran, IAS | Mission Director, MEPMA | Govt. of A.P |
| 28 | Shamsher Singh Rawat, IAS | Secretary,  Social Welfare Department | Govt. of A.P |
| 29 | B Rajsekhar, IAS | CEO, SERP | Govt. of A.P |
| 30 | K R B H N Chakravarthi, IAS | Director, Youth Services &  MD, APSTEP | Govt. of A.P |
| 31 | K V Satyanarayana, IAS | Director, Handlooms & Textiles | Govt. of A.P |
| 32 | M Papi Reddy, IRTS | Commissioner,  Horticulture Department. | Govt. of A.P |
| 33 | N Krishna, IAS | VC & MD, BC Corporation | Govt. of A.P |
| 34 | B Udayalakshmi, IAS | Commissioner, Tribal Welfare | Govt. of A.P |
| 35 | Sandeep Sultania, IAS | CC & RCS, Cooperation | Govt. of A.P |
| 36 | Praveen Kumar, IAS | Commissioner,  Fisheries Department | Govt. of A.P |
| 37 | Dr. P D Kondala rao | I/C Director,  Animal Husbandry Department | Govt. of A.P |
| 38 | Dr. G Somasekharan | Addl. Director,  Animal Husbandry Department | Govt. of A.P |
| 39 | V V Vijayalaxmi | Addl. DA  Department of Agriculture | Govt. of A.P. |
| 40 | Parvati Subramanian | Jt. Commissioner, O/o CCLA | Govt. of A.P |
| 41 | Y V Raghunatha Reddy | Director, (BPs), SERP | Govt. of A.P |
| 42 | Bh. S Satyanarayana | Nodal Officer, PMEGP, KVIC | Govt. of India |
| 43 | Dr. P S Rajeshwar Prasad | Executive Director, APSFC | Govt. of A.P |
| 44 | K Rambabu | General Manager, APSFC | Govt. of A.P |
| 45 | T R Jagadeesh | Chief General Manager,  AP State Housing Corporation | Govt. of A.P |
| 46 | Y V Bhaskar Rao | General Manager,  AP State Housing Corporation | Govt. of A.P |
| 47 | B S A Murthy | Dy. General Manager | H U D C O |
| 48 | B Adinarayana Rao | Dy. General Manager, TRICOR | Govt. of A.P |
| 49 | M A Kumar Raja | Deputy Director,  Welfare of Disabled | Govt. of A.P |
| 50 | B Dhananjaya Rao | DD, Plg. – Fisheries Department | Govt. of A.P |
| 51 | M Basava Raju | JD, Fisheries Department | Govt. of A.P |
| 52 | S V Hanumantha Rao | OSD, Finance (IF) Dept | Govt. of AP. |
| 53 | K Veerabrahma Chary | OSD, APSCMFC | Govt. of A.P |
| 54 | D V L K S Sarma | Accounts Officer, APSCMFC | Govt. of A.P |
| 55 | M A Bari | AGM, APSCMFC | Govt. of A.P |
| 56 | T Rama Rao | Scientist,  National Informatics Centre | Govt. of India |
| 57 | V Seena Naik | D.E.O, Finance Department | Govt. of A.P |
| 58 | P Sanyasi Raju | Addl. Asst. Commissioner,  Office of CCLA | Govt. of A.P |
| 59 | M Rajeshwari Singh | Chief Manager, AIC of India | Govt. of India |
| 60 | M Vijay Kumar | Asst. Manager, AIC of India | Govt. of India |
| 61 | K Suresh | Consultant (IT),  O/o Commissioner of Agriculture | Govt. of A.P |
| 62 | Y Sahadevulu | CA, CMO | Govt. of A.P |
| 63 | Syed Rasool | State Mission Coordinator, MEPMA | Govt. of A.P |
| 64 | D V R Reddy | State Mission Coordinator, MEPMA | Govt. of A.P |
| 65 | T Krishna Rao | Consultant, SERP | Govt. of A.P |
| 66 | K Venugopal Rao | Manager, Dept of Youth Services | Govt. of A.P |
| 67 | K Anji Reddy | Superintendent, APBCCF Ltd. | Govt. Of A.P |

**SPECIAL INVITEES**

|  |  |  |  |
| --- | --- | --- | --- |
| 68 | Pamidi Kotaiah | Chairman, Expert Committee,  Debt Waiver | Govt. of A.P |
| 69 | C S Rao | Advisor to Govt. | Govt. of A.P |
| 70 | C Kutumba Rao | Vice President,  AP State Planning Board &  Member, Expert Committee | Govt. of A.P |
| 71 | D Hanumantharaya | Director, National Commission for Scheduled Castes | Govt. of India |
| 72 | S K Sampath Kumar | Member, SLC,  PM’s New 15 Point Programme | Govt. of A.P. |

**NATIONALIZED BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 73 | Santanu Makherjee | Managing Director | State Bank of Hyderabad |
| 74 | C R Sasi Kumar | Chief General Manager | State Bank of India |
| 75 | J Sitapathi Sarma | General Manager &  Convenor, SLBC of Telangana | State Bank of Hyderabad |
| 76 | S Chezhian | General Manager | Indian Bank |
| 77 | P Ramana Murthy | General Manager | Allahabad Bank |
| 78 | G Subramania Iyer | General Manager | Canara Bank |
| 79 | K Eswar | General Manager | Central Bank of India |
| 80 | Pawan Kumar Garg | General Manager | Indian Overseas Bank |
| 81 | B Srinivasa Rao | General Manager | IDBI Bank |
| 82 | M Mohan Reddy | Dy. General Manager | Syndicate Bank |
| 83 | Nitin Kumar S | Dy. General Manager | State Bank of India |
| 84 | U A Krishna Murty | Dy. General Manager | State Bank of Hyderabad |
| 85 | S V Rajendra Prasad Rao | Dy. General Manager | Bank of India |
| 86 | N Ram Babu | Zonal Manager | Bank of Maharashtra |
| 87 | Arvind Kambar | Zonal Manager | Dena Bank |
| 88 | S P Chugh | Dy. General Manager | Oriental Bank of Commerce |
| 89 | K Swaminathan | Chief Regional Manager | Indian Overseas Bank |
| 90 | C Palaniappan | Zonal Manager | UCO Bank, Vijayawada |
| 91 | T S Swamy | Dy. General Manager | Union Bank of India |
| 92 | P L Khuntia | AGM & Zonal Head | Allahabad Bank |
| 93 | K V Rao | Asst. General Manager | Canara Bank |
| 94 | Saladi Suryanarayana | Asst. General Manager | Corporation Bank |
| 95 | N Sreekanth | Asst. General Manager | IDBI Bank |
| 96 | B Uma Sankar | Asst. General Manager | Andhra Bank |
| 97 | C Suguna Rao | Asst. General Manager | Andhra Bank |
| 98 | V Vijay Kumar | Asst. General Manager | Vijaya Bank |
| 99 | P Venkata Rao | AGM (Lead Bank & RRB) | State Bank of India |
| 100 | B Bharani Kumar | AGM (ABU) | State Bank of India |
| 101 | Dr. Vishnu B | Asst. General Manager | State Bank of Hyderabad |
| 102 | B B Prasad | AGM, Region-3 | State Bank of Mysore |
| 103 | B Yogeswara Rao | Regional Manager, Visakhapatnam | Bank of Baroda |
| 104 | M Subramanyeswara Rao | Chief Manager | Andhra Bank |
| 105 | K Vijaya Raju | Chief Manager | Bank of Baroda |
| 106 | O Manogaran | Chief Manager | Central Bank of India |
| 107 | Rajendra Varma | Chief Manager | Central Bank of India |
| 108 | E Lachaiah | Chief Manager | Indian Overseas Bank |
| 109 | R P Sharma | Chief Manager | Punjab National Bank |
| 110 | P C Das | Chief Manager | State Bank of Hyderabad |
| 111 | N Amarnath Reddy | Senior Manager | Union Bank of India |
| 112 | C V S Sarma | Senior Manager | Punjab & Sind Bank |
| 113 | V G V Prasad | Senior Manager | United Bank of India |
| 114 | Sasibhushana Rao U | Senior Manager | UCO Bank |
| 115 | Y Sanjeeva Reddy | Senior Manager | Andhra Bank |
| 116 | Pydi Raja | Senior Manager | Andhra Bank |
| 117 | S Anantha Ramulu | Senior Manager | Andhra Bank |
| 118 | B Prakasa Rao | Manager | State Bank of Travancore |
| 119 | Atul Kumar Sahu | Manager | Export Import Bank |
| 120 | Anita S Kumar | Manager | Punjab National Bank |
| 121 | Mohan Kumar | Manager | State Bank of Patiala |
| 122 | K Siva Krishna | Manager | Andhra Bank |
| 123 | Goutham Kumar | Manager | Andhra Bank |
| 124 | G Susheela Rani | Manager | Andhra Bank |
| 125 | P Vijay Kumar | Manager (Agri) | Vijaya Bank |
| 126 | Saikat Nag | Manager (Agri) | Punjab National Bank |
| 127 | B Goutham Rao | Manager | Corporation Bank |
| 128 | C V Pavan Kumar | Manager | State Bank of Hyderabad |
| 129 | Priti Poonia | Manager | Dena Bank |
| 130 | CH. Nageswari | Agricultural Officer | Bank of India |
| 131 | K V Nagendra Kumar | Liaison Officer | State Bank of Hyderabad |

**REGIONAL RURAL BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 132 | D Sampath Kumar Chary | Chairman | APGB, Kadapa |
| 133 | K S Sudhakara Rao | Chairman | SGB, Chittoor |
| 134 | K Lakshmana Rao | Chairman | APGVB, Warangal |
| 135 | V Brahmananda Reddy | Chairman | CGGB, Guntur |
| 136 | B Narayana S | General Manager | APGVB, Warangal |

**APCOB**

|  |  |  |  |
| --- | --- | --- | --- |
| 137 | V Giridhar | Managing Director | APCOB |
| 138 | K Naga Malleswara Rao | Chief General Manager | APCOB |

**PRIVATE SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 139 | Sreedhar Dharmapuri | Dy. General Manager | ICICI Bank |
| 140 | A Mukundan | Vice President | HDFC Bank |
| 141 | N Chakravarthy | Circle Head | Axis Bank |
| 142 | Madan Mohan | Vice President | Axis Bank |
| 143 | G R Satyanarayan | Vice President | INDUSIND Bank |
| 144 | N Suresh | Vice President | Kotak Mahindra Bank |
| 145 | V Subrahmanyam | Dy. General Manager | Karur Vysya Bank |
| 146 | George Paul | Dy. General Manager | South Indian Bank |
| 147 | Pradeep Chandran P | Regional Head | Dhanlaxmi Bank |
| 148 | K.Brahmaiah | Regional Head-ARB | ING Vysya Bank |
| 149 | B V Prasad | Regional Head-ARB | ING Vysya Bank |
| 150 | S Vasudevudu | A.G.M & Regional Head | Federal Bank |
| 151 | Ch. Venu Madhav | Asst. General Manager | Lakshmi Vilas Bank |
| 152 | T Eswar Chandra Rao | Managing Director | Coastal Local Area Bank |
| 153 | Mathew K.V | Chief Manager | ICICI Bank |
| 154 | C J Davis | Chief Manager | South Indian Bank Ltd |
| 155 | P Jaya Chandran | Chief Manager | Tamilnad Mercantile Bank |
| 156 | Murali Krishna Chattu | Senior Manager | Kotak Mahindra Bank |
| 157 | Deekshit Ravi Chandra | Asst. Manager | Federal Bank |
| 158 | Pasam Venkat Giridhar | Agriculture Officer | Tamilnad Mercantile Bank |
| 159 | M Visweswara Rao | Compliance Officer | Karnataka Bank Ltd. |
| 160 | P C Reddy | Advisor, GBG | Dhanlaxmi Bank |

**LEAD DISTRICT MANAGERS**

|  |  |  |  |
| --- | --- | --- | --- |
| 161 | M. Ram Reddy | L.D.M, Srikakulam | Andhra Bank |
| 162 | S Lakshmi Narayana | L.D.M, West Godavari | Andhra Bank |
| 163 | S Jagannatha Swamy | L.D.M, East Godavari | Andhra Bank |
| 164 | CH. Sreenivasa Sastry | L.D.M, Guntur | Andhra Bank |
| 165 | B Jaya Babu | L.D.M, Visakhapatnam | SBI |
| 166 | V Siva Babu | L.D.M, Vizianagaram | SBI |
| 167 | G Venkateswara Reddy | L.D.M, Chittoor | Indian Bank |
| 168 | R V Narasimha Rao | L.D.M, Krishna | Indian Bank |
| 169 | M Narasimha Rao | L.D.M, Prakasam | Syndicate Bank |
| 170 | Jayashankar | L.D.M, Ananthapuramu | Syndicate Bank |
| 171 | L Rahunadha Reddy | L.D.M, YSR Kadapa | Syndicate Bank |
| 172 | T Venkateswara Rao | L.D.M, Sri Potti Sriramulu Nellore | Syndicate Bank |
| 173 | P Narasimha Rao | L.D.M, Kurnool | Syndicate Bank |

**OTHER DEPARTMENTS**

|  |  |  |  |
| --- | --- | --- | --- |
| 174 | M Krishna Rao | Director | APBIRED |
| 175 | Dr. A Krishna Reddy | State Project Coordinator | Sa-Dhan |
| 176 | P M Kamalesh | Research Coordinator | Sa-Dhan |

**OFFICERS FROM SLBC**

|  |  |  |  |
| --- | --- | --- | --- |
| 177 | C Mohan Rami Reddy | Senior Manager | Andhra Bank |
| 178 | Ashok B Adur | Asst. Manager | Andhra Bank |
| 179 | Ch. Padma Latha | Asst. Manager | Andhra Bank |
| 180 | M Yogini Devi | Asst. Manager | Andhra Bank |