**186th Meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**( 3rd Meeting of Reorganized AP State )**

**Agenda & Background Notes**

**Date: 30.09.2014 - Time: 11.00 am**

**HYDERABAD**

**STATE LEVEL BANKERS` COMMITTEE OF A.P**

 **CONVENER ANDHRA BANK**

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

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

**Fax: 23234583 & 23232482**

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

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|  |  |  |
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| **2** | Government of A.P -to provide the facility of online creation of charge on crop and land in AP webland portal by the bank branches | **16** |
| **3** | To establish second DRT in A.P State. | **16** |
| **4** | Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. | **17** |
| **5** | Amendment to AP VAT ACT 2005 - not to attach debit balances in the overdraft account of the traders towards recovery of tax. | **17** |
| **6** | Allotment of site to RSETIs | **17** |
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**01. Adoption of the minutes of 184th SLBC meeting held on 30.06.2014 & other meetings of**

**the SLBC held after 30.06.2014**

The minutes of **184th SLBC meeting** held on **June 30, 2014 and 185th meeting of SLBC held on August 5, 2014** were circulated to the members of SLBC, LDMs and Government Departments concerned.

The minutes of Sub-committee meetings and Steering Committee meetings held after **30.06.2014** and up to **16.09.2014** were circulated to the members of SLBC, LDMs and Government Departments concerned. Details of the meetings held are furnished hereunder.

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Name of the Meeting** | **Date of Meeting held** |
| 1 | Meeting with major banks to discuss proposal of seeding of Aadhaar numbers into the accounts of farmers | 08.07.2014 |
| 2 | SLIIC sub-committee meeting | 15.07.2014 |
| 3 | 1st Steering committee meeting of SLBC of AP | 21.07.2014 |
| 5 | 185th SLBC of AP-Special focus on SVS(presently PMJDY) | 05.08.2014 |
| 6 | 2nd Steering committee meeting of SLBC of AP | 20.08.2014 |
| 7 | 3rd Steering committee meeting of SLBC of AP | 16.09.2014 |
| 8 | Sub committee meeting on RSETIs | 16.09.2014 |

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

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| --- |
| **AGENDA- 2** |

**Banking Statistics**

1. **BANKING AT A GLANCE IN ANDHRA PRADESH**

**As on 30.06.2014**

**Amount in Crores**

|  |  |
| --- | --- |
| Total Number of bank branches  Rural - 2317 Semi Urban - 1818  Urban - 1672 Metro - 252 | **6059** |

|  |  |
| --- | --- |
| Total **Deposits** in the State | **170877** |
| Total **Advances**  in the State | **204580** |
| Credit Deposit Ratio (RBI norm -60%) | **119.72** |

|  |  |
| --- | --- |
| **Total Priority Sector Advances** | **146380** |
| % of Priority Sector Advances to ANBC (RBI Norm 40%)  **of which** | **72.75%** |
| Agricultural Advances  % of Agrl. Adv. to ANBC (RBI norm - 18%) | **94937**  **(47.19%)** |
| Non-farm sector/Micro & Small Enterprises  (% to Net Bank Credit) | **27317**  **(13.58%)** |
| Others’ under Priority Sector Advances  (% to Net Bank Credit) | **24126**  **(11.99%)** |
| **of which**  Education Loans  Housing Loans  SHGs | **3267**  **15484**  **13655** |
| Advances to Weaker Sections  (10% of ANBC)  Advances to Women  (RBI norm -5% on NBC)  Advances to SC/ST  Advances to Minorities  (RBI norm 15%on priority sector) | **48347**  **(24.03%)**  **35927**  **(17.86%)**  **9489**  **10626**  **(7.26%)** |

1. **BANKING KEY INDICATORS OF ANDHRA PRADESH**

**Amount in crores**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No** | **PARTICULARS** | As on 31.03.2012 | As on 31.03.2013 | As on 31.03.2014 | As on 30.06.2014 |
| 1. | Number of Branches: |  |  |  |  |
|  | Rural | 1949 | 2105 | 2301 | 2317 |
|  | Semi Urban | 1488 | 1627 | 1785 | 1818 |
|  | Urban | 1448 | 1527 | 1655 | 1672 |
|  | Metro | 166 | 198 | 239 | 252 |
|  | Total | 5051 | 5457 | 5980 | 6059 |
| 2. | Deposits | 1,22,392 | 1,45,480 | 1,65,242 | 1,70,877 |
| 3. | Incremental Deposits  (% of increase) | 18,939  (18.31%) | 23,088  (18.86%) | 19,762  (13.58%) | 5,635  (3.41%) |
| 4. | Advances | 1,40,901 | 1,69,710 | 2,01,201 | 2,04,580 |
| 5. | Incremental advances  (% of increase) | 27,832  (24.62%) | 28,809  (20.45%) | 31,491  (18.56%) | 3,379  (1.68%) |
| 6. | C.D.Ratio (RBI norm - 60%) | 115.12% | 116.66% | 121.76% | 119.72 |
| 7 | Incremental CD Ratio | 146.96% | 124.78% | 159.35% | 60% |

1. **Statement of Priority Sector Advances (Outstanding)**

**Amount in crores**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No. | Particulars | As on 31.03.12 | As on 31.03.13 | As on 31.03.14 | As on 30.06.14 |
| 1 | Short Term Production  loans | 38,583 | 50,343 | 59,105 | 67,303 |
| 2 | Agrl. Term Loans including allied activities | 26,634 | 28,573 | 28,507 | 27,634 |
| 3. | Total Agrl. Advances | 65,217 | 78,916 | 87,612 | 94,937 |
|  | % of Agrl. advances to ANBC (RBI norm- 18%) | 57.68% | 56.01% | 51.62% | 47.19% |
| 4. | Non Farm Sector / Micro & Small Entps. (% to Net Bank Credit ) | 14,179  (10.06%) | 13,780  (8.12%) | 26,302  (13.07%) | 27,317  (13.58%) |
| 5. | Others’ under Priority Sector Advances (% to Net Bank Credit) | 23,126  (16.41%) | 25,713  (15.15%) | 23,336  (11.60%) | 24,126  (11.99%) |
| Total Priority Sector Advances | | **1,02,522** | **1,18,409** | **1,37,250** | **1,46,380** |
| % of Priority Sector Advances to ANBC (RBI norm -40%) | | 90.67% | 84.04% | 80.87% | 72.75% |

|  |
| --- |
| **AGENDA- 3** |

**Achievement of Annual Credit Plan 2014 – 15**

1. **Achievement as on 30.06.2014**

**(Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target**  **2014-15** | **Achievement (Disbursements**  **during 01.04.14 to 30.06.2014)** | **% of**  **Achievement** |
| 1 | Short Term Crop Production Loans  Khariff  Rabi  **Total** | **25,888**  **16,090**  **41,978** | **5,593**  **5,593** | **21.60**  **13.32** |
| 2 | Agrl.Term Loans  Khariff  Rabi  **Total** | **3178**  **3178**  **6,356** | **1,188**  **1,188** | **37.38**  **18.68** |
| 3 | Allied to Agriculture  Khariff  Rabi  **Total** | **3843**  **3842**  **7,685** | **482**  **482** | **12.54**  **6.28** |
| 4 | Khariff  Rabi  Total Agriculture | **32,909**  **23,110**  **56,019** | **7,263**  **7,263** | **22.07**  **12.97** |
| 5 | Micro & Small Enterprises | **10,850** | **2,484** | **22.89** |
| 6 | Others under Priority Sector | **11,025** | **1,458** | **13.22** |
| 7 | **Total Priority Sector** | **77,894** | **11,205** | **14.39** |
| 8 | **Non Priority Sector** | **13,565** | **6,479** | **47.76** |
| 9 | **Total Credit Plan** | **91,459** | **17,684** | **19.34** |

1. **Annual Credit Plan Achievement – Last Three years**

**Amount in crores**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **2011-12** | | **2012-13** | | **2013-14** | |
| Target | Achvmt | Target | Achvmt | Target | Achvmt |
| 1 | Short Term Production Loans | 20753 | 24664 | 25504 | 36093 | 35549 | 37058 |
| 2 | Agrl. Term Loans incl. allied activities | 11124 | 10947 | 10150 | 13967 | 11468 | 12716 |
| 3 | Total Agriculture | 31877 | 35611 | 35654 | 50060 | 47017 | 49774 |
| 4 | Non Farm Sector / Micro & Small Entps | 5069 | 4245 | 5593 | 6312 | 7000 | 9427 |
| 5 | Others’ under Priority Sector | 10165 | 7108 | 12205 | 9198 | 12939 | 5527 |
| **Total Priority sector** | | **47111** | **46964** | **53452** | **65570** | **66956** | **64728** |

|  |
| --- |
| **AGENDA- 4** |

**Major Action Points of earlier SLBC / Steering Committee Meetings – ATR**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Action Point | Action by | Action initiated/Status |
| **1** | Government of A.P to constitute a committee for revisiting the scheme guidelines of LEC | SLBC & GoAP | CCLA has constituted the committee to revisit scheme of LEC cards and integration of land records. The committee met on 12.08.2014 and the following recommendations were made after detailed discussions.   1. The validity period of loan eligibility cards may be enhanced to 3 years from the existing one year – appropriate proposals may be submitted to Government for necessary orders. 2. Submission of proposal to Government for creation of “Credit Guarantee Fund” as a confidence building measure to enable bankers to extend crop loans liberally to all the LEC holders. For this purpose the bankers shall deduct premium from crop loan amount sanctioned to the LEC holders and convey the same to the State Government after which the State Government shall contribute matching grant for the Corpus Fund to be created. The modalities for utilizing the fund by the bankers will be worked out after a decision from the Government regarding creation of CGF is received. 3. High overdues under crop loans sanctioned to LEC holders is one of the reasons for poor progress in sanction of loans, the bankers suggested that a recovery mechanism must be put in place by the Government by constituting joint teams of Revenue, Agriculture & SHG members to assist the bankers in recovery of loans from LEC holders. 4. To have a fixed Calendar schedule for issue of loan eligibility cards in all districts uniformly. |
| **2** | Government of A.P to provide the facility of online creation of charge on crop and land in AP web land portal by the bank branches | CCLA &  GoAP | The committee met on 12.08.2014 and the following recommendations were made after detailed discussions.   1. To constitute a sub committee comprising of NIC authorities, bankers, IT officer of the bank, Revenue/CCLA officers to finalise the approach relating to incorporating of charge particulars in Web Land/Revenue records either by manual method or by automated data transfer method. 2. NIC to develop Software in a month’s time to operationalise the recording of charge by bankers. 3. It was decided that the Form II Register prepared under the AP Land Licensed Cultivators Act, 2011 will be computerized and placed in webland for recording the crop loan obtained by LEC holders and access will be provided to the bankers for creation of charge there in. 4. All the details of existing charge on all the land parcels to be recorded on priority followed by operationalisation of real time recording of charge as and when loans are sanctioned. 5. To facilitate bankers/ representatives to examine e-azmoish / crop booking by special Android Apps which is under progress at Kuppam |
| **3** | To establish second DRT in A.P State. | SLBC | 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. |
| **4** | Creation of Central Registry for registration of charges in respect of all movable and immovable properties of the borrower. | Commissioner  of Industries,  GoAP | 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.  SLBC again taken up the issue with GoAP to expedite the matter. |
| **5** | Amendment to AP VAT ACT 2005 - not to attach debit balance in the overdraft account of the traders towards recovery of tax. | GoAP | SLBC has taken up the issue with GoAP and action awaited. |
| **6** | Allotment of site to RSETIs located at Machilipatnam, Guntur, Chittoor and Tirupathi. | GoAP | Site allotted but alienation is yet to be done at Machilipatnam. In respect of Guntur, Chittor and Tirupathi no progress in site allotment. |
| **7** | Notified places for creation of equitable mortgage by branches | GoAP | SLBC has requested GoAP to notify the places for creation of equitable mortgage where brick & mortar branch is available for the benefit of the customers to create charge on the property at branch level where loan is sanctioned. |
| **8** | Non – availability of interest subvention benefit on crop loans to the farmers of PACS/FSCS financed by State Bank of India.SBI informed that since they are lending PACS/FSCS with their own funds and hence they cannot lend below the base rate as per the extant guidelines of RBI | GoAP | SLBC has taken up the issue with GoAP vide letter No. 666/30/02/1307, dated 27.12.2013, to escalate the issue with RBI, C.O. for possible resolution. |
| **9** | GoAP is requested to examine the issue of extension of provisions of Revenue Recovery Act, 1864 to deal with chronic overdues under agricultural sector or to create a machinery to help the banks in recovery of chronic dues under agriculture advances – a long outstanding requirement to Banks. | GoAP | GoAP is yet to take a decision on the subject. |
| **10** | GoI is requested to examine the issue of insurance cover to poultry birds | GoI | Reply awaited from the Government of India |
| **11** | Emu farming: NABARD is requested to permit the banks to adjust the backend subsidy to the credit of loan accounts before lock in period where the units have become defunct owing to reasons beyond the control of the farmer and SLBC also requested NABARD to conduct evaluation study to suggest remedial measures to overcome the problems in emu farming. | NABARD | Reply awaited from the NABARD |
| **12** | Preparation of model projects under MSME at district level by GM, DIC and to place in the District website. | LDMs/DICs | Commissioner of Industries provided CD containing model projects. SLBC has circulated to LDMs with an advice to place in district website before 20.09.2014. |
| **13** | Opening of branch in Gopavaram mandal which is an unbanked mandal in YSR Kadapa district. | LDM, YSR Kadapa and banks in the district. | SLBC advised LDM to take initiative in discussing the issue in DCC/DLRC meetings for opening a bank branch in the unbanked mandal. Though it was resolved to open a branch by APGB, villages expressed their demand to have Andhra Bank branch instead of a RRB – Andhra Bank shall be directed. |
| **14** | Opening of FLCs at LDM office located at Kurnool, Anantapuram and YSR Kadapa districts. | LDMs | SLBC advised LDMs of these districts to open FLCs at Lead Bank Office immediately as per the directions of RBI. |

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| --- |
| **AGENDA- 5** |

**Agriculture Sector**

1. **Progress in lending Short Term Production Loans (Rs. in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Item** | **Target**  **2014-15** | **Achievement (Disbursements**  **during 01.04.14 to 30.06.2014)** | **% of**  **Achievement** |
| 1 | Short Term Crop Production Loans  Khariff  Rabi  **Total** | **25,888**  **16,090**  **41,978** | **5,593**  **5,593** | **21.60**  **13.32** |
| 2 | Agrl.Term Loans  Khariff  Rabi  **Total** | **3178**  **3178**  **6,356** | **1,188**  **1,188** | **37.38**  **18.68** |
| 3 | Allied to Agriculture  Khariff  Rabi  **Total** | **3843**  **3842**  **7,685** | **482**  **482** | **12.54**  **6.28** |
| 4 | Khariff  Rabi  **Total Agriculture** | **32,909**  **23,110**  **56,019** | **7,263**  **7,263** | **22.07**  **12.97** |

The performance of agriculture sector under ACP is 12.97% of the target for the year 2014-15 as against 31% of the achievement for the corresponding quarter for the year 2013-14

1. **Implementation of Union Budget speech 2014-15 – Interest Subvention Scheme for Short Term Crop Loans during the year 2014-15**

During the Budget 2014-15 speeches, Hon’ble Union Finance minister announced that under the Interest Subvention scheme for short term crop loans, the banks are extending loans to farmers at a concessional rate of 7%. The farmers get a further incentive of 3% for timely repayment. This scheme will continue in 2014-15.

1. **Progress in lending to LEC holders**

Department of Agriculture, GoAP, during the current financial year 2014-15, a target for financing 9.5 lakhs of LEC holders is proposed.

As per the information available with SLBC, the position of LECs as on **06.09.2014** is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Sl.No** | **District** | **No. of LECs issued** | | | **No. of Licensed Cultivators Sanctioned Crop Loans** | |
| **Renewal of old LECs** | **Fresh** | **Total** | **Number** | **Amount** |
| 1 | Srikakulam | 10504 | 7007 | 17511 | 25 | 0.01 |
| 2 | Vizianagaram | 3190 | 733 | 3923 | 11 | 0.08 |
| 3 | Visakhapatnam | 4834 | 5581 | 10415 | - |  |
| 4 | East Godavari | 10890 | 15174 | 26064 | 1369 | 2.06 |
| 5 | West Godavari | 35686 | 7198 | 42884 | 0 | 0.00 |
| 6 | Krishna | 8647 | 16736 | 25383 | 0 |  |
| 7 | Guntur | 0 | 0 | 0 |  |  |
| 8 | Prakasam | 4606 | 0 | 4606 | 109 | 1.66 |
| 9 | Nellore | 3384 | 0 | 3384 |  |  |
| 10 | Kurnool | 14479 | 26346 | 40825 | 0 | 0.00 |
| 11 | Anantapur | 307 | 281 | 588 |  |  |
| 12 | Kadapa | 4362 | 1314 | 5676 |  |  |
| 13 | Chittoor | 2430 | 3196 | 5626 |  |  |
|  | **Total** | **103319** | **83566** | **186885** | **1514** | **3.81** |

As per the information given by the banks the overdues are mounting up in LEC portfolio. GoAP is requested to implement the recommendations of the committee on LEC mentioned in the action taken report of this agenda.

1. **Vaddi Leni Runalu and Pavala Vaddi scheme on crop loans from Rabi 2013-14 – Request to GoAP on continuation of scheme.**

GoAP has issued memo copy No.652/FP.II/2014 dated 21.04.2014 for continuation of VLR/Pavala Vaddi scheme on crop loans for Kharif 2013-14. It is requested to issue instructions for continuation of the scheme for Rabi 2013-14 also.

1. **Reschedulement of loans in Andhra Pradesh –**

RBI Hyderabad vide Lr. No.RPCD (H)/LBS/151/02.02.020/2014-15, August,11 2014 communicated the copy of D.O Lr. No.RPCD.FSD.1763/5.10.04/2014-15, August, 07 2014 of executive director of RBI addressed to Chief Secretary, GoAP considering the request of the GoAP and advised them as under.

“RBI is agreeable to allow reschedulement of some farm loans. However, based on normative criteria; reschedulement will be restricted to the four districts of Srikakulam, Vizianagaram, Nellore and Krishna and would cover only loans extended by Commercial Banks, Cooperative Banks and RRBs. Further, this would include only short term production loans and would exclude crop loans taken against gold and loans for allied activities. Additionally, the reschedulement would be subject to conditions as under:

1. The following loans / accounts are NOT eligible under the Crop Loan Scheme for reschedulement.
2. Advances against pledge or hypothecation of agricultural produce other than standing crop
3. Tied loans
4. Closed crop loan accounts.
5. Reschedulement will be limited to a period of three years, comprising one year moratorium, and two years’ reschedulement,
6. Banks will not forgo the right to recovery from farmers if the loan remains overdue, after the period of three years has lapsed.

The eligible amount for reschedulement would be limited to the amount of crop loan together with applicable interest which is disbursed between April and October, 2013 as of 31st March, 2014 or Rs. 1.00 lakh per farmer, whichever is lower. Where the amount is paid by Government, it must be deposited in cash directly in the farmer’s account. “

SLBC already circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr.No. 666/30/02/319 dated 11.08.2014.

RBI Hyderabad vide Lr. No. RPCD (H)/LBS/382/02.02.020/2014-15 dated 19.09.2014 advised that the instructions issued limit the benefit of reschedulement to Rs.1.00 lakh (maximum) per farmer (irrespective of the loan outstanding in his account). For remaining amount, the bank may follow the normal course as applicable.

SLBC circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr. No. 666/30/02-B/423 dated 19.09.2014.

1. **National Crop Insurance Programme (NCIP) – Extension of cut-off date during Kharif-2014 for MNAIS & WBCIS in Andhra Pradesh :**

Dept. of Agriculture, GoAP vide Lr.No.Crop Ins.(2)2/2014, dt 06-09-2014 & AIC of India vide Ref:AICHYD/NCIP/KHARIF2014/AP/682/2014, dt 08-09-2014 communicated the guidelines for extension of cut-off date for implementation of Modified National Agricultural Insurance Scheme (MNAIS) & Weather Based Crop Insurance Scheme (WBCIS) Khariff 2014 in the state of Andhra Pradesh.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Scheme | Farmer category | Crop | Extended cutoff date Subject to the conditions mentioned in letter dated 26.08.2014 | Cut-off date for submission to AIC |
| MNAIS | Loanee | All notified crops | 15.09.2014 | 30.09.2014 |
| WBCIS | Loanee | Groundnut,Cotton,Chillis,Oilpalm, Sweetlime | 15.09.2014 | 30.09.2014 |
| WBCIS | Loanee | Tomato | 10.09.2014 | 25.09.2014 |

SLBC already circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr.No.666/30/46/391 dated 09.09.2014 & vide Lr.No.666/30/46/394 dated 10.09.2014.

1. **NABARD – Acceptance of Government subsidy claims under Animal Husbandry Schemes – Poultry Venture Capital Fund(PVCF), Integrated Development of Small Ruminants and Rabbits(IDSRR) and Pig Development :**

NABARD, Regional office, Hyderabad vide letter no. NB.APRO/HYD/DoR/4382/IDSRR/2014-15 dated 18 September 2014received from NABARD, Regional Office, Hyderabad on the captioned subject wherein it is informed that the subsidy applications under the above schemes, where first instalment of the loan was released by banks upto 31 March 2014 shall be accepted by Regional Office, NABARD latest by 15 October 2014. No further subsidy claims for this period (Loan Disbursed upto 31 March 2014) are permitted for release of subsidy during the year 2014-15.

Hence, it is advised that banks submit the claims, complete in all respects, through proper channel, to NABARD on or before 15 October 2014.

SLBC circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr.No. 666/30/7/421 dated 19.09.2014.

1. **Reallocation of target for financing JLGs during the year 2014-15**

NABARD vide Ref No**.** NB.MCID/Tel&AP RO.Hyd/4336/Misc/2014-15 dated 15 September 2014informed that keeping in view the Union Budget announcement of provision of finance to 5.00 lakhs Joint Farming Groups of “Bhoomiheen Kisaan”, it has been decided that at least 5.00 lakh Joint Farming Groups will be financed through JLG mode of financing during the current year 2014-15, on All India basis.

Accordingly, revised target for financing Joint Farming Groups (JFGs) during 2014-15 for Andhra Pradesh State has been proposed at 23010 based on the rural branches of various banks. The district-wise allocation is as under:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.No | District | Target for DDM of NABARD | Rural Branches | Branch-wise Target @ 10 JLGs per branch |
| 1 | Ananthapuramu | 1000 | 171 | 1710 |
| 2 | Chittoor | 1500 | 194 | 1940 |
| 3 | YSR Kadapa | 1000 | 141 | 1410 |
| 4 | East Godavari | 2000 | 242 | 2420 |
| 5 | Guntur | 2000 | 236 | 2360 |
| 6 | Krishna | 2000 | 218 | 2180 |
| 7 | Kurnool | 1000 | 149 | 1490 |
| 8 | SPS Nellore | 1500 | 150 | 1500 |
| 9 | Prakasam | 2000 | 177 | 1770 |
| 10 | Srikakulam | 1000 | 135 | 1350 |
| 11 | Visakhapatnam | 1000 | 173 | 1730 |
| 12 | Vijayanagaram | 1500 | 134 | 1340 |
| 13 | West Godavari | 1000 | 181 | 1810 |
|  | **Total** | **18500** | **2301** | **23010** |

These targets shall be achieved by the banks by financing afresh to the existing JLGs and promotion/financing of new Joint Farming Groups. Financing of JLGs for non-farm activities will continue, over and above the allocated targets for Joint Farming Groups.

LDMs are advised to allocate the bank-wise, branch-wise targets in the districts and monitor the progress during DCC/DLRC meetings.

1. **Overdues/NPAs under Agriculture Sector as on 30.06.2014**

A/cs In lakhs & Amt. Rs In crores

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | 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 | 93.55 | 67304 | 37.06 | 25299 | 18474 | 4.05 | 2283 |
| Agril. Term Loans Including Agril. Allied Activities Advances | 19.25 | 21986 | 5.33 | 5921 | 3066 | 2.05 | 1967 |
| Agril. And Allied-Indirect | 1.98 | 5647 | 0.34 | 1296 | 967 | 0.11 | 600 |
| **Total Agriculture Advances** | **114.78** | **94937** | **42.73** | **32516** | **22507** | **6.21** | **4850** |

(The figures are indicative as the data has not received from all member banks)

|  |
| --- |
| **Short Term Agriculture Crop Production Loans:**  The total outstanding balance in overdue accounts (PNPA) is **Rs.25, 299 crores** which is **37.59%** and NPA **is 3.39%** to total outstandings and NPA in real terms it is **Rs.2,283 crores**.  **Agriculture Term Loans Including Allied Activities:**  The total outstanding balance in overdue accounts (PNPA) is **Rs.5,921 crores** which is **26.93%** and NPA is **8.95%** to total outstandings and NPA in real terms it is **Rs.1,967 crores**.  **Total Agriculture:**  The total outstanding balance in overdue accounts (PNPA) is **Rs.32,516 crores** which is **34.25%** and NPA is **5.11 %** to total outstandings and in real terms it is **Rs.4,850 crores.** |

SLBC has been requesting the GoAP to create machinery in the Agriculture department to help the Banks in recovery of chronic dues in Agricultural sector. This will help in better recycling of funds and increased credit flow to agricultural sector.

1. **Disbursement of Agril Loans during Kharif, 2014-15 & Mounting overdues at banks under Agriculture Sector:**

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 in extending credit to the farming community. The bankers in the state have always been proactive in meeting the needs of the farming community but in the last couple of years the scenario has been different with regards to agricultural lending in the state owing to the continued disturbances which has collectively affected both the farmers and the bankers in the state.

Due to the Debt Relief scheme announced by GoAP, farmers are not coming forward to repay/renew the loans resulted in mounting of overdues and NPAs on high side. This has directly reflected on the recycling of funds & profitability of banks. The current imbroglio on repayments is hampering the performance under Agricultural lending during the current year as crop loan disbursements during the current kharif season has almost come to halt. It is very essential to advise the farmers to repay the earlier loans and avail the eligible credit during the current season so that the envisaged targets under Annual Action Plan could be achieved.

**Issues on behalf of farmers:**

* The Farmers are reluctant to repay / renew the crop loans despite best efforts put in by bankers in convincing them to repay / renew the loans.
* The reluctance to repay has been observed even in case of high value loan accounts.
* The Bankers have been extending investment credit in a big way, but there have been defaults in repayment of installments even in term loans. It becomes very difficult to regularize these accounts once the installments are kept pending for a long period of time.
* As the loans have not been renewed, the farmers cannot be covered under the crop insurance schemes.
* The farmers are also loosing the benefit of Interest Subvention Schemes owing to non repayment as these schemes are linked to prompt repayments.

**Problems faced by Banks**:

* The banks are unable to recycle the funds owing to non repayment of loans.
* The mounting overdues are badly affecting the morale of the field staff.
* The slippages of Agril. Loans into NPAs have been on a very high side in the last couple of years resulting in higher provisioning ultimately affecting the profitability of the banks.
* The bankers have been facing protests by way of dharna / bundh whenever they approach the farmers for educating them on the benefits of repayment / renewal of loans.

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| **AGENDA- 6** |

**Micro, Small & Medium Enterprises (MSME) Sector**

1. **Position of lending to MSME sector** Amt. Rs. In Crores

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Outstanding as on 31.03.2013** | | **Outstanding as on 31.03.2014** | | **Outstanding as on 30.06.2014** | |
|  | A/cs. | Amt. | A/cs. | Amt. | A/cs. | Amt. |
| Micro Enterprises | 414590 | 4834 | 430786 | 11929 | 458367 | 11786 |
| Small Enterprises | 87031 | 8946 | 129186 | 14373 | 127998 | 15531 |
| **Total MSE** | **501621** | **13780** | **559972** | **26302** | **586365** | **27317** |
| **%of Micro enterprises to total MSE** | **78.76%** | **32.33%** | **76.93%** | **45.35%** | **78.17** | **43.15%** |
| Medium Enterprises | 82988 | 7875 | 80688 | 5432 | 76025 | 4016 |
| **Total MSME** | **584609** | **21655** | **640660** | **31734** | **662390** | **31333** |

|  |  |  |
| --- | --- | --- |
| **PM Task Force –Recommendations** | **Norm %** | **Actual %** |
| Banks are advised to achieve a **20** per cent year-on-year growth in credit to micro and small enterprises | 20 | 90.87% |
| **10** per cent annual growth in the number of micro enterprise accounts. | 10 | 3.90 |
| **40** per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises having investment in plant and machinery up to Rs. 10 lakh and micro (service) enterprises having investment in equipment up to Rs. 4 lakh; | 40 | Not available |
| **20** per cent of the total advances to MSE sector should go to micro (manufacturing) enterprises with investment in plant and machinery above Rs. 10 lakh and up to Rs. 25 lakh, and micro (service) enterprises with Investment in equipment above Rs. 4 lakh and up to Rs. 10 lakh. | 20 | Not available |
| **60** per cent of MSE advances should go to the micro enterprises.  Allocation of 60% of the MSE advances to the micro enterprises is to be achieved in stages. | 60 | 45.35 |

1. **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme- Progress made by banks for the last three years and achievement for 2014-15 in Andhra Pradesh state.**

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No** | **As on** | **Proposals covered during the year** | |
| **No. of A/cs.** | **Amount (in Crs.)** |
| 01 | 31.03.2012 | 5618 | 273.26 |
| 02 | 31.03.2013 | 15891 | 342.30 |
| 03 | 31.03.2014 | 10245 | 291.97 |
| 04 | 01.04.2014 To 30.06.2014 | 2896 | 105.01 |

During 36th E.C and 101st SLIIC meeting of MSME held on July 31, 2014 held at RBI, it was suggested that banks should submit monitorable action plans to improve the CGTMSE coverage. Some of the banks informed that premium of 1.25% of the loan amount is hurdle for the borrowers to be covered under the scheme. RBI advised the banks to give publicity about benefits of the coverage of the scheme.

Commissioner of Industries requested E.C/SLIIC to suggest target of 12000 units to be covered under the scheme per annum. He also suggested that a sub-committee shall be formed by SLBC and major banks to improve the coverage of CGTMSE. All banks are advised to ensure that all new eligible micro & small units should be covered in the scheme.

The performance on coverage under the scheme is 2896 units as on 30.06.2014 as against the suggested target of 12000 units per annum. Performance under this head by all banks in the state continues to be low when compared to the other states which is a matter of concern.

Controllers of the banks are advised to

* Sensitize the branch Managers to extend coverage of all new eligible micro & small units under the scheme
* Display at bank branches on the availability of Collateral free loans
* All loan applications are to be acknowledged
* Explore the possibility of opening of Special branches in SME clusters.
* Banks shall have monitorable action plan as suggested by RBI.

**All Banks are requested to make concerted efforts to reach the target set for coverage of CGTMSE units during the current year.**

1. **Rehabilitation of Sick Micro and Small Enterprises**

The feedback received by Reserve Bank of India at various fora on MSEs and analysis shows that the identification of sickness in MSE enterprises is so late that the possibilities of revival recede. This necessitates a need for change in the definition of sickness in order to remove the delay factor.

The emphasis of the revised guidelines is to hasten the process of identification of a unit as sick, early detection of incipient sickness, and to lay down a procedure to be adopted by banks before declaring a unit as unviable. Accordingly, the revised guidelines are issued for rehabilitation of sick units in the MSE sector as given in Annex.1 of RBI Cir.RBI/2012-13/273, RPCD.CO.MSME & NFS.BC.40/06.02.31/2012-2013, dated November 1, 2012.

The important changes brought out in the guidelines based on the recommendation of the working group vis-à-vis the existing guidelines on rehabilitation of sick MSE units are furnished in Annex –II of the above circular for ready reference.

RBI emphasize that timely and adequate assistance to potentially viable MSE units which have already become sick or are likely to become sick of the utmost importance not only from the point of view of the financing banks but also for the improvement of the national economy, in view of the sector`s contribution to the overall industrial production, exports and employment generation.

The banks should therefore, take a sympathetic attitude and strive for rehabilitation, in respect of units in the MSE sector, particularly wherever the sickness is on account of circumstances beyond the control of the entrepreneurs. However, in cases of units, which are not capable of revival, banks should make efforts for a settlement and/or resort to other recovery measures, expeditiously.

**D) Implementation of the Modified Rejuvenation, Modernization and Technology Upgradation (REMOT) Scheme :**

Coir Board, Ministry of MSME, Govt. of India vide Lr. No. CB/REMOT/2012-13/35/1-Vol.II dated 26.08.2014 informed that the Ministry of Micro, Small and Medium Enterprises (MSME), GoI vide letter No.5(17/2013-Coir/231 dated 25th June,2014 has conveyed approval of the competent authority for continuation of the on-going plan scheme Rejuvenation, Modernization and Technology Upgradation during the XII Five year plan with a modified operational guidelines at an outlay of Rs. 80.00 crores.

The major modifications in the operational guidelines are as follows:

1. The scheme would cover projects for production of coir fibre/yarn/products etc. coming under coir sector. The maximum admissible cost of the project is Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The bank shall consider composite loan instead of term loan to cater to the working capital requirements. The working capital shall not be considered for subsidy. The quantum and nature of financial assistance under the scheme will be 40% of the project cost as GoI subsidy, 55% as Bank credit and 5% as beneficiary contribution. The loan for working capital shall be sanctioned and released only after setting up of the unit.
2. The assistance will be made available through all the Scheduled Commercial Banks listed in the 2nd schedule of the RBI Act, Regional Rural Banks, Co-operative Banks, SC/ST/OBC Finance and Development Corporations.
3. Assistance under the scheme will be made available to individuals, Companies, Self Help Groups, Non Governmental Organizations, Institutions registered under Societies’ Registration Act 1860, Production Co-operative Societies, Joint Liability Groups and Charitable Trusts.
4. The identification of beneficiaries at different regions will be done by a committee as per the parameters set out in the operational guidelines of the scheme. Entrepreneurship Development Programme will be mandatory for all beneficiaries of the scheme. The Regional level selection committee will scrutinize the applications received for its consideration. The Regional level selection committee will also review the status of the applications already forwarded to the banks. Evaluation and Steering Committee headed by Chairman, Coir Board will review the implementation of the scheme on all India basis.
5. With a view to provide handholding support towards the marketing efforts of the REMOT beneficiaries, an allocation of Rs. 10 crores has been earmarked as marketing support assistance under the scheme. The assistance will be disbursed for establishing marketing consortiums, participation in fairs/exhibitions, hiring of showroom/godown etc.
6. The Coir Board, Coir House, M.G. Road, Kochi is the Nodal Agency at national level for implementation of the scheme. At the state level the scheme will be implemented through the Field Officers of the Board viz. Regional Offices/Sub Regional Offices/Coir Mark Scheme Office/Showroom & sales depots and all other sub offices of the Coir Board situated in different parts of the country. The field offices of the board will coordinate with DICs, Coir project offices, Panchayati raj institutions and other NGOs of repute and such others for the identification of the beneficiaries under the scheme.

A copy of modified operational guidelines of the REMOT scheme is placed as **annexure** **34.**

**E) Overdue/NPAs under MSE Sector as on 30.06.2014 (Rs. In crores)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | Non – Performing Assets | |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| MSE | 586365 | 27317 | 165064 | 6756 | 3241 | 92754 | 1731 |

(The figures are indicative as the data has not received from all member banks)

The total balance in overdue accounts to outstanding MSE is **24.73%** and the overdues in real terms are **Rs.3, 241 crores** which is **11.86%** of total outstanding. TheNPA is **6.34%** of total MSE outstanding.

**MSE/PMEGP loans – Mounting of overdues – Request for constitution of a recovery mechanism**

In view of the mounting of overdues in SME sector in general and PMEGP in particular, SLBC vide Lr No.666/30/308/983, Dt. 04.10.2013, requested the Secretary, Industry & commerce, MSME Department, GoAP to constitute a recovery mechanism that helps the banks which in turn encourage seamless credit flow to MSME sector.

In response the Deputy Secretary to Government, GoAP, Industry & Commerce Department, directed the Chief Executive Officer, APKVIB, Grama Parisramala Bhavan, Hyderabad to take necessary steps to constitute a recovery mechanism to help the banks vide their Lr.No.15529/MSME/A1/2013-1, dated 28.10.2013.

SLBC vide letter No.666/30/22/1352 dated 08.01.2014 advised all LDMs to ensure the constitution of recovery mechanism for MSME sector in consultation with DCC.

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| **AGENDA- 7** |

**Housing Loans**

1. **Position of Housing Loans as on 30.06.2014**

**(Rs in Crore)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Total Outstanding** | | **Disbursements** | |
| **No. of a/cs** | **Amount** | **No. of a/cs** | **Amount** |
| **2013-14** | 336689 | 15621 | Not Available | Not Available |
| **June,2014** | 331988 | 15484 | 8176 | 632 |

**B. 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**.**

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.

SLBC has requested Housing Department earlier to reallocate at least a few cases for demonstration, which will have positive impact on recovery.

**C. Overdue /NPAs under Housing Loans as on 30.06.2014**

**(Rs. In crores)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | Non – Performing Assets | |
| No. of  a/c s | Amount | No. of overdue accounts | Total balance in O.D a/cs | Actual overdue amount | No. of accounts | Amount |
| Housing loans | 331988 | 15484 | 83263 | 4076 | 1015 | 41096 | 648 |

(The figures are indicative as the data has not received from all member banks)

The percentage of total balance in overdue accounts & NPA to outstandings is **26.32% & 4.18%** respectively.

|  |
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| **AGENDA- 8** |

**Education Loans**

1. **Position of Education Loans as on 30.06.2014 :**

**(Rs in Crore)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Total Outstanding** | | **Disbursements** | |
| **No. of a/c s** | **Amount** | **No. of a/cs** | **Amount** |
| 2013-14 | 133820 | 3393 | Not Available | Not Available |
| June, 2014 | 139664 | 3267 | 2879 | 149 |

1. **Allocation of targets for Education Loans for 2014-15:**

Department of Financial Services, Ministry of Finance, GoI vide letter No. F.No.1(1)/2011-CP dated June 23, 2014 advised convener, SLBC to allocate targets for 2014-15 under Education Loans keeping a minimum growth of 10% in number of accounts and 15% in loan outstanding. Further they have advised to monitor the progress in the SLBC meetings.

Since SLBC is not having outstanding bank wise position of education loans as on March 31, 2014 for re-organized state of Andhra Pradesh, the proposed targets were allocated based on the provisional information furnished by the banks as on 30.06.2014. The targets allocated are kept as annexure No.13

1. **Insisting on Collaterals and Guarantees while sanctioning the education loans :**

RBI Hyderabad vide Lr. No.RPCD(H)/LBS/326/02.03.03/2014-15, September,10 2014 informed that they are receiving frequent complaints that banks are insisting collaterals & guarantees while sanctioning education loans. Hence RBI Hyderabad advised SLBC to communicate the guidelines of RBI contained in circular RPCD.PLNFS.BC.No.83/06.12.05/2000-01, April,28 2001 regarding education loan scheme, wherein it was advised that no security may be insisted upon for loans up to Rs.4 lakhs.

SLBC circulated these guidelines to controlling authorities of all banks vide Lr.No.666/30/330/406 dated 15.09.2014 for strict compliance.

1. **Central Scheme to provide Interest Subsidy (CSIS) :**

RBI Hyderabad vide Lr. No. RPCD (H)/LBS/370/02.03.03/2014-15 dated September 17, 2014 informed that some of the banks of Andhra Pradesh are not extending the benefit of CSIS to the eligible students who have been sanctioned education loan after March 31, 2009. Some of the banks have not properly understood the CSIS guidelines and in the process have denied the benefit of interest subsidy to eligible students.

RBI advised that as per the central government as well as IBA guidelines, the CSIS is applicable to all eligible students who pursue technical and professional education studies in India beginning from the academic year 2009-10.

SLBC circulated these guidelines to controlling authorities of all banks vide Lr.No.666/30/330/427 dated 20.09.2014 for strict compliance.

1. **Padho Pardesh – Scheme for interest subsidy on Education loans for Overseas Studies for the Minority communities :**

Padho Pardesh – scheme for interest subsidy on Education loans for Overseas Studies i.e., Masters, M.Phil & Ph. D for the studies belonging to the Minority communities Viz. Muslims, Christians, Sikhs, Buddhists, Jains and Parsis (effective from 2013-14)

Government of India, Ministry of Minority Affairs has formulated a scheme for interest subsidy on education loans for overseas studies to promote educational advancement of students from minority communities’ for adoption by all banks. In order to support students from economically weaker sections of notified minority communities of the society, the scheme is introduced by Government of India.

Scheme guidelines are placed in as annexure 35

1. **Overdue/NPAs under Education Loans as on 30.06.2014**

**(Rs. In crores)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | Non – Performing Assets | |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Educational loans | 139664 | 3267 | 25393 | 746 | 319 | 13436 | 260 |

(The figures are indicative as the data has not received from all member banks)

The percentage of total balance in overdue accounts & NPA to outstandings is **22.83% & 7.96%**

respectively.

|  |
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| **AGENDA- 9** |

**EXPORT CREDIT**

SLBC has taken up with export & industry Associations and Banks for furnishing issues to be discussed in export subcommittee meetings. SLBC has not received any issues in this regard.

The position received from Banks as on 30.06.2014 is given in the **annexure no.14**

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| **AGENDA- 10** |

**Credit to Minority Communities for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 6,233 |
| 2 | March, 2013 | 7,066 |
| 3 | March, 2014 | 8,372 |
| 4 | June, 2014 | 10,626 |

In Andhra Pradesh, the amount lent to minority communities is **Rs.10,626** Crores which constitutes **7.26%** of Priority Sector Lending as against the stipulated target of 15% and all Banks were advised to ensure achievement of 15% of credit to MinorityCommunities.

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

It was suggested that the subsidy component of Government sponsored schemes may not be sufficient to reach the target and it requires multi pronged approach by:

1. Conducting special EDPs near all Industry Clusters.
2. Conducting exclusive training programmes in all RSETIs.
3. Achieving saturation by SERP in organizing Women of Minority communities into SHGs, etc.,
4. Proper classification and reporting of accounts
5. Identifying and financing the eligible beneficiaries without linking to availability of subsidy but to cover under CGTMSE wherever possible.

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| **AGENDA- 11** |

**Credit Flow to Weaker Sections for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 33,368 |
| 2 | March, 2013 | 40,554 |
| 3 | March, 2014 | 47,074 |
| 4 | June, 2014 | 48,347 |

Weaker Section advances **as on 30.06.2014** is **Rs.48,347 Crores** which constitutes **24.03%** as against the RBI stipulation of 10% of ANBC.

|  |
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| **AGENDA- 12** |

**Credit Flow to Women for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 24,557 |
| 2 | March, 2013 | 30,116 |
| 3 | March, 2014 | 34,736 |
| 4 | June, 2014 | 35,927 |

**As on 30.06.2014 advances to Women are at Rs.35, 927 Crores** which constitutes **17.86%**  as against the RBI norms of 5% of Net Bank credit.

|  |
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| **AGENDA- 13** |

**Credit Flow to Scheduled Castes / Scheduled Tribes for the last three years:**

|  |  |  |
| --- | --- | --- |
| Sl. No. | Year ended | Outstanding Rs. In Crores |
| 1 | March, 2012 | 7,114 |
| 2 | March, 2013 | 7,774 |
| 3 | March, 2014 | 9,365 |
| 4 | June, 2014 | 9,489 |

**As on 30.06.2014,** the lending to SC/STs is **Rs.9,489 Crores**, comprising of **6.48%** of priority sector advances.

Reserve Bank of India issued guidelines on providing Credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) vide Master Circular dated 01.07.2014 and all banks and LDMs are advised to be guided by the same.

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| **AGENDA- 14** |

**Position of implementation of Government Sponsored Schemes during the FY 2014-15**

**Government of India**

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

Target & Achievement under PMEGP for the year 2014-15 (as on 31.08.2014) **(Rs.in lakhs)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S.No | Name of Implementing Agency | Targets | | | Funds received | Achievement | | |
| No. | MM | Emp |  | No. | MM | Emp |
| 1 | KVIC | 458 | 651.49 | 3664 | 165.15 | 29 | 194.16 | 776 |
| 2 | APKVIB | 743 | 1056.64 | 5944 | 264.16 | **-** | - | - |
| 3 | DIC | 990 | 1408.85 | 7920 | 352.21 | 17 | 57.33 | 229 |
|  | **Total** | **2191** | **3116.98** | **17528** | **781. 52** |  |  |  |
| 4 | DO, Vizag | 285 | 405.15 | 2280 | 100.01 | 04 | 9.48 | 25 |
|  | **Grand Total** | **2476** | **3522.13** | **19808** | **881.53** | **50** | **260.97** | **1030** |

(Source: KVIC, Hyderabad)

KVIC is requested to furnish the issues to place before the core committee to workout model project report & standardized processing template for processing at district level task force for PMEGP applications processed.

KVIC is requested to organize DLTFC in all the districts to identify the eligible applicants to be covered under the scheme for the year 2014-15.

**B) Implementation of Scheme of Interest Subsidy Eligibility Certificate (ISEC) Scheme**:

The scheme is the major source of funding for the Khadi programme. This was introduced in May, 1977 to mobilize funds from banking institutions to fill the gap in the actual fund requirement and its availability from budgetary sources. Under the scheme, credit at the concessional rate of interest of 4 per cent per annum for capital expenditure as well as working capital is given as per the requirement of the institutions. The difference between the lending rate and 4 per cent is paid by the Central Government through KVIC to the lending bank and funds for this purpose are provided under the Khadi grant head to KVIC.

**2. National Rural Livelihood Mission (NRLM)**

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

(Rs. In crores)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Rural SHG Disbursements | | | Urban SHG Disbursements | | | Total Disbursements | | | Outstanding  (Rural& Urban) | |
| Target  Amt. | No. | Amt. | Target  Amt. | No. | Amt. | Target  Amt. | No. | Amt. | No. | Amt. |
| 2011-12 | 5122 | 209688 | 5122 | 1050 | 58979 | 1343 | 6172 | 268667 | 6465 | 819631 | 9691 |
| 2012-13 | 5761 | 155261 | 4073 | 1195 | 49913 | 1341 | 6956 | 205174 | 5414 | 807837 | 11510 |
| 2013-14 | 7066 | 265118 | 8246 | 1368 | 49718 | 1527 | 8434 | 314836 | 9773 | 772413 | 13764 |
| June, 2014 | 12275 | 19444 | 610 | 1516 | 5345 | 176 | 13791 | 24789 | 786 | 763978 | 13655 |

**Action Plan for Financial Inclusion in LWE affected Districts - Progress**

GoI vide their circular dated 4th January, 2012 has introduced a Scheme for WSHG development in LWE districts of the country. Against **109 districts** identified in the country, **8 districts** are located in Andhra Pradesh.

**Progress in formation of Groups, Savings Linked and credit Linked as on 30.06.2014 in the state of Andhra Pradesh**

(Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Savings Linked | Credit Linkage | |
| No | Amount |
| 2012-13 | 8371 | 2644 | 14.46 |
| 2013-14 | 6452 | 3189 | 15.08 |
| 2014-15 up to Aug 14 | 585 | 634 | 3.17 |

(Source: SERP)

**Overdue/NPAs under SHG Bank Linkage Programme as on 30.06.2014**

(Rs. In crores)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | Non – Performing Assets | |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| SHG Bank Linkage Programme | 763978 | 13655 | 194230 | 2760 | 1105 | 92657 | 1124 |

(The figures are indicative as the data has not received from all member banks)

The percentage of total balance in overdue accounts & NPA to outstanding is **20.21% & 8.23%** respectively. The overdues are mounting up in this sector year by year.

SERP and MEPMA are requested to extend support to the banks to reduce the OD/NPAs in this sector.

**3. National Urban Livelihoods Mission (NULM) Scheme:**

Govt. of India, Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has restructured the existing Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) and launched the National Urban Livelihoods Mission (NULM). The Self Employment Program (SEP) component of NULM will focus on providing financial assistance through a provision of interest subsidy on loans to support establishment of individual & group enterprises and Self-Help Groups (SHGs) of urban poor.

The existing provision of capital subsidy for USEP (Urban Self Employment Programme) and UWSP (Urban Women Self-Help Group program) components of SJSRY has been replaced by interest subsidy for loans to individual enterprise (SEP-1), group enterprise (SEP-G) and Self Help Groups (SHGs)

RBI informed that Ministry has advised that the NULM is under implementation w.e.f. September 24, 2013 in all districts headquarters (irrespective of population) and all the cities with population of one lakh or more and that SJSRY was to remain operational till March 31, 2014. Accordingly, capital subsidy as per SJSRY guidelines will also be extended on bank loans for setting up of individual and group enterprises under USEP and UWSP components of SJSRY, respectively till March 31, 2014.

RBI/2014-15/177, RPCD.CO.GSSD.BC.No.26/09.16.03/2014-15 dated August 14, 2014 communicated operational guidelines of the Self Employment Program (SEP) component of NULM.

**Targets & Achievement -SEP (Individual) and SEP (Groups)** for **2014-15 as on 30.06.2014**

(Rs. in Crores)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No. | Program | Target | | Achievement | |
| Physical | Financial | Physical | Financial |
| 1 | SEP (Individual) Programme under NULM | 9912 | 99.12 | Nil | Nil |
| 2 | SEP (Groups)Programme under NULM | 116 | 5.80 | Nil | Nil |

**4. Housing Schemes - RRY**

**Rajiv Rinn Yojana (Revised Interest Subsidy Scheme) for housing to Weaker Sections**

**Launched by the Ministry of Housing & Urban Poverty Alleviation, GoI**

Interest Subsidy Scheme for Housing the Urban Poor’ (ISHUP) was being implemented by Govt. of India as a supportive measure for expanding credit flow to housing for the Economically Weaker Sections (EWS) and Low Income Groups (LIG) up to Sept. 2013.

The Ministry of Housing and Urban Poverty Alleviation (MH&UPA), GoI has designed a Revised Interest Subsidy Scheme - renamed as Rajiv Rinn Yojana (or Rajiv Loan Scheme), as an additional instrument for addressing the housing needs of the EWS/LIG segments in urban areas. The Scheme envisages the provision of a fixed interest subsidy of 5% on interest charged on the admissible loan amount to EWS and LIG segments to enable them to buy or construct a new house or for carrying out addition to the existing building.

MH & UPA has already launched the captioned scheme formally and issued guidelines of the scheme to all banks. All member banks are requested to send a word of confirmation for having communicated the scheme guidelines to all the branches in Andhra Pradesh and instructed them to implement this new scheme in place of ISHUP.

**ULB wise allocation of number of loans to be disbursed under Rajiv Rinn Yojana**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sl. No | City | Total No. of House holds | Total Population | General | SC | ST | OBC | Data entry in process | No. of loans allocated |
| 1 | Anakapalle | 4007 | 0 | 757 | 667 | 155 | 2428 | 0 | 500 |
| 2 | Bheemunipatnam | 5998 | 0 | 1332 | 760 | 52 | 3845 | 9 | 500 |
| 3 | Visakhapatnam | 122591 | 454756 | 28204 | 16420 | 2972 | 0 | 74995 | 3000 |
| 4 | VMC | 81452 | 268227 | 20571 | 14752 | 4001 | 38184 | 3944 | 4000 |
| 5 | Tirupathi | 16251 | 56419 | 4988 | 2843 | 982 | 6962 | 476 | 500 |
| 6 | Kakinada | 36725 | 125878 | 6330 | 4401 | 541 | 2 | 25451 | 1000 |
| 7 | Rajahmundry | 26323 | 84679 | 4627 | 5411 | 864 | 0 | 15421 | 1000 |
| 8 | Guntur | 51766 | 176492 | 17396 | 10141 | 3340 | 16836 | 4053 | 500 |
| 9 | Nellore | 38155 | 119923 | 7316 | 7151 | 3019 | 19426 | 1243 | 500 |
| 10 | kurnool | 41492 | 149648 | 15536 | 10661 | 1306 | 12521 | 1468 | 500 |
|  | **Total** | **424760** | **1436022** | **107057** | **73207** | **17232** | **100204** | **127060** | **12000** |

SLBC has communicated the target of 12,000 units, received from APUFIDC; ULB-wise under Rajiv Rinn Yojana to LDMs to allocate the targets among banks vide Lr.No.666/30/18/1477, dt.03.02.2014.

**5) Agri-Clinics & Agri-Business Centers (ACABC) – Review of progress**

The Central Scheme “Establishment of Agri-Clinics & Agri-Business Centers (ACABC)” launched in April, 2002 and has created wide awareness and motivation about the potential of agri preneurship in rural areas among all the stakeholders. The Agri ventures setup under ACABC scheme are expected to necessarily provide advisory and extension services also to the farmers and this supplement the efforts of public extension system including unemployed candidates in rural areas.

National Institute of Agricultural Extension Management (MANAGE) is implementing training component of the Scheme through Nodal Training Institutes identified across the country and NABARD is the responsible for disbursement of subsidy to trained candidates availing bank finance for establishing their agri-ventures.

DFS, Ministry of Finance vide Lr.No.F.No.3/32/2012-AC, dated 26.11.2013 advised SLBC conveners to review the sanction of loans by Banks to trained candidates under the scheme and advised to clear the eligible loan applications on priority. Hence, banks are required to facilitate disbursement of credit and subsidy to the trained candidates for establishing agri-ventures.

Similar review may be undertaken by LDMs at DCC/DLRCs at the district level.

**Progress as on 17.09.2014**:

No. of projects sanctioned: 30 No. of projects pending : 263

District wise progress on Agri Clinics and Agri Business Centers scheme as on 17.09.2014 is placed as **annexure No.23**

All Banks are requested that necessary instruction may kindly be issued to their branches to expedite the clearance of pending loan applications under ACABC scheme and also releasing bank finance to the trained candidates on priority.

**6) Dairy Entrepreneurship Development Scheme (DEDS)**

Department of Financial Services, Ministry of Finance, GoI vide Lr. No.F.No.3/13/2011-AC, dated 14 November, 2013 informed that the Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GoI has directed to review the progress made under Dairy Entrepreneurship Development Scheme (DEDS) may be taken up as a regular agenda item in the DCC/DLRC meetings at District level.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **State wise Budget Allocation and Utilisation upto 31 August 2014** | | | | | | |  |  | Rs. In lakh |  |  |  | | Particulars | SC Component | ST and General | Total |  |  | | Budget Allocation for 2014-15 | 875.00 | 1525.00 | 2400.00 |  |  | | Subsidy Released during the year | 86.00 | 1851.00 | 1937.00 |  |  | | | | | |
|  |  |  |  |  |

**Utilisation of Budgetary allocation of AP State:**

NABARD, Regional office, Hyderabad vide Lr. No.NB.T&APRO/DoR/3555/DEDS-142/2014-15 dated 14.08.2014 inform that the budget allocated under General & ST component for the state for the year 2014-15 has been fully utilized. However, the budget allocation for SC component is still available for utilization.

Hence, all the banks are requested to prefer subsidy claims under DEDS only in respect of SC component. Efforts are being made to have additional allocation for General/ST category under DEDS. We accordingly request you not to submit subsidy claims under General/ST component, till further instructions.

SLBC already circulated these guidelines to the controlling authorities of all banks & LDMs vide Lr.No. 666/30/11/337 dated 21.08.2014.

**7. Handloom Weavers**

1. **Progress in lending under Weaver Credit Card Scheme**

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.

Under WCC scheme, the target given for the year 2014-15 is **31,339** units and SLBC advised all Banks to issue necessary instructions to their branches to improve lending under Weaver Credit Card Scheme and to reach the targets set for March, 2015.

SLBC is regularly reviewing the progress in issuance and disposal of pending applications under WCC scheme.

As per latest information available as on 11.09.2014, **1079** weaver credit cards were disbursed to a tune of **Rs.408.34 lakhs as** against the targetof **31339** for the year 2014-15**.**

Steering Committee of SLBC opined that an effective recovery mechanism is to be placed by the Department of Handlooms & Textiles for facilitating prompt recovery from this sector. At the same time banks are advised to extend finance to this sector.

District wise progress of issuance of WCC and Disbursement of Loan to the Handloom Weavers as on 11.09.2014 is enclosed as **annexure No.22**

**8**. **Credit under DRI:**

|  |  |
| --- | --- |
| Year ended | Outstanding Rs. In Crores |
| March, 2014 | 38.21 |
| June, 2014 | 21.29 |

**As on 30.06.2014 the credit outstanding under DRI is Rs.21.29 Crores.** Target under DRI for 2014-15 is **Rs. 2,012 Crores** (**i.e**., **1%** of the total outstanding advances of previous year, total outstanding advances **as on 31.03.2014** are **Rs.2, 01,201 Crores**).

The performance is negligible in comparison to the stipulations. All Banks are requested to make all out efforts to identify the eligible beneficiaries under DRI and to extend finance as per guidelines.

**9. Central Sector Scheme of Self Employment scheme for Rehabilitation of Manual Scavengers (SRMS) – Revision of the scheme.**

Indian Banks’ Association, Mumbai, vide their letter no.SB/CIR/SRMS/GOVT/8723 dated 22.01.2014, along with MoF Lr. F. No. 3(2)/2009(Vol-II)-CP, dated January, 2014 communicated the revised guidelines of the above scheme.

SLBC has communicated the same to all banks vide Lr.No.666/30/279/1471, dt.01.02.2014 with an advice to give wide publicity to the revised scheme and give suitable instructions to the branches to ensure coverage of all eligible beneficiaries in the shortest possible time as per the provisions and spirit of the scheme.

IBA vide letter No.SB/CIR/SLBC/SRMS/GOVT./9380, dt. 10 May, 2014 along with a letter from DFS, Ministry of Finance vide F.No.3(2)/2009 (Vol-II)-CP, dated 1st May 2014 directed to state that Ministry of Social Justice and Empowerment has informed that financing is crucial to rehabilitation and so far banks have been reluctant to provide this assistance to manual scavengers and their families.

It is advised that the issue regarding earmarking 1% of district level total sanctioning powers for soft loans to redeemed manual scavengers may be examined.

All Banks are requested to be guided accordingly.

**10. Small Farmers’ Agri Business Consortium (SFAC):**

SFAC would provide Venture Capital to qualifying projects on the recommendations of the bank/financial institution financing the project. This venture capital will be repayable to SFAC after the repayment of term loan of lending bank/financial institution as per original repayment schedule or earlier.

SFAC would provide venture capital to agribusiness projects by way of soft loan to supplement the financial gap worked out by the sanctioning authority for term loan under Means of Finance with respect to cost of project subject to the fulfillment of the following conditions:

The main objectives of the Scheme are:

(a) To facilitate setting up of agribusiness ventures in close association with all banks/financial institutions notified by the Reserve Bank of India where the ownership of the Central/State Government is more than 50% such as Nationalized banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFI, Exim Bank, RRBs & State Financial Corporations.

(b) To catalyze private investment in setting up of agribusiness projects and thereby providing assured market to producers for increasing rural income & employment.

(c) To strengthen backward linkages of agribusiness projects with producers.

(d) To assist farmers, producer groups, and agriculture graduates to enhance their participation in value chain through Project Development Facility.

(e) To arrange training and visits, etc. of agripreneurs in setting up identified agribusiness projects.

(f) To augment and strengthen existing set up of State and Central SFAC.

It is observed that the programme is not stabilised in the reorganised state of Andhra Pradesh. Department of Horticulture should take necessary initiatives to popularise the scheme in the state.

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| **AGENDA- 15** |

**Government Sponsored Schemes - Government of Andhra Pradesh**

1. **A.P. State Minorities Finance Corporation Ltd.: Achievement as on 31.08.2014**

Rs. in Crores

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Target | | Applications sponsored | Applications Sanctioned | | Applications Grounded | |
| No | Subsidy Amt. | No | Amt. | No | Amt. |
| 13447 | 45.02 | 20180 | 9727 | 36.66 | 4803 | 17.90 |

**Action plan suggested**:

* APSMFC Ltd is also advised to identify the prospective beneficiaries by coordinating with RSETIs who have been imparting training to candidates of minority communities so that viable schemes can be financed.
* The V.C. & Minorities MD, AP State Finance Corporation Limited is requested to concentrate and pursue with the banks for speedy grounding of the sanctioned units.
* Banks are requested to ground all sanctioned units immediately.

2. APSTEP & APSC Co-operative finance corporation Ltd. Informed that the budget allocations for the schemes sponsored by them are yet to be finalized and the district wise targets are yet to be communicated to respective districts for bank wise allocation of targets at district level. Hence the actual implementation of AAP for the year 2014-15 is yet to commence at field level.

3. The AAPs of the following departments for the Financial Year 2014-15 are approved by the Steering committee of SLBC in its meeting held on 16.09.2014 and communicated to LDMs in Andhra Pradesh for bank wise allocation of targets at district level. Hence, the actual implementation of these AAPs at field level is expected to commence shortly.

1. APMIP
2. Animal Husbandry
3. Fisheries
4. Andhra Pradesh ST Cooperative Finance Corporation Ltd. (TRICOR)
5. Welfare of Disabled & Senior Citizens Department, Govt. of Andhra Pradesh
6. Federations of BC Cooperative Societies under BC Welfare Department, Govt. of A.P.

**13. Overdue position under Government sponsored schemes as on 30.06.2014**

(Rs. In Crores)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | Non – Performing Assets | |
| No. of a/cs | Amount | No. of overdue accounts | Total balance in overdue accounts | Actual overdue amount | No. of accounts | Amount |
| Central Government sponsored Schemes | 85016 | 941 | 32009 | 248 | 161 | 22026 | 156 |
| Of which | | | | | | | |
| SGSY / NRLM | 45393 | 473 | 13066 | 65 | 37 | 8289 | 38 |
| SJSRY | 14567 | 94 | 8744 | 39 | 25 | 6950 | 24 |
| PMRY/PMEGP | 11837 | 200 | 6271 | 72 | 49 | 4339 | 47 |
| ISHUP | 4279 | 86 | 1787 | 42 | 32 | 1049 | 28 |
| State Government sponsored schemes | 1761569 | 22266 | 585087 | 7994 | 3408 | 287982 | 2188 |

(The figures are indicative as the data has not received from all member banks)

**Central Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 26.35% & 16.58% respectively**.**

**State Government Sponsored Schemes:** The percentage of total balance in overdue accounts & NPA to outstandings is 35.9% & 9.83% respectively**.**

**SGSY:** The percentage of total balance in overdue accounts & NPA to outstandings is 13.74% & 8.03% respectively**.**

**SJSRY:** The percentage of total balance in overdue accounts & NPA to outstandings is 41.49% & 25.53% respectively**.**

**PMRY/PMEGP:** The percentage of total balance in overdue accounts & NPA to outstandings is 36% & 23.5% respectively**.**

**ISHUP:** The percentage of total balance in overdue accounts & NPA to outstandings is 48.84% & 32.56% respectively**.**

|  |
| --- |
| **AGENDA- 16** |

**Financial Inclusion**

1. **Providing banking channels/services**

**1) Providing Banking Services in all Villages with above 2000 population - Progress as on**

**30.06.2014**

Banks have completed process of providing Banking services in respect of all 3911 identified villages having population of above 2000. Banks are advised to ensure that the number of transactions in the FI villages is improved and the services of BCs are effective.

**2) Implementation of FIP in below 2000 population – Progress as on 30.06.2014**

SLBC has submitted the Road Map for 10731 identified villages as advised by Reserve Bank of India in respect of below 2000 population for 3 years period from April 2013 to March 2016. As against the target of 7,923 villages to be covered with banking channels by March, 2015, 10,242 villages have been provided with banking channels thus surpassing the target by 129.27% out of which banking channels are deployed through BCAs in 9,944 villages, Brick & Mortar Branches in 273 villages and through other modes in 25 villages.

Quarterly Progress report District-wise and Bank-wise as on **30.06.2014** is enclosed as **annexure no.28**

SLBC has also submitted FIP Quarterly progress report for June, 2014 **(LBS MIS V)** to RBI which is enclosed as **annexure No.30**

**3) Branch Expansion – Progress in opening of bank branches**

All banks are advised to open bank branches as per their Branch Expansion Plan (BEP) approved by their Boards positively.

**4) Installation of ATMs**

GoI has advised all Banks including Regional Rural banks to establish onsite ATMs at their branches to enable the beneficiaries to draw the benefits as per their convenience.

MoF also advised Banks to go for offsite ATMS wherever there is no possibility of provision of site and other infrastructures readily available at the branch. It is also advised that top priority is to be given for establishment of ATMs in all identified pilot districts under Direct Benefit Transfer Scheme.

Onsite ATM means ATM installed at the branch or within 500 meters vicinity of the branch and in case of SBI, ATM of any SBI group of banks located within 500 meters vicinity will be considered as onsite ATM.

All Banks to ensure that Micro ATMs are to be placed in all BC locations immediately to enable the DBT beneficiaries to draw the benefits.

**5) Issuance of Debit Cards:**

All Banks are advised to issue Debit Cards to all the beneficiaries under various schemes taken up under Direct Benefit Transfer Scheme to enable them to draw their benefits at ATMs.

1. **National Mission on Financial Inclusion Plan – Pradhan Mantri Jan Dhan Yojana(PMJDY):**

PMJDY programme was launched on 28.08.2014 by Hon’ble Prime Minister of India. The six pillars of the programme along with period of implementation detailed as under.

Phase I (15th August, 2014 - 14th August,2015)

* Universal Access to Banking facilities
* Providing Basic Banking Accounts with overdraft facility and Rupay Debit card to all households
* Financial Literacy Programme

**Universal access to banking facilities:**

Mapping each district in to Sub Service Area (SSA) catering to 1000-1500 households in a manner that every habitation has access to banking services within a reasonable distance say 5 km by 14th August, 2015

Accordingly, the exercise was completed in all districts and all **16,874** Gram Panchayats in the state are mapped into **8,604** sub service areas as on 23.08.2014.

Details placed as annexure 29.

**Providing Basic Banking Accounts with overdraft facility and Rupay Debit card to all households:**

The effort would be to first cover all uncovered households with banking facilities by 26th January, 2014 by opening basic bank accounts. Account holder would be provided a Rupay Debit Card. Facility of an overdraft to every basic banking account holder would be considered after satisfactory operation / credit history of six months.

**Latest position of accounts opened in the state of Andhra Pradesh as on 20.09.2014 as under:**

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of A/cs** | **Rural** | **Urban** | **Total** |
| AP – all banks (16.08.2014 to 20.09.2014) | 1065261 | 845075 | 1910336 |

**Financial Literacy Programme:**

Financial literacy would be an integral part of the Mission in order to let the beneficiaries make best use of the financial services being made available to them.

**7) Unbanked Mandal / Mandals in which there is no bank branch in Mandal Head Quarters**

There is only one mandal left over without bank branch i.e., Gopavaram in YSR Kadapa District and LDM of Kadapa District has taken up the issue with the major banks in the district for opening of bank branch in the said mandal.

As per the proceedings of the 40th meeting of the Empowered Committee of RBI on Regional Rural Banks (RRBs) held on August 21, 2014 GM, RBI, informed that there was no bank branch opened in Gopavaram mandal. APGB was willing to open a branch in the mandal but the villagers have been repeatedly requesting Andhra Bank to open a branch. Shri Doraswamy, SLBC Convener informed that the possibility of opening a branch may be explored with the feedback from LDM of the district. DGM, RBI expressed that not opening a branch has left the mandal unbanked, an anomaly that cannot be allowed to continue and requested Andhra Bank and APGB to resolve the issue by next EC.

Apart from the above, as per the information collected from all the LDMs by SLBC that there are 4 mandals in the state where there is no bank branch available in Mandal Head quarters though there were branches in the mandal.

All controllers are requested to explore the possibility of opening of branches in **4** mandal head quarters on priority, details are furnished hereunder.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No | Name of the District | Total Number of Mandal Head quarters without Bank branch | Name of the Mandal | Name of Mandal Head Quarters |
| 1 | Visakhapatnam | 1 | Dumbriguda | Dumbriguda |
| 2 | Guntur | 1 | Bollapalli | Bollapalli |
| 3 | Prakasam | 1 | Hanumanthunipadu | Hanumanthunipadu |
| 4 | YSR -kadapa | 1 | Gopavaram@ | Gopavaram |
|  | **Total** | **4** |  |  |

@also unbanked mandal

**8) Opening of branches in Tribal Areas**

The Tribal welfare Department has requested Banks to open bank branches in the following identified centers where banking services are required:

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Name of the District** | **Centre** |
| 1 | Vijayanagaram | Kedaripuram, Neelakantapuram, JM Valasa, Gangareguvalasa, Sambara, Baguvalasa, Mosuru & Panukuvalasa |
| 2 | Visakhapatnam | Dumbriguda, Hukumpeta |
| 3 | East Godavari | Y.Rayavaram, Addateegala, Rayapalli |
| 4 | Prakasam | Chintala |
| 5 | Kurnool | Kottalacheruvu |
| 6 | Guntur | Loyapally |

**LDMs are advised to take up the issue in the DCC meetings and initiate necessary steps for opening of bank branches in the needy centers.**

1. **Credit Plus activities**
2. **Financial Literary Centers (FLCs)- Position in A.P**

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 already clarified that the erstwhile FLCCs are also to be termed as FLCs henceforth.

**Position in Andhra Pradesh:**

|  |  |
| --- | --- |
| **Particulars** | **No. of FLCs** |
| Number of FLCCs operating in the District Head Quarters | 13 |
| Number of FLCCs operating in Lead District Offices | 10 |
| Number of FLCCs operating in Divisional Head Quarters | 13 |
| **Total** | **36** |

(Detailed statement enclosed as **annexure-25**)

SLBC advised Syndicate Bank to open FLCs at their Lead Bank offices located at Kurnool, Ananthapuramu, and Kadapa.

**Financial Literacy activity by rural branches and FLCs:**

The Financial Literacy Centres (FLCs) both in Districts and LDM offices opened by the Banks are meant to take up Financial Literacy activities on a regular basis but even here it is observed that activities are not conducted on the pretext that the councilor is not available.

RBI, RO, Hyderabad vide letter no. RPCD (H)/FI&FL/116/02.03.031/2013-14 dated 22.07.2014 (Circulated to all controllers and LDMs vide our letter no. 666/30/306/304 dated 02.08.2014) has advised all banks to scale up the Financial Literacy activities by the Rural Branches and FLCs through conduct of Financial Literacy camps at least once a month to facilitate financial inclusion. In this regard it is advised as follows:

* All FLCs and rural branches should prepare an annual calendar of locations for conduct of Outdoor financial literacy camps.
* At every location, the program should be conducted in three stages to be spread over a period of three months comprising three sessions on minimum two hours each in terms of RBI circular dated 31.01.2013.
* Standardized Financial Literacy Material comprising Guide, Diary and Posters (Set of 16 Posters) has been issued to the controllers of all 53 banks by SLBC for onward distribution among their rural branches and FLCs, which can be used for organizing literacy camps. While organizing outdoor financial literacy camps, all sixteen posters must be prominently displayed for attracting the attention of the audience.
* FLCs and Rural Branches should inform the Lead District Officer (LDO) of RBI about organization of outdoor financial literacy camps well in advance to enable them to attend some of the camps.
* Quarterly progress reports as at the end of every quarter should be submitted as per Annex-I for the activities undertaken by FLCs and as per Annex-II for the activities undertaken by the Rural Branches and these reports should be submitted to SLBC by the 10th of the succeeding month of the end of the quarter for consolidation and onward submission to RBI.

As per draft guidelines issued by the Department of Financial Services, MoF, GoI, on implementation of Comprehensive Financial Inclusion Plan, a lot of importance has been attached to Financial Literacy and banks have been advised to undertake Financial Literacy campaigns in a big way to prepare the people for financial planning and availing credit. It is important that the people are made aware of the advantages of the access to formal financial system, savings, credit, importance of timely repayments and building up a good credit history. This has to be achieved by setting up FLCs at the block level and expand the scope of financial literacy with focus on people availing credit from the formal financial system and coming out of the exploitation by informal financial system.

All Banks are advised to give suitable instructions to all their rural branches to take necessary steps in this regard and ensure submission of progress made to RBI and SLBC.

Report of conduct of Financial Literacy camps by Rural Branches for Quarter ended June,2014 is enclosed as **annexure 26**

Report of Financial Literacy activities conducted by FLCs for the quarter ended June,2014 is enclosed as **annexure 27**

1. **Rural Self Employment Training Institutes in Andhra Pradesh & Andhra Pradesh**

**Bankers Institute of Rural Entrepreneurship Development**

SLBC has constituted a Subcommittee for strengthening the RSETI implementation machinery and the committee will meet once in a quarter to review the progress of RSETIs and latest meeting was convened on 16.09.2014.

Statement of performance of RSETIs as on 31.08.2014 is enclosed as **annexure 24**

1. **Status of allotment of Lands for RSETIs**

|  |  |
| --- | --- |
| **Name of the RSETI** | **Present Status** |
| 1. Machilipatnam   (Andhra Bank ) | Land allotted. RSETI is advised by the Revenue Department to arrange for demarcation of the site after clearing the bushes, which involves heavy expenditure to the institute. Hence, RSETI is requesting for demarcation and alienation of the site by the Revenue Department. |
| 1. Srikakulam   (Andhra Bank ) | The District Collector, Srikakaulam allotted 1.00 acre land in TTDC premises at Etcherla. Andhra Bank appointed Architect cum Project Manager Consultant for supervising construction of the building and released funds also. The institute requested Project Director, DRDA for deputation of Surveyor to demarcate the boundaries in the allotted land. On enquiry with PD, DRDA it is given to understand that there is an objection from CEO, SERP for construction of RSETI building in TTDC premises which is providing trainings for both men and women, whereas DRDA is providing trainings to women at TTDC. Hence, the site was not demarcated. |
| 1. Guntur   (Andhra Bank ) | No progress in allotment of site. |
| 1. Tirupati   (Andhra Bank ) | No progress in allotment of site. |
| 1. Chittoor   (Indian Bank) | No progress in allotment of site. |
| 1. Visakhapatnam   (State Bank of India) | Site allotted in residential locality. For construction of building, the site is to be converted into non residential status which involves heavy expenditure. |

1. **Reimbursement of pending claims of expenditure to institutes:**

Reimbursement of expenditure to RSETIs is pending from 2011-12 onwards. The procedure stipulated by MoRD with regard to processing and sanction of claims, is differing with the procedure adopted by DRDAs, in respect of MIS. SLBC is requested to take up with MoRD for adoption of common procedure for reimbursement of claims submitted by RSETIs.

1. **Accreditation of RSETIs for conducting EDP trainings to PMEGP beneficiaries:**

State Director, KVIC, AP vide letter no. AP/SOH/PMEGP-Linkages EDP/ 2014-15 dated 08.09.2014 informed as under.

1. The following institutions / Training centres are finalised for EDP training as more than one institution was recommended in the earlier selection committee meeting of KVIC.

* ABIRD Thondavada for Chittoor District
* ABIRD Srikakulam for Srikakulam District

1. If sufficient beneficiaries are not available, pooled upto 3 organisations in a district, the candidates may be deputed to neighbouring district training centres where the training programme is conducted immediately with the recommendations of KVIC/KVIB/DIC

The detailed minutes of the above meeting placed as **annexure No.36**

1. **APSLBC CALL CENTRE**

**Functioning of APSLBC Call Centre on behalf of all Banks for the purpose of providing guidance to the Public on Financial Inclusion - Opening of bank accounts and Seeding of Aadhaar numbers**

1. As per Guidelines of MoF, SLBC has opened a Call Centre on **10.12.2012** on behalf of all Banks in the State of Andhra Pradesh as a part of Financial Inclusion for opening of bank accounts of households and migrant labors.
2. **APSLBC Call centre will function from 7.00 A.M. to 9.00 P.M.**
3. The call centre is attending the queries from the public related to opening of bank accounts, KYC compliance, seeding of Aadhaar numbers, Education Loans, agricultural loans and many other general issues/problems of banking for which call centre is giving guidance.
4. It is agreed by all public sector banks to share the expenditure in proportion of their branch network in the state.

**It is advised that State level grievance redressal mechanism is to be established at state level. SLBC AP call centre was designated for receiving the grievances in implementation of PMJDY. Accordingly staff at the call centre was given orientation by SLBC.**

1. **OTHERS**

**Geographical Information System (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 accessible to SLBC Conveners/Lead Banks. The GIS module is for visualization 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.

.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 through LDMs.

All LDMs are advised to confirm immediately to SLBC that the data on GIS module is error free and it is updated.

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| **AGENDA- 17** |

**LEAD BANK SCHEME**

1. **Implementation of High level Committee Recommendations- progress Report as on June, 2014**

SLBC has submitted Progress report on implementation of High Level Committee recommendations for the quarter ended June, 2014 to Reserve bank of India.

**In order to strengthen the system it is requested that:**

* Banking channels are to be provided in all Sub Service Areas mapped
* FLC s to be opened in the three Lead Bank Offices of Kurnool, Ananthapuramu and Kadapa
* More Financial Literacy campaigns has to be taken up by rural branches
* Relocating the branches closed/shifted due to security reasons in the past to their original places
* Opening of branches in unbanked Mandals in the state
* Extending of credit to RSETI trained candidates
* Industry Associations are being used in the entrepreneurship education programmes.
* Educational loan target set by the Ministry of Finance should be achieved
* Women SHGs promoted by Anchor NGOs in LWE districts should be assisted with Bank linkage
* State Government to ensure conducive law and order situation, adequate security, uninterrupted power, water supply and irrigation facilities wherever required.

1. **Conduct of meetings under Lead Bank Scheme:**

Based on the recommendations of the High Level Committee of RBI to review the Lead Bank Scheme, a list of relevant agenda points to be discussed by the DCC which need to be adopted commonly by all Lead Banks was placed as annexure in agenda item of 181st SLBC meeting.

**All LDMs are advised to:**

1. Conduct DCC meetings for all four Quarters of the financial year invariably.
2. Communicate the schedule and agenda of the meetings to RBI & SLBC in advance.
3. adhere to the schedule fixed for conducting the meetings
4. adopt uniform agenda for discussion
5. Include certain important subjects of current relevance in the agenda points for discussion in the meeting.
6. Submit minutes of the meeting to SLBC within a week of completion.

**C. Modified Information System under Lead Bank Scheme - Strengthening of Management Information System (MIS)**

Reserve Bank of India Vide their Cir. No.RBI/2012-13/450, RPCD.CO.LBS.BC. No. 68/02.01.001/ 2012-13, dated March 19, 2013, in order to maintain consistency and integrity of data with the all India data of Scheduled commercial banks and meaningful review/analysis of data, RBI felt that the ACP and FIP data needs to be grouped separately for Scheduled Commercial Banks and other banks like State Cooperative banks & DCCBs etc., while presenting in the DCC/SLBC meetings and submitting to their Regional Offices. The data of Scheduled Commercial Banks needs to be further grouped into Public Sector Banks, Private Sector Banks and Regional Rural Banks to know the bank group wise position.

SLBC has already communicated the above guidelines of RBI vide Lr.No.666/30/213/1902, dt.20.03.2013 to the Controlling Authorities of all Banks and Lead District Managers and advised them to follow the guidelines scrupulously.

**D. Attendance in JMLBC/DLRC/DCC Meetings**

All Banks are advised to attend all JMLBC/DLRC/DCC meetings regularly and ensure 100% attendance in the meetings and participate in the deliberations.

LDMs are advised to maintain the attendance of meetings and inform the absentees to their controlling authorities and still not responded may be brought to the notice of the SLBC for taking up the matter at the appropriate level.

It is brought to the notice of SLBC that in some districts due to non participation by the controllers of banks and representatives of Banks DCC/DLRC meetings were postponed by the District Collectors. This is a very serious concern and all banks are advised to take corrective steps and ensure attendance in JMLBC/DCC/DLRC meetings.

**E. 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 with 15 days from the end 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.

**F. Communicating the decisions taken at SLBC level to the branches by the Controlling Authorities**

It is brought to the notice of SLBC by GoAP and many LDMs that the decisions taken at the SLBC / Steering Committee / Sub-committee 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 and also place before DCC/DLRC meetings to initiate suitable action for implementation.

|  |
| --- |
| **AGENDA- 18** |

**Overdue/NPA position**

**A. Overdue/NPA position as on 30.06.2014 under various sectors**

**(Rs. in Crores)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sector | Outstanding | | Overdue | | | 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 | 9355332 | 67304 | 3706193 | 25299 | 18474 | 405319 | 2283 |
| Agrl.Term Loans Including Agrl. Allied Activities Advances | 1924716 | 21986 | 533013 | 5921 | 3066 | 205244 | 1967 |
| Agril. And Allied-Indirect | 198399 | 5647 | 33759 | 1296 | 967 | 11028 | 600 |
| Total Agriculture Advances | **11478448** | **94937** | **4272965** | **32516** | **22507** | **621591** | **4850** |
| SSI/MSE Sector Advances | 586365 | 27317 | 165064 | 6756 | 3241 | 92754 | 1731 |
| Others under Priority Sector Advances | 824756 | 24126 | 180449 | 5913 | 2120 | 90565 | 1383 |
| Total Priority Sector Advances | **12889569** | **146380** | **4618478** | **45185** | **27868** | **804910** | **7964** |
| Non-priority sector loans | 2776758 | 58200 | 347354 | 11137 | 6730 | 167066 | 4820 |
| Total Advances | **15666327** | **204580** | **4965832** | **56322** | **34598** | **971976** | **12784** |
| Educational Loans Advances | 139664 | 3267 | 25393 | 746 | 319 | 13436 | 260 |
| Housing Loans Advances | 331988 | 15484 | 83263 | 4076 | 1015 | 41096 | 648 |
| Self Help Groups Advances | 763978 | 13655 | 194230 | 2760 | 1105 | 92657 | 1124 |

(The figures are indicative as the data has not received from all member banks)

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| **AGENDA- 19** |

**Regional Rural Banks**

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

1. **Performance of Regional Rural Banks on important parameters**

**Bank Net Work**:

|  |  |  |
| --- | --- | --- |
| S. No | Name of the RRB | No. of Branches  as on 30.06.2014 |
| 1 | APGVB | 230 |
| 2 | APGB | 453 |
| 3 | CGGB | 143 |
| 4 | S G B | 164 |
|  | **Total** | **990** |

**Deposits:** (Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.06.2014 |
| 1 | APGVB | 2116.07 | 2137.86 |
| 2 | APGB | 5947.98 | 6197.72 |
| 3 | CGGB | 1537.56 | 1563.39 |
| 4 | Sapthagiri Grameena | 2523.63 | 2666.15 |
|  | **Total** | **12125.24** | **12565.12** |

**Advances:**

**(**Rs. In crores)

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.06.2014 |
| 1 | APGVB | 2038.82 | 2070.83 |
| 2 | APGB | 7496.86 | 7657.89 |
| 3 | CGGB | 1853.81 | 1968.11 |
| 4 | S G B | 3271.86 | 3468.88 |
|  | **Total** | **14661.35** | **15165.71** |

**CD Ratio:**

|  |  |  |  |
| --- | --- | --- | --- |
| S. No | Name of the RRB | 31.03.2014 | 30.06.2014 |
| 1 | APGVB | 96.35 | 96.86 |
| 2 | APGB | 126.04 | 123.56 |
| 3 | CGGB | 120.57 | 125.89 |
| 4 | S G B | 129.65 | 130.11 |
|  | **Total** | **120.91** | **120.69** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No | Name of the RRB | Outstanding | | Total Agriculture | |
| 31.03.2014 | 30.06.2014 | 31.03.2014 | 30.06.2014 |
| 1 | APGVB | 2038.82 | 2070.83 | 1124 | 1187 |
| 2 | APGB | 7496.86 | 7657.89 | 5710 | 5847 |
| 3 | CGGB | 1853.81 | 1968.11 | 1501 | 1604 |
| 4 | S G B | 3271.86 | 3468.88 | 2270 | 2418 |
|  | **Total** | **14661.35** | **15165.71** | **10605** | **11056** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No | Name of the RRB | Crop Loans | | Agrl. Term Loans | |
| 31.03.2014 | 30.06.2014 | 31.03.2014 | 30.06.2014 |
| 1 | APGVB | 703 | 663 | 421 | 524 |
| 2 | APGB | 3511 | 3528 | 2199 | 2319 |
| 3 | CGGB | 1255 | 1330 | 246 | 274 |
| 4 | S G B | 1684 | 1813 | 586 | 605 |
|  | **Total** | **7153** | **7334** | **3452** | **3722** |

|  |
| --- |
| **AGENDA- 20** |

**Other items:**

**Inclusion of members in the SLBC meeting:**

As per the instructions of DFS, MoF, Govt of India, the following members were included as members in the SLBC meetings**.**

a) Additional Provident Fund Commissioner / Regional Provident Fund Commissioner of Guntur vide reference F.No.2/6/2011-FI (C-69556) dated 25th August, 2014, GoI, MoF, DFS

b) Deputy Director of TERM cells of Vijayawada vide reference F.No. 1/40/2014-FI dated 12th September, 2014, GoI, MoF, DFS(FI section).

c) LIC and the Public Sector General Insurance Companies (PSGICs) vide reference F.No.14013/3/2014-Ins-II dated 27th August, 2014, GoI, MoF, DFS (Insurance Division)

|  |
| --- |
| **AGENDA -21** |

**Circulars issued by RBI**

1. RBI Cir No.RBI/2013-14/653 dt.24.06.2014 issued guidelines with regard to Financial Inclusion by Extension of Banking services – use of Business Correspondents.
2. RBI Cir No.RBI/2014-15/61 dt.01.07.2014 issued master circular on SHG bank linkage programme
3. RBI Cir No.RBI/2014-15/68 dt.01.07.2014 issued master circular on Housing finance
4. RBI Cir No.RBI/2014-15/73 dt.01.07.2014 issued master circular on Willful Defaulters
5. RBI Cir No.RBI/2014-15/82 dt.01.07.2014 issued master circular on Priority sector lending
6. RBI Cir No.RBI/2014-15/83 dt.01.07.2014 issued master circular on Credit facilities to Schedule Castes (SCs) & Scheduled Tribes (STs)
7. RBI Cir No.RBI/2014-15/84 dt.01.07.2014 issued master circular on Guidelines for Relief Measures by Banks in areas affected by natural calamities
8. RBI Cir No.RBI/2014-15/93 dt.01.07.2014 issued master circular on Lending to Micro, Small & Medium Enterprises (MSME) sector
9. RBI Cir No.RBI/2014-15/94 dt.01.07.2014 issued master circular on Lead Bank Schemes
10. RBI Cir No.RBI/2014-15/95 dt.01.07.2014 issued master circular on Priority Sector lending targets & Classification
11. RBI Cir No.RBI/2014-15/118 dt.07.07.2014 issued guidelines with regard to Financial Literacy activities conducted by Financial Literacy Centers and rural branches of banks – monitoring system.
12. RBI Cir No.RBI/2014-15/226 dt.10.09.2014 issued guidelines with regard to Treatment of accounts opened for credit of Scholarship amounts under Government schemes.