**187th Meeting of**

**STATE LEVEL BANKERS` COMMITTEE OF**

**ANDHRA PRADESH**

**(Special focus on relief measures in districts**

**Affected by ‘Hudhud’ Cyclone )**

**Agenda & Background Notes**

**Date:07.11.2014 - Time:05.00 pm**

**Venue: Hyderabad**

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

**CONVENER ANDHRA BANK**

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| **Agenda 1** |

**Damage to North Coastal districts of Andhra Pradesh due to ‘Hudhud’ Cyclone:**

Visakhapatnam, Vizianagaram and Srikakulam districts of Andhra Pradesh have been severely affected by “Hudhud” Cyclone which struck on 12.10.2014. Partial loss is also reported in East Godavari district. Loss of lives could be minimized due to the excellent preventive measures taken by the State Government. However, the loss to property is observed to be enormous. There has been extensive damage to standing crops, animal husbandry sector, other allied activities to agriculture, MSME, trade and industry due to heavy rain and cyclonic winds reaching up to a speed of 200 kmph. Assets belonging to both Public and Private Sectors suffered heavy losses.

The people in the cyclone hit area need timely support from the banking system. The present SLBC meeting is convened to specially focus on relief measures to be extended to the affected people to sustain their livelihood and to rebuild the economy in the damaged districts.

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| **Agenda 2** |

**Banking Indicators in North Coastal districts:**

|  |  |  |
| --- | --- | --- |
|  |  | **No. of Branches** |
| **S.No.** | **Name of the District** | **Rural** | **Semi Urban** | **Urban** | **Metro** | **Total** |
| 1 | Srikakulam | 135 | 91 | 34 | 0 | **260** |
| 2 | Vizianagaram | 134 | 67 | 57 | 0 | **258** |
| 3 | Visakhapatnam | 182 | 82 | 127 | 252 | **643** |
| 4 | East Godavari | 242 | 201 | 192 | 0 | **635** |
|   | Total | 693 | 441 | 410 | 252 | **1796** |
|  |

1. **District wise position of Branches as on 30.06.2014Total**
2. **CD ratio as on 30.06.2014**

**(Amount in crores)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S.No** | **Name of the District** | **Deposits** | **Advances** | **CD Ratio** |  |  |
|  |  |
| 1 | Srikakulam | 4702.29 | 4972.58 | 105.75 |  |  |
| 2 | Vizianagaram | 4310.12 | 4135.89 | 95.96 |  |  |
| 3 | Visakhapatnam | 29366.19 | 26097.35 | 88.87 |  |  |
| 4 | East Godavari | 15778.75 | 21138.20 | 133.97 |  |  |

1. **Achievement under Annual Credit Plan 2014-15 in North Coastal districts of Andhra Pradesh as on 23.09.2014 in Agriculture sector - Disbursements:-**

**(Amount in crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| **District** | **Short Term** **Crop Production Loans** | **Term Loans to Agriculture** **and allied activities** | **Total Agriculture Loans** |
| **Kharif****Target** | **Achieve****ment** | **% of achieve****ment** | **Kharif****Target** | **Achieve****ment** | **% of achieve****ment** | **Kharif****Target** | **Achieve****ment** | **% of achieve****ment** |
| 1.Srikakulam | 1378 | 297 | 22% | 349 | 32 | 9% | **1727** | **329** | **19%** |
| 2.Vijayanagaram | 850 | 223 | 26% | 230 | 41 | 18% | **1080** | **264** | **24%** |
| 3.Visakhapatnam | 624 | 340 | 54% | 347 | 72 | 21% | **971** | **412** | **42%** |
| 4. East Godavari | 3309 | 1485 | 45% | 998 | 280 | 28% | **4307** | **1765** | **41%** |

1. **ACP 2014-15 achievement under MSME & Others in Priority sector as on 30.06.2014 - Disbursements**

**(Amount in crores)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |   | **Micro & Small Entp.** | **Others' Under Priority Sector** | **Total Priority Sector** |
| **S.No.** | **Name of the District** | **Target** | **Achmt** | **% of Achmt** | **Target** | **Achmt** | **% of Achmt** | **Target** | **Achmt** | **% of Achmt** |
| 1 | Srikakulam | 407 | 48 | 12 | 511 | 47 | 9 | 3338 | 96 | 3 |
| 2 | Vizianagaram | 392 | 39 | 10 | 416 | 60 | 14 | 2468 | 101 | 4 |
| 3 | Visakhapatnam | 1034 | 291 | 28 | 2690 | 262 | 10 | 5377 | 557 | 10 |
| 4 | East Godavari | 1021 | 324 | 32 | 692 | 100 | 14 | 9224 | 429 | 5 |
|   | **Total** | **2854** | **702** | **25** | **4309** | **469** | **11** | **20407** | **1183** | **6** |

1. **District wise Priority sector advances as on 30.06.2014 – Outstandings**

**(Amount in crores)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **S.No.** | **Name of the District** | **Short Term Production Loans** | **Agrl.Term Loans** | **Indirect Finance** | **Total Agrl. Advances** | **Micro & Small Enterprises** | **Other Priority Sector** | **Total Priority Sector** |
| 1 | Srikakulam | 2190 | 429 | 47 | 2666 | 732 | 899 | **4297** |
| 2 | Vizianagaram | 1831 | 363 | 47 | 2241 | 386 | 728 | **3355** |
| 3 | Visakhapatnam | 3259 | 1218 | 368 | 4845 | 3627 | 3134 | **11606** |
| 4 | East Godavari | 7665 | 1715 | 809 | 10189 | 3291 | 2623 | **16103** |
|   | **Total** | **14945** | **3725** | **1271** | **19941** | **8036** | **7384** | **35361** |

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| **Agenda 3** |

**Guidelines of RBI on relief measures by banks in areas affected by natural calamities:**

Master Circular of RBI on guidelines for relief measures by banks in areas affected by natural calamities vide their Cir. No. RBI/2014-15/84 RPCD.No.FSD.BC 07/05.04.02/2014-15 dated 01.07.2014 is enclosed as Annexure No. 1

The said circular envisages the following important guidelines to banks for taking up relief measures in areas affected by natural calamities:

**I. Institutional arrangements:**

1. The Convener of the **District Consultative Committee** should convene a meeting immediately after the occurrence of natural calamities, to facilitate coordination and expeditious action by the financing institutions for implementing relief programme.
2. **Special SLBC Meeting** may be convened to review the position in affected areas and ensure speedy formulation and implementation of suitable relief measures.
3. To adopt a **proactive approach** in taking up relief measures which could be appropriate in the situation prevailing in a State or District affected by the calamity.
4. **Identification of the beneficiaries –** Banks to obtain from the Government authorities concerned lists of affected villages within their area of operation, for extending relief measures in such areas.
5. **Priorities –** Immediate finance needed for protecting and rejuvenating standing crops/orchards/plantation etc. Equally important will be repairs to and protection of live stock sheds, storage structures, pump sets, motors, engines and other implements. Subject to seasonal requirements, next crop financing should be taken up.

**II. Agricultural Loans:**

Bank assistance is required in the form of short term loans for raising crops and term loans for purchase of milch/draught animals, repairs to existing equipment and rejuvenation of orchards, plantation etc.

1. Crop Loans :
2. Identification of Loss – Banks to take into account the extent of loss assessed and declared by the State Government to take up relief measures such as conversion/restructuring facilities of agricultural loans.
3. Issuance of fresh loans and restructuring of existing loans – Financial assistance may be extended in the form of :
4. Consumption Loans
5. Fresh loans for resumption of normal business
6. Restructuring of the existing loans
7. Fast Relief – Banks have to properly coordinate with the district authorities concerned so as to ensure timely disbursal of the assistance to the affected people.
8. **Development Loans – Investment Costs –**
* The existing term loan installments will have to be rescheduled/postponed keeping in view the repaying capacity of the borrowers and the nature of natural calamity.
* Apart from rescheduling existing term loans, banks will provide to affected farmers diverse type of term loans for developmental purposes such as minor irrigation, bullocks, milch cattle, poultry and fisheries.

 **III. Artisans and Self-employed persons –**

For all categories of rural artisans and self employed persons including handloom weavers, loans will be provided for repairs of sheds, replacement of implements and purchase of raw materials and stores. In sanctioning the loan, due allowance will be made for subsidy/assistance available from the State Government concerned.

Artisans, traders and self employed persons who may not be having any banking facility at the time of occurrence of natural calamity will also be eligible for financial assistance from banks’ branches in whose command areas they reside or carry on their profession/business.

**IV. Small Scale and Tiny Units –**

* Term loans for repairs to and renovation of factory buildings/sheds and machinery as also for replacement of damaged parts and working capital for purchase of raw materials and stores will need to be provided urgently.
* Where the raw materials or finished goods have been washed away, banks will convert drawings in excess of the value of security into a term loan and also provide further working capital to the borrowers.
* Depending on the damage suffered and time needed for rehabilitation, term loan installments will have to be rescheduled. Shortfall in margins will have to be condoned and borrowers should be allowed time to build up margin gradually. Wherever State Government or any agency has formulated special scheme for providing grants/subsidy seed money, suitable margin may be stipulated to the extent of such grants/subsidy.

 **V. Trade & Industry:**

Instructions on moratorium, maximum repayment period, additional collateral for restructured loans and asset classification in respect of fresh finance will be applicable to all affected restructured borrowal accounts, including accounts of industries and trade, besides agriculture.

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| **Agenda No. 4** |

1. **Meeting conducted at Visakhapatnam by the Committee constituted by GoAP to address the concerns of industrial sector in districts affected by ‘Hudhud’ Cyclone.**

Lead District Manager, Visakhapatnam communicated minutes of the meeting held by the Committee constituted by GoAP to address the concerns of Industrial units in Hudhud Cyclone struck districts on 19.10.2014 placed as annexure -2. The important proceedings of the meeting relevant to banking sector are as follows:

1. Bankers should accompany with the Insurance Companies in order to provide required information.
2. It is resolved to recommend to SLBC and to the GoAP to provide all possible assistance to all industrial units, ravaged by Hudhud Cyclone
3. A moratorium of one year on loans availed by the units, Interest Subvention schemes and provision of soft loans may be recommended to the RBI.
4. It is further resolved to recommend for rescheduling of all loans by banks duly getting consent from RBI and extend liberal loans to the units duly relaxing the normal banking norms, if necessary.
5. The District Collector is requested to hold the DCC meeting with Bankers and to recommend accordingly.

The members of SLBC are requested to deliberate on the above proceedings and pass the necessary resolutions so as to enable the committee to advise the banks concerned suitably.

1. **Minutes of sub-committee meeting of District Consultative Committee of Visakhapatnam district held on 25.10.2014 :**
* The loss / damage to the stocks / primary security in the working capital portion to be converted into Working Capital Demand Loan (WCDL), which can be repaid within a maximum period of 3 years with one year moratorium.
* Deferment of Term Loan installments ranging minimum two quarters to maximum 4 quarters with interest can be considered, i.e. extension of repayment period to the extent of deferment period.
* To request Central / State Governments to extend interest subventions to the affected MSME units.
* Agricultural loans will be rescheduled as per RBI guidelines within 90 days from the date of natural calamity, i.e. Jan 10, 2015. The rescheduled loan will be repaid within 3 to 5 yearly installments with one year moratorium. Fresh loans will be sanctioned as per the revised scales of finance to all the eligible borrowers.
* Requesting the Central Government to extend 2% interest subvention for the full tenure of the rescheduled agricultural loans. Similarly State Government will be requested to extend VLR.
* District Collector is requested to issue Annewari Certificates for Reschedulement of current loans as the same is required for getting refinance from NABARD.
* NABARD may be requested to extend / sanction additional limit of refinance to enable RRBs and DCCB to extend fresh finance to farmers.
* Banks will extend need based fresh loans as per the requirements of the affected borrowers.

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| **Agenda No. 5** |

**Details of enhanced scale of assistance towards input subsidy sanctioned by GoAP**

It is given to understand that 38 mandals in Srikakulam district, 43 mandals in Visakhapatnam district, 34 Mandals in Vizianagaram district and 5 mandals in East Godavari district were affected by “Hudhud” cyclone.

Government of Andhra Pradesh has enhanced the scale of assistance towards input subsidy per hectare and issued various GO in this regard. (GOs are placed as annexure)

1. **GO MS No.9 dated 12.10.2014**

|  |
| --- |
| **Enhanced Relief for Hudhud Cyclone** |
| **Sl.No.** | **Crop** | **Existing scale of assistance towards input subsidy per hectare (in Rs.) vide GO No.4, Rev (DM) Dept Dt: 05.02.2014** | **Enhanced assistance towards input subsidy per hectare** **(In Rupees)** |
| 1 | Paddy, Groundnut,Cotton, Sugarcane,Chillies, Vegetables, Onion, Flowers, Papayaand Watermelon. | 10,000/- | 15,000/- |
| 2 | Maize | 8,333/- | 12,500/- |
| 3 | Pulses, Sunflower,Soyabean, Wheat, Azwan,Lin seed | 6,250/- | 10,000/- |
| 4 | Mango, Citrus,Cashew nut, Sapota, Guava,Pomegranate, Ber etc., | 15,000/- | 20,000/- |
| 5 | Banana | 24,000/- | 25,000/- |
| 6 | Coconut tree | Rs.500/- per tree for totally uprooted or broken trees, limiting the total number of trees per hectare to 150 with effect from 10.12.2013. | 1,000/- |

1. **GO MS No.11 dated 18.10.2014**

Coffee plantation of 10 years & above – Rs.25,000/ per Ha.

 5 to 10 years \_ Rs.15,000/ per Ha.

 1 to 5 years \_ Rs. 10,000/ per Ha.

1. **GO MS No.14 dated 03.11.2014**

|  |  |  |
| --- | --- | --- |
| **Sl.No** | **Crop** | **Scale of assistance** |
| 1 | Casuarina | Rs.12,500/- per Ha |
| 2 | Teak – Block plantation | Rs.12,500/- per Ha |
| 3 | Teak – Bund plantation / Isolated Trees | Rs.500/- per tree subject to limit of 25 trees with bottom girth of 60 cms of plant |
| 4 | Eucalyptus | Rs.12,500/- per Ha |

1. **GO.Ms.No.15 dated 03.11.2014.**
2. Compensation per bird:
3. Layers - Rs.150/-
4. Broilers - Rs. 75/-

Subjective to maximum ceiling (all inclusive)

1. Layers : Rs.15.00 lakhs
2. Broilers : Rs.7.50 lakhs
3. Damages to poultry sheds in integration system only : Rs.10.000/- per shed (subject to maximum of three sheds Rs.30,000/-)
4. The integrator (Broiler) is treated as one individual farmer and he will be eligible for maximum ceiling amount of Rs.7.50 lakhs
5. Damaged cattle shed in open fields on par with that of cattle sheds attached with house i.e. Rs.10,000/- per cattle shed in open fields.

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| **Agenda No. 6** |

**Proposed Action Points for extending relief measures:-**

1. Assessment of extent of damage: - The Government of Andhra Pradesh is requested to advise the district authorities concerned for early assessment of mandal-wise and village-wise damage to crops, live stock and services and industrial sector.
2. The State Government is requested to issue G.O. regarding the mandals & villages affected by “Hudhud” Cyclone to take up relief measures immediately.
3. DCC/ Special DCC meetings are to be convened by the Lead District Managers in Visakhapatnam, Vizianagaram, Srikakulam and East Godavari districts to discuss in detail the damage caused by cyclone and to draw a specific action plan for relief measures.
4. Banks have to ensure the following :
5. The bank branches should obtain from the Government authorities concerned lists of affected villages within their area of operation.
6. Proper coordination with the district administration for speedy implementation of relief measures to the affected people.
7. To associate with and provide necessary information to insurance companies so as to enable them to settle the claims in the minimum prescribed time in the event of natural calamities
8. To sensitize their field functionaries to be proactive and implement the relief measures in an effective manner.