***Proceedings of 191st Meeting of***

***STATE LEVEL BANKERS` COMMITTEE OF***

***ANDHRA PRADESH***

***(8th SLBC meeting of Reorganized Andhra Pradesh State)***

**Date: 28.09.2015 - Time: 02.00 PM**

**Venue: Gateway Hotel, Vijayawada**

**STATE LEVEL BANKERS` COMMITTEE OF Andhra Pradesh**

**CONVENOR ANDHRA BANK**

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**The 191st Meeting of SLBC of Andhra Pradesh (8th SLBC meeting of reorganized A.P State) was conducted on 28.09.2015 at Gateway Hotel, Vijayawada at 02.00 P.M.**

Sri N Chandrababu Naidu, Hon’ble Chief Minister of AP, Sri Ravela Kishore Babu, Hon`ble Minister for Social & Tribal Welfare, GoAP, Sri C Kutumba Rao, Vice Chairman, AP State Planning Board, GoAP, Sri G.J Raju, General Manager, Reserve Bank of India, Hyderabad, Sri L Munda, General Manager, NABARD, Hyderabad, Senior Officials from Government of Andhra Pradesh, Executives from Banks, Chairmen of RRBs, Lead District Managers have participated in the meeting. The detailed list of participants is given as annexure.

**Address by Sri Ajit Kumar Rath, Executive Director, Andhra Bank:** On behalf of SLBC of Andhra Pradesh, he extended a hearty and warm welcome to Shri N. Chandrababu Naidu, Hon’ble Chief Minister of A.P, Council of Ministers, Sri G J Raju, General Manager, RBI, Sri L Munda, General Manager, NABARD, Principal Secretaries and Officials of State Administration, Member bankers and Invitees to 191st Meeting of SLBC of Andhra Pradesh**.**

He congratulated the Hon’ble Chief Minister and the State Government for the State being adjudged as the 2nd best state in the country for the investor friendly initiatives of the Government by the World Bank. The Hon’ble Chief Minister’s vision and the continuous push to transform the state into the best investment destination have been aptly applauded by the World Bank.

He wished the Hon’ble Chief Minister and the people of the state all the very best for the foundation laying ceremony of the State capital which was planned on 22nd October, 2015 and look forward to a world class capital of the state as envisaged by Hon’ble Chief Minister.

He informed that the 190th meeting of SLBC was convened on 29.06.2015 wherein the performance of the banks for the year 2014-15 was reviewed and the State credit Plan for the current financial year 2015-16 was launched by our Hon’ble Chief Minister. The road map for extension of credit by the banks in the state during the current financial year was unfolded, with ambitious targets were allocated under various sectors.

He placed before the House, the performance of Andhra Pradesh State under various banking parameters as on 30th June, 2015.

**Branch Network:** The total branch network in the state as on June 30, 2015 is at 6580 branches with 68% of the branches situated in Rural and Semi-urban areas. There are no unbanked mandals in the state.

**Deposits and Advances & CD Ratio:** The total deposits outstanding as at the end of June, 2015 is Rs. 1,97,401 crores and the total advances outstanding is Rs. 2,15,809 crores with a CD Ratio of 109.33 % which continues to be one among the highest in the country.

**Priority Sector Advances:** The Priority Sector advances as at the end of June, 2015 stood at Rs.1,54,239 crores, constituting 71.47 % of ANBC as against the regulatory norm of 40%. The priority sector advances have increased by Rs. 2,757 crores from Rs. 1,51,482 crores as on 31.03.2015 to Rs.1,54,239 crores as on 30.06.2015.

Total agricultural advances outstanding are at Rs.92,584 crores, constituting 42.90% of total credit against the regulatory norm of 18% as on 30.06.2015. There has been a marginal decrease in the outstanding under this sector owing to recovery of loans during the quarter and lending under Kharif was yet to pick-up by the end of June, 2015.

Total credit outstanding under MSME sector is Rs.34,923 crores, under Education Loans is Rs. 3,095 crores and Housing loans is Rs. 17,737 crores as on June 30, 2015.

**Performance under Annual Credit Plan 2015 -16 as on 30 June, 2015:**

**Credit Flow to Priority Sector:** As against the annual disbursement target of Rs.96,920 crores for the year 2015-16 under Priority Sector, credit flow during the quarter was to the tune of Rs.26,318 crores, with an achievement of 27.15% of the annual target.

Under agriculture, the credit flow to the tune of Rs.20,168 crores against the Kharif season target of Rs.37,625 crores with an achievement of 53.60% as on 30.06.2015. It may be observed that there was drastic improvement in performance during the present quarter when compared to the corresponding quarter of the previous year which was at 22.07% of the Kharif target of 2014-15.

The achievement as on 19.09.2015 as per tentative data available with SLBC is Rs. **25,927** crores against the target of Rs.**29,022** crores constituting **89%** of the target under short term production credit and Rs. **30,484** crores against the total target of Rs.**37,625** crores, constituting **81 %** of the target under agriculture for Kharif season.

**MSME SECTOR:** The total disbursements under MSME during the first quarter of the year was Rs. 3,963 crores against the total disbursement target of Rs.16,960 crores for the year with an achievement of 23.37 % of the target.

The GoI has issued directives to all banks to organize Mega credit campaigns for distribution of loans to the eligible beneficiaries under MUDRA in all districts between 25th September and 2nd October 2015 as per the allocated target of 25 accounts per bank branch, with focus on Shishu Category. The Ministry of Finance has been regularly reviewing the preparedness of banks and Sri VLVSS Subba Rao, Economic Advisor to GoI has convened a review meeting of all banks on 16.09.2015 at Hyderabad and discussed the issue with the controllers of all banks.

He informed that there has been a request from many member banks for exemption of Stamp duty on bank documents executed for availing loans under MUDRA scheme which was at 0.5% of the loan amount at present. He requested the Hon’ble Chief Minister to explore the possibility of exempting Stamp Duty on all MUDRA loans which will go a long way in getting hassle free credit from banks under this sector.

The Coverage of MSME loans under CGTMSE continued to be the cause of concern as only **2,871** units involving an amount of Rs. **101.94** crores have been covered as on 30.06.2015. The field staff needs to be suitably sensitized and he requested the controllers to initiate the required steps to cover all eligible loans under MUDRA by CGTMSE.

**SOCIAL WELFARE SCHEMES & IMPLEMENTATION OF GOVERNMENT SPONSORED**

**PROGRAMMES:** The targets under various Govt. sponsored schemes were communicated by the departments concerned during July and August, 2015 and the same were approved in the subsequent Steering Committee Meetings and communicated to LDMs for allocation among the branches in the district.

The proactive role of Govt. Departments is warranted in scheduling beneficiary selection campaigns and imparting training to the prospective entrepreneurs to achieve the desired results in successful implementation of the Govt. sponsored schemes during the year.

He requested banks to step up efforts to achieve the desired results in respect of lending to PMEGP and minority communities with due coordination and cooperation from Government.

**Implementation of F.I. and Financial literacy:** The role of the banks in the state have been applauded in opening of accounts under PMJDY and in enrolling the eligible persons under Social Security schemes of PMSBY, PMJJBY & APY and also in recently launched Surarksha facilitation drive. The task is not complete and it should be the endeavour of all banks to ensure that all eligible persons are enrolled under these schemes to fulfill the vision of Hon’ble Prime Minister.

He informed that the banks in the state have completed the task of deployment of banking channels as per Road map submitted to RBI within the targeted date of 14th August, 2015. He requested the controllers of banks to initiate steps on imparting training to Bank Mithras for obtaining certification from IIBF before the end of this year i.e. 31.12.2015.

There are connectivity issues which are still plaguing the extension of banking services in certain nook and corners of the state which has to be addressed on priority so that the benefits of Financial Inclusion reach uniformly in all parts of the state.

**Issues pending with GoAP for Resolution**: There are certain long pending issues pending for resolution with the Government and he requested the Government to kindly resolve the long pending issues.

**Mounting overdues:** The banks in the state have been wholeheartedly contributing their mite in extending the necessary finance and have the distinction of always exceeding the allocated targets. The increasing NPAs despite banks coming forward to renew the loans / lend in a big way is a matter of grave concern and large scale provisioning denting the profitability of the banks.

He requested the Government to give wide publicity for educating and explaining the beneficiaries on the benefits of timely renewal and repayment of loans.

He also requested the Government to issue the guidelines / modalities for releasing the balance 80% of the redemption amount to the eligible farmer beneficiaries.

He expressed that the banks in the state have always been in the forefront in carrying forward the vision of the Government by effectively implementing the welfare measures and he assured the Government of the total support and total involvement of SLBC and all banks in achieving the double digit growth as envisaged by the Hon’ble Chief Minister.

**Address by Sri N. Chandrababu Naidu, Hon’ble Chief Minister of A.P:**

He observed that growth in advances is not commensurate with the growth in deposits of the Banks as on June 30, 2015.

* Total amount of deposits increased by 15% over corresponding period of previous year.
* Total advances increased by 5% only.
* Priority Sector advances increased by 5%, but Agricultural advances decreased by 2%.
* Advances to SC/STs decreased by 4%.
* Advances to SHGs increased only 1%.
* Advances to Minorities increased by 10%.
* Advances to Weaker Sections increased by 2%.
* Advances to Women increased by 0.46%
* Increase in advances to others in Priority sector is marginal.

He observed that bankers could disburse only Rs.20,168 crores as on June 30 as against annual target of Rs.65,272 crores under Agriculture constitutes 30.90% of the target, 23.37% of the target under MSME, 14.86% under Other Priority Sector and 27.15% under Total Priority Sector.

He informed that the estimated GDP for the first quarter of the country is 7.1% where as estimated GDP for the state of Andhra Pradesh is 9.72% which is 2.62% higher than the country’s GDP.

He informed that World Bank & GoI has ranked the states on the ease of doing business and Andhra Pradesh state has ranked 2nd after Gujarat with 70.12% score. Now the state is looking forward to compare with other countries and examining their parameters / key performance indicators.

He observed huge deficit in rain fall during this season throughout the country. AP state has registered better rainfall after Rajastan. However the state has affected due to uneven rainfall distribution and long dry spells. Government is planning to overcome the situation with immediate relief, short & long term planning.

He stated that creating proper irrigation facilities is the priority for the state. Accordingly Government is implementing ‘Neeru Chettu’ programme effectively resulted in increased ground water position. First time in India, Andhra Pradesh Government has made it in reality of linkage of rivers. Government has completed the ‘Patti Seema’ project within 5 months & 20 days period. Now Government is looking for linking of Krishna to Penna and Penna to Palar. With this linkage of rivers Government can handle the drought situations effectively.

He expressed that Andhra Pradesh Government did best in GSDP Contribution, ease of doing business & linking of Rivers within a span of 1year 3 months.

He opined that Government has systematically implemented the Agricultural Debt Redemption scheme & Capital Infusion to SHG members, seeding Aadhaar numbers to bank accounts & mapping with land details.

He opined that Banks are doing business in routine way and requested the banks to think differently. Government has prepared vision document with 7 Missions, 5 Grids & 5 campaigns to suit the Government objectives.

Government has identified 40 growth engines which can contribute 80% of state GSDP and Government is willing to link Social, Health & Economic objectives with these growth engines. Government has proposed to implement e-pragathi. He requested banks to work in a scientific way to match with the Government’s vision of distributing pensions, implementing e-pass & integrating PDS.

In the state of Andhra Pradesh, Agriculture is contributing around Rs.54000 crores, Horticulture around Rs.40000 crores, live stock around Rs.35000 crores & Fisheries around Rs.25000 crores to GSDP and contributing maximum to the economy & creating employment. Service sector is also contributing 50% of the revenue & maximum employment. Banks are requested to synchronise their lendings with these sectors to derive maximum benefits.

He informed that the Government has introduced agriculture debt redemption scheme with a good intention. Government will issue Certificates shortly for the remaining 80% debt redemption to the eligible beneficiaries.

He wished that Andhra Pradesh state should not have any more farmer suicides. He observed that bore well failure, disproportionate land lease, cultivation of commercial crops like cotton & tobacco, informal debt, lack of crop insurance, low yields, non remunerative prices, depression are the some of the reasons for suicides. Government needs cooperation from bankers to make agriculture a profitable business and to create confidence among farmers.

He expressed his dissatisfaction on slow technological advancement in banking sector and directed banks to make interoperable facility available throughout the state within 3 months. Government is willing to provide band width to all villages. He requested the bankers to link all welfare schemes to Rupay card. The next phase will be to make transactions through mobile. Banks are requested not to count on number of accounts opened, but to focus on inculcating savings habit which will boost the economy.

He opined that an analytical exercise should be carried out to give a push to MSME sector. He advised the bankers to shift their approach from business to analytical by identifying key performance indicators.

He expressed that the state is having better advantage and abundant opportunities in economic activity compared to other states, since it was reorganised. Government is spending huge money on projects like Irrigation, boats, roads, air ports, railways, capital construction & infrastructure development.

**Sri D. Durga Prasad, Convener, SLBC has then taken up the agenda items for discussion:**

**Confirmation of the minutes of the earlier meetings:** The minutes of **190th SLBC meeting** held on **June 29, 2015** and other meetings conducted up to 31.08.2015 were circulated to the members of SLBC, LDMs and Government Departments concerned.

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

**Discussion on Agenda items:**

**Convener, SLBC** requested the Government;

* To examine the recommendations of the committee constituted for revisiting the LEC scheme held on 12.08.2014.
* To establish second DRT in A.P State
* Allotment of site to RSETIs in Guntur, Chittoor, Machilipatnam & Tirupathi and requested to reimburse the pending claim of Rs.13.16 crores up to August, 2015
* Notified places for creation of equitable mortgage by branches where Brick & Mortar branch is available
* To create a machinery for the recovery of chronic overdues in Agriculture sector.

He requested NABARD to permit the banks to adjust the backend subsidy to the credit of loan accounts before lock in period & conduct evaluation study to suggest remedial measures to overcome the problems.

**Hon’ble Chief Minister** advised Finance Secretary, Government Department & SLBC to form a sub-committee and organize monthly meetings to resolve the pending issues before commencement of next SLBC.

**Discussion on Agriculture and allied sector:**

**Ms. A Surya Kumari, Secretary to CCLA** informed that renewal of loans against LEC cards in East & West Godavari districts are encouraging, whereas in Anantapuram & Kadapa districts are lagging behind due to dry spells.

**Sri C Kutumba Rao, Vice-Chairman, AP State Planning Board** informed that on filed level verification it was observed that 90% of the finance made to LEC card holders from East Godavari & West Godavari districts only. He opined that banks will come forward for financing to LEC holders, provided validity of LEC card is extended upto 3 years.

**Ms. A Surya Kumari, Secretary to CCLA** informed that the process of extension of validity period of LEC card is under process.

**Hon’ble Chief Minister** expressed that due to lack of finance from banks, tenant farmers are borrowing money from outside money lenders at higher rate of interest. He instructed the Finance secretary & Revenue department to streamline the LEC card scheme.

**Sri K Madhusudana Rao, CEO, Rythu Sadhikara Samstha** informed that for the last two to three years banks have extended finance to tenants in the form of JLG / LEC and finance was focused in East Godavari & West Godavari districts. He requested the bankers to extend necessary cooperation in all districts of the state.

**Sri T.V. Reddy, DGM, State Bank of India** requested the Government to share the details of LEC card holders with banks before the commencement of the season; so that it is easier for the banks to extend finance.

**Sri K Madhusudana Rao, CEO, Rythu Sadhikara Samstha** informed that revenue department is conducting the campaigns in the month of May and issuing LEC cards to the tenants.

**Sri M. Bala Bhaskar, Chief Manager, SLBC** informed that tenant farmers require organized structure for extending finance, follow-up & capacity building. Hence a centralized data base is required by linking Aadhaar numbers with loan accounts of tenant farmers. A structured organisation may be setup in line with SERP / MEPMA which is looking after SHG finance. This will create confidence among banks to extend necessary finance both short term & medium term loans to tenant farmers.

**Hon’ble Chief Minister** instructed the Agriculture Department to maintain the data base on tenants & JLG groups at central level and strengthen them with capacity building and skill up gradation. He advised the bankers to take it into cognizance and cooperate with the Government.

**Convener, SLBC** requested the Government to reimburse claim amount under Vaddi Leni Runalu / Pavala Vaddi scheme to banks at an early date as it was already delayed and banks have parted their own funds under the scheme.

**Sri K Madhusudana Rao, CEO, Rythu Sadhikara Samstha** informed that during implementation of Agriculture Debt Redemption scheme, crop loans outstanding as on 31st December, 2013 are eligible for Debt Redemption, which included interest portion also. Since the interest part claimed under VLR scheme by the banks obviously could have been the part of outstanding crop loan amount that may lead to dual benefit. In this regard sub-committee meeting was convened and one more meeting will be organised shortly to workout the possibilities and finalise the claim.

**Hon’ble Chief Minister** observed that percentage of achievement in crop loan disbursements particularly in Vizianagaram & Krishna districts was very low and requested the bankers to achieve the target in all districts.

He added that Live Stock is the best sector for both economy & recovery. Maximum outcome can be achieved in this sector with little intervention, which was neglected by all. He suggested the Welfare Departments concerned to integrate with Banks to develop the sector.

**Sri C Kutumba Rao, Vice Chairman, AP State Planning Board, GoAP** expressed his concern that some banks have not credited the debt redemption amount to loan accounts and requested them to take corrective measures immediately. He informed that complaints were received on banks of their non cooperation in renewing the loans.

**Hon’ble Chief Minister** informed that Government is providing following inputs to the farmers;

* Educating the farmers through ‘Polam Pilustondi’ programme
* Providing all inputs to the farming activity
* Providing Micro Nutrients
* No shortage of chemicals
* No shortage of power
* Extension work

He suggested the following strategies to overcome the crop failure in the state are;

* Providing Power, all Inputs & Marketing facilities
* Every farmer in the state is in a position to avail the loan from the banks
* Minimum support price
* Possible intervention
* Financial counseling
* Online marketing facilities
* Micro irrigation
* Alternative occupation & alternative activities
* Water sharing mechanism
* Mixed cropping pattern
* Providing input subsidy to the small & marginal farmers

He stated that crop insurance had become a major problem despite timely payment of premium by farmers. There is a need to prepare a vulnerability index and sortout issues district-wise. He requested the forum to prepare a report on overcoming the dry spell and suggest solutions to save farmers from drought. He suggested setting up a sub-committee to arrive the strategies.

**Sri R S Naik, Commissioner of Fisheries** informed that targets for fisheries sector was already communicated and progress will be reviewed in DCC / DLRC meeting at district level and bankers are requested to extend necessary finance to the fisheries sector.

**Discussion on MSME sector:**

**Hon’ble Chief Minister** advised the banks to link Pradhan Mantri MUDRA Yojana (PMMY) with welfare schemes of GoAP, upgrade the skills of the borrowers and extend necessary finance to their economic activity. Banks are also advised to lend money for productive activities only.

**Sri Ravela Kishore Babu, Hon`ble Minister for Social & Tribal Welfare, GoAP** requested the banks to conduct seminars & sensitize the people on GoI subsidy linked MSME schemes.

**Sri Shamsher Singh Rawat, Secretary, Industries & Commerce Department** observed that banks have made 23.37% achievement under MSME category and Kadapa, Prakasam, Chittoor & Kurnool districts have performed well in lending to MSME sector. Issues should be discussed in DCC/DLRC meetings by the respective LDOs and LDMs and review bank wise performance. As of now there are 107 specialised MSME branches are functioning in the state and bankers are requested to open more and more specialized MSME branches to help MSME sector. He informed that Government has allotted Rs.100 crores to revive sick industries.

**Discussion on Other Priority Sector advances, Government Sponsored Schemes & Financial Inclusion:**

**Sri Ravela Kishore Babu, Hon`ble Minister for Social & Tribal Welfare, GoAP** informed that implementation of the schemes of the Welfare Corporations are monitored through Online Beneficiary Monitoring Management System (OBMMS).

He expressed concern on certain instances encountered in implementing Welfare schemes such as;

1. Some of the Branch Manager of various banks are releasing only the subsidy portion to the beneficiary without releasing the Loan amount.
2. Some Banks are insisting for Deposit equivalent to the Loan amount for releasing the Loan.
3. All Corporations are not in a position to know when the loan amount is actually released and how much is released

He informed that Department used to release the subsidy to the participant branches after the receipt of information on grounding of the units earlier.

**Hon’ble Chief Minister** informed thatWelfare Departments should give the benefit of subsidy for economic activities only.

**Sri Shaik Mohd. Iqbal, Director, Minorities Welfare & Special Secretary to Govt.** Informed that Department is facing with following problems from the banks;

* Opening of zero balance accounts,
* Accounts becoming inoperative due to no transactions,
* If any amount credited to these accounts, amount is bouncing back.

**Sri Ajit Kumar Rath, Executive Director, Andhra Bank** informed that if the balance / transaction amount at any point of time in the Basics Savings Bank Deposit account exceeds Rs.50,000/- , the customer has to convert the Basic Savings Bank account to Normal Savings account.

**Hon’ble Chief Minister** advised the banks to educate / motivate the people towards savings habit, as all Government benefits are routed through these accounts, so that inoperative and zero balance accounts are substantially reduced. He advised that Jan Dhan accounts should be issued with rupay cards and should be activated for use by the account holders. He suggested the banks to record the savings rate at state & district level. He suggested appointing SHG women as Bank Mitra/BC under financial inclusion.

**Convener, SLBC** informed that Government has released I-Phase Capital Infusion to Self Help Group members. Corpus of the group would increase with present capital infusion and requested the banks to extend necessary credit support to SHGs.

**Hon’ble Chief Minister** advised the banks to lend money to SHGs and under Government Sponsored Programmes for the purpose of Self employment, Productive & Economic activities only.

He advised banks to implement the interoperability in all districts in the state within 3 months and Government is planning to start Mobile Financial Activity in this month in Krishna district on pilot basis.

He advised the banks & Government departments to bring SHG women, farmers groups and Minority, BC, SC, ST beneficiaries under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) and synchronise all these accounts with Aadhaar.

**Convener, SLBC** informed that banks have disbursed 207 Weaver Credit Cards (WCCs) as against the target of issuing 14,500 WCCs. Since the RRR package and issuance of Weavers Credit Card are intended to support the weavers’ societies and individual weavers which are vital to economy. He requested the banks to take immediate action for implementation of the package.

**Address by Sri G J Raju, General Manager, Reserve Bank of India**

He observed that the achievement of ACP for the quarter ended for the June, 2015 was 30.43%. He opined that success stories placed in the agenda notes revealed that bank interventions have resulted in livelihood creation.

He informed that DCC / DLRC meetings were not held in few districts as per the calendar. He added that as per the feedback received from district administration, highest authorities of the banks at district level are not attending the DCC/DLRC meetings, so as to facilitate decision making. He also requested the controllers to fine tune the system of accurate communication to the branches.

As per the directives of RBI, SLBC has to conduct a workshop to District Collectors to create awareness on lead bank scheme. He requested GoAP to allot a session for this purpose in the proposed District Collectors’ conference, which was agreed to by the Hon’ble Chief Minister, Andhra Pradesh.

He informed that success of bank finance depended on non financial factors also. He underlined that climate change & its impact on bank finance may be an agenda item in SLBC meetings.

He informed that RBI was organising a capacity building workshop to sensitise the branch managers of specialized SME branches. In this context RBI proposed to hold training programmes for branch managers of these specialized SME branches and details would be informed in due course. In this regard RBI has taken inputs from College of Agricultural Banking and prepared a course module for the proposed training programme that would encapsulate best practices adopted in other states. Hon’ble Chief Minister advised Government Department’s participation in these workshops.

RBI had constituted Empowered Committee & SLIIC Committee on MSME where detailed discussions on sickness, viability & revival of MSME units took place on quarterly basis.

He suggested reviewing the transactional & operational issues of the banks during proposed monthly review meetings for logical resolutions. He opined to have a pre SLBC meeting before the regular SLBC so that, operational issues can be resolved prior to the regular SLBC.

**Hon’ble Chief Minister** informed that Government is planning to make the state as drought, dry spell & weather proof. He requested the Government Departments & Banks to take-up the issue comprehensively and suggest the strategies to mitigate / overcome the problems of climate changes, erratic rain fall & Dry spells.

**Address by Sri L. Munda, General Manager, NABARD:** He informed that achievement under ACP for 2015-16 (April-June) under crop loan and ATL were Rs.16691 crores and Rs.3477 crores respectively and constituted 83% and 17.24% respectively of total Agriculture lending during the period at Rs.20, 168 crores. The share of ATL in total agriculture lending should be at least 25-30%. Banks may take steps to increase lending under ATL during the remaining period of the year.

NABARD is giving emphasis on accelerating the pace of capital formation in Agriculture and Allied activities. In this regard, NABARD in association with line departments and banks have formulated Area Development Banking Plans in 6 districts of the state. The activities mainly include Dairy, Sheep, Financing traditional Fishermen, Rose Cultivation in Polyhouses, Subabul cultivation and Pisciculture. Banks participating in the Banking Plan may meet the credit requirement of farmers/entrepreneurs to the full extent. Further, during the current year NABARD has planned to formulate more such bankable schemes and create potential for financing by banks.

NABARD had conducted State Level Unit Cost Committee meeting to fix the unit costs of various investment activities under Agriculture and Allied sectors. The same will be circulated among the banks and other agencies/departments for use as reference document.

In order to provide better price discovery and better income enhancement opportunities for farmers through aggregation of their produce and value addition, NABARD is encouraging promotion of Farmer Producers Organizations (FPOs) particularly for small and marginal farmers. A numbers of FPOs have already been promoted through assistance from NABARD which are now at various stages of development. NABARD has planned to promote more such FPOs during the current year. There is potential for financing these FPOs by banks. This would help the banks in increasing their lending under ATL.

Banks may promote JLGs of BhoomiheenKisans and provide loans to these groups. A target of 15 JLGs per rural branch have been allocated to banks for the purpose. Efforts may be made to provide loans LEC holders through JLG mode. Banks may submit monthly progress report to SLBC under with a copy to NABARD regularly. NABARD provides financial assistance to Joint Liability Groups Promoting Institutions (JLPI) for promotion of JLGs. Banks can also promoted such groups through NGOs. NABARD also provides need based training to stakeholders in this regard.

Banks are also requested to provide loans to SHGs to enable them to take up livelihood activities. The progress reports indicating details of SHGs credit linked may be submitted to SLBC with a copy to NABARD.

Targets for issue of Swarojgar Credit Card (SCC) have been allocated to banks. Banks may submit quarterly progress report to SLBC with a copy to NABARD regularly

Banks may extend concessional post-harvest loans of up to Rs.3 lakhs to SF and MF owning KCC for a period up to six months at an interest rate of 7%, against negotiable warehouse receipts ( NWRs) issued by accredited warehouses. Details of warehouse accredited are available in WDRA website. The basic objective of NWR financing is to encourage the farmers to store their produce in warehouses and sell it at a remunerative price at a future date, in the process discouraging distress sale of produce by farmers.

Banks may disburse loans to individual weavers and group of weavers and can avail Margin Money and Interest subvention under the National Handloom Development Programme of Government of India. The margin money available is @ 20% of the project cost subject to a maximum of Rs.10,000/- per weaver. This would enable the handloom weavers, their SHGs and JLGs to leverage the amount for borrowing loans from the banks. Further, to provide subsidized loan to handloom sector at the interest rate of 6% for a period of 3 years, the quantum of interest subsidy to be borne by the Government of India will be for 3 years and limited to the difference between the actual rate of interest as applicable and charged by the banks and 6% which is to be borne by the borrower. However, the GoI interest subvention will be capped at 7% and the revised rate shall be applicable from the date of the GoI’s circular dated 27 September 2013.

In addition to Short Term Crop Loans, Banks may finance Short Term Loans for other purposes also to meet the requirement of loans by farmers/entrepreneurs/traders/artisans etc., through bank branches and through PACS. Some of the illustrative purposes for which loans can be given by banks are:

* Working Capital requirements
* Repair and maintenance of Farm equipment and other productive assets
* Storage, grading and packaging of produce
* Marketing activities
* Crop loans above Rs.3 lakhs
* Redemption of old debts
* Other socio-economic needs

**Special Invitee, Mr. Nageswar Rao** informed that RBI Master Circular dated 1st July, 2015 - Credit Facilities to Minority Communities provides guidelines to focus on providing credit to Minorities in the 121 Minorities concentrated Districts, may be suitably amended making provisions for outreach of all Districts and Minorities on pro rata population basis. Further, a clear time line may be defined to ensure that the Branches do not hold the applications for long time that deprives the loan applicants accessing credit from other sources.

**Representative from Indian Bank** informed that Lok Adalats were allowing concessions to small borrowers for settlement of their dues. He requested cooperation of Government departments in mobilising & motivating the borrowers to attend Lok Adalats.

**Convener, SLBC** requested the house to fix a date for conducting next SLBC meeting during mid-November, 2015 with the concurrence of Hon’ble Chief Minister.

**Hon’ble Chief Minister advised the SLBC to hold next SLBC meeting on 18.12.2015.**

The following **action points** were emerged in the meeting for implementation by all the stake holders.

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| ***AGRICULTURE*** * GoAP may examine the recommendations of the committee constituted for revisiting the LEC scheme held on 12.08.2014.
* GoAP is requested to reimburse the pending claims of Vaddi Leni Runalu / Pavala Vaddi to banks.
* All banks are requested to extend the credit to LEC holders.
* All banks are requested to extend the credit to Joint Farming Groups of ‘Bhoomi Heen Kisan’.
* All banks are requested to submit the Utilization Certificate to Rythu Sadhikara Samstha, GoAP in respect of amounts released by GoAP under debt Redemption scheme.
* Thrust is given to Allied activities and for Capital formation in real terms under Agricultural term loan category.
* GoAP is requested to create a machinery to help the banks in recovery of chronic dues.
* NABARD to take up the issue with GoI to adjust the back end subsidy to the credit of loan accounts without linking to lock in period in case of Emu farming as a special case.

 **(Action: All Banks, LDMs, NABARD, CCLA and Govt. of AP)*****MSME**** All banks are requested to increase the Credit flow to MSME sector
* All banks are requested to ensure that their lending policies for MSEs are streamlined and made flexible in order to empower the officials concerned to take quick decisions on credit delivery to MSEs.
* All Banks are requested to sensitize their branch managers to extend collateral free loans and to cover under CGTMSE scheme.
* All banks are requested to explore the possibility of opening more specialized MSME branches.
* Banks to take sympathetic attitude and strive for rehabilitation, wherever the sickness is on account of reasons beyond the control of the entrepreneurs.
* All banks are advised to strive for improving ‘Entrepreneurial Sensitivity’ amongst the branch officials for giving intended thrust to the MSME sector.
* All banks are requested to extend the credit under Swarojgar Credit Card (SCC) scheme.
* All banks are requested to sanction loans for all the eligible borrowers under Coir Udyami Yojana.

**(Action: All Banks, LDMs and Industries Department)*****HOUSING LOANS**** All Banks are advised to submit the list to APSHCL/NHB of all such semi constructed projects with their location details (all approvals received/not received) together with remarks about non-completion/semi-completion etc. which may be considered viable by the banks for funding and completion of the project.
* Housing Department to re-allocate a few cases for demonstration purpose where the houses were sold/ let out to have a positive impact on recovery in respect of all Govt. Housing programs.

**(Action: All Banks, LDMs and APSHCL/ NHB)*****EDUCATION LOANS**** Banks are requested to issue suitable instructions to their branches and ensure that applications are not rejected on flimsy grounds.
* All banks to extend CSIS to all eligible students who have been sanctioned education loan after March 31, 2009.
* Banks were also advised to put in place an effective Grievance Redressal Mechanism
* All banks are advised to maintain proper registers / electronic records at the branches to report the date of receipt, sanction / rejection / disbursement with reasons thereof.

**(Action: All Banks & LDMs)*****GOVT. SPONSORED SCHEMES**** Scheduled Castes, Scheduled Tribes, Weaker Sections should be given priority under PMEGP
* Banks to liberally finance to Minorities and reach the target of 15% on Priority sector advances.
* Banks are advised to step up the lending under DRI as the performance is very low.
* Banks are advised to step up the lending to Weavers Credit Cards (Handloom Weavers)
* Banks are advised to achieve the targets under SC / ST action plan.
* Banks are advised to clear all the pending projects under ACABC scheme.
* LDMs are advised to allocate district wise targets under various Govt. programs approved by SLBC (both Central and State Govt) and monitor the progress at regular intervals during JMLBC/DCC/DLRC meetings.

 ***(Action: All banks, LDMs and GoAP)******NATIONAL MISSION ON FINANCIAL INCLUSION-Pradhan Mantri Jan Dhan Yojana (PMJDY)**** Banks are advised to open more branches in the rural areas
* All Banks to ensure that Micro ATMs are placed in all BC locations immediately to enable the DBT beneficiaries to draw the benefits.
* Explore the possibility of opening of branches at identified centres as requested by Tribal Welfare Department, GoAP.
* Banks are requested to ensure that all their BCs are trained and IIBF certified before end of 2015.
* GoAP to expedite allotment of site to RSETIs located at Guntur, Chittoor, Machilipatnam and Tirupathi and also reimbursement of training expenditure to all RSETIs as per the MoRD guidelines.

 ***(Action: All Banks LDMs and GoAP)******LEAD BANK SCHEME**** All LDMs are advised to follow the structured agenda in DCC/DLRC/JMLBC meetings for effective review
* LDMs are advised to ensure that all banks adopt uniform guidelines stipulated by RBI for Government sponsored programmes.
* All banks are advised to percolate the decisions taken at SLBC level immediately to their branches to enable them to implement at field level.
* All controllers are requested to instruct their Branch Managers/District Coordinators to attend the JMLBC/DCC meetings without fail for fruitful deliberations and resolutions.
* Controlling authorities of Lead banks are requested to provide the necessary infrastructure at LDMs office for effective functioning.
* Discuss the resolutions taken in SLBC / Steering committee meetings as a mandatory agenda item in DCC/DLRC meetings.

 ***(Action: All LDMs & Banks)******OTHERS**** Constitute a sub-committee and organize monthly meetings to resolve the pending issues & to arrive strategies to overcome drought & dry spells and farmers suicides.
* Ensure effective implementation of Agriculture Debt Redemption scheme.
* Constitute a sub-committee on Government Sponsored Schemes
* Create organized structure for tenant farmers

 **(Action: SLBC & GoAP )** |

Sri Palaniyappan, Zonal Manager, UCO Bank proposed vote of thanks to the chair.

**LIST OF PARTICIPANTS**

**CHIEF GUEST**

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

**Hon'ble MINISTERs**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.No.** | **Name of the official****Shri/Smt.** | **Designation** | **Organisation/****Department** |
| 2 | R Kishore Babu | Hon’ble Minister for Social Welfare & Tribal Welfare | Govt. of A.P. |

**INVITEES**

|  |  |  |  |
| --- | --- | --- | --- |
| 3 | C Kutumba Rao | Vice-Chairman, AP State Planning Board | Govt. of A.P |
| 4 | Y S Sai Babu | Chairman, 20 Point Programme | Govt. of A.P |
| 5 | B Suresh Krishna | Dy. Director General, TERM Cell, DoT | Govt. of India |
| 6 | T Indira | Regional P.F. Commissioner | Govt. of A.P |
| 7 | Nageswara Rao Chitirala | Member | AP State Level Committee on PM’s New 15 Point Programme for Welfare of Minorities |

**SLBC OF A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 8 | Ajit Kumar Rath | Executive Director | Andhra Bank |
| 9 | D Durga Prasad | General Manager & Convenor, SLBC of A.P | Andhra Bank |

**RESERVE BANK OF INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | G J Raju | General Manager | Reserve Bank of India |
| 11 | K Anuradha | Asst. General Manager | Reserve Bank of India |

**NABARD**

|  |  |  |  |
| --- | --- | --- | --- |
| 12 | L Munda | General Manager | NABARD |

**SIDBI**

|  |  |  |  |
| --- | --- | --- | --- |
| 13 |  Pyda Ramakrishna | Manager | SIDBI |

**OFFICIALS - Govt. of A.P**

|  |  |  |  |
| --- | --- | --- | --- |
| 14 | Dr. P V Ramesh, IAS | Principal Finance Secretary  | Govt. of A.P |
| 15 | Dr Manmohan Singh, IAS | Principal Secretary, Animal Husbandry Department | Govt. of A.P |
| 16 | Shamsher Singh Rawat, IAS | Secretary, Industries & Commerce Department | Govt. of A.P |
| 17 | I Samuel Anand Kumar, IAS | Managing Director, AP SC Co-op Finance Corporation | Govt. of A.P |
| 18 | R S Naik, IAS | Commissioner of Fisheries | Govt. of A.P |
| 19 | A Surya Kumari, IAS | Secretary to CCLA | Govt. of A.P |
| 20 | K Madhusudana Rao, IAS (Retd.) | CEO, Rythu Sadhikara Samstha | Govt. of A.P |
| 21 | Shaik Mohd. Iqbal, IPS | Director, Minorities Welfare & Special Secretary to Govt. | Govt. of A.P |
| 22 | K Mallikarjuna | MD, BC Finance Corporation | Govt. of A.P |
| 23 | P Ranjit Basha | Project Director, CMRO, O/o CCLA | Govt. of A.P |
| 24 | Y V Raghunatha Reddy | Director, SERP | Govt. of A.P |
| 25 | I Satyanarayana | Joint Director, Directorate of Economics & Statistics, Planning Department | Govt. of A.P |
| 26 | D Suhasini | Joint Director of Horticulture | Govt. of A.P |
| 27 | Sridhar | Joint Director of Agriculture, O/o Commissioner & Director of Agriculture | Govt. of A.P |
| 28 | Ch. Johnson | Joint Director, I & PR | Govt. of A.P |
| 29 | M Caleb | General Manager, SC Corporation | Govt. of A.P |
| 30 | P Trinadha | Asst. Director, Planning Dept. | Govt. of A.P |
| 31 | S Sreenivasa Jeevan | Asst. Director, I & PR | Govt. of A.P |
| 32 | Ch. Lakshmana Rao | AD (H&T), Dept. of Handlooms & Textiles | Govt. of A.P |
| 33 | T Babu Rao | DPM, DRDA | Govt. of A.P |
| 34 | B K Nagaraja Rao | OSD, Finance Dept. | Govt. of A.P |
| 35 | P Nagarjun | Technical Consultant | Rythu Sadhikara Samstha |
| 36 | K Umashankar | OSD | Rythu Sadhikara Samstha |
| 37 | M V M Sarma | OSD | Rythu Sadhikara Samstha |
| 38 | D V R Reddy | SMC, MEPMA | Govt. of A.P |
| 39 | N Mahendra | DMC, BL, MEPMA | Govt. of A.P |
| 40 | N S R Murthy | S.O., O/o Commissioner of Sericulture | Govt. of A.P |

**OFFICIALS – Govt. of INDIA**

|  |  |  |  |
| --- | --- | --- | --- |
| 41 | B S A Murthy | DGM (P), HUDCO, Vijayawada | Govt. of India |
| 42 | Lakshman Singh | Dy. Director, NHB | Govt. of India |
| 43 | Naresh T | SRP, UIDAI | Govt. of India |
| 44 | B Sreedhar  | Asst. Director, MSME-DI  | Govt. of India |
| 45 | Hoshiar Singh | Senior H.O., NHB | Govt. of India |
| 46 | V Koti Reddy | Nodal Officer (PMEGP), KVIC | Govt. of India |

**INSURANCE COMPANIES**

|  |  |  |  |
| --- | --- | --- | --- |
| 47 | M Ranga Rao | Senior Dvisional Manager | National Insurance Co. Ltd. |
| 48 | R Sreenivasan | Manager | New India Assurance Co. Ltd. |
| 49 | R Bhaskar | Dy. Manager | National Insurance Co. Ltd. |

**PUBLIC SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 50 | M Prasad | General Manager | Syndicate Bank |
| 51 | T V Reddy | Dy. General Manager | State Bank of India |
| 52 | Rajiv Kohli | Dy. General Manager | State Bank of India |
| 53 | Susil Agrawal | Dy. General Manager | Bank of India |
| 54 | B M Rao | Dy. General Manager | Canara Bank |
| 55 | Vijay Murar | Dy. General Manager | Central Bank of India |
| 56 | S Sivakumar | Dy. General Manager | Corporation Bank |
| 57 | J Satyanarayana | Chief Regional Manager | Indian Overseas Bank |
| 58 | K Chandrasekhar | Dy. General Manager | Syndicate Bank |
| 59 | C Palaniappan | Zonal Manager | UCO Bank, Vijayawada |
| 60 | Dr. K L Raju | Dy. General Manager | Union Bank of India |
| 61 | P N Ravindranath | Divisional Manager | Canara Bank |
| 62 | G Anil Kumar | Asst. General Manager | Bank of Baroda |
| 63 | C Thimma Reddy | Asst. General Manager | IDBI Bank Ltd. |
| 64 | C Aswartha Narayana Naick | Asst. General Manager | Indian Bank |
| 65 | A Udaya Bhaskar Reddy | Asst. General Manager | Punjab National Bank |
| 66 | K Chitti Babu | Asst. General Manager | State Bank of India |
| 67 | K Satyanarayana Raju | Asst. General Manager | Vijaya Bank |
| 68 | K Srinivas | Chief Manager | Allahabad Bank |
| 69 | Y Srinivas | Chief Manager | Bank of Maharashtra |
| 70 | N V S Prasad Reddy | Chief Manager | Oriental Bank of Commerce |
| 71 | S Ganesh Krishna | Branch Manager | Bharatiya Mahila Bank |
| 72 | V Krishna Kumar | Senior Manager | Dena Bank |
| 73 | G Rambabu | Senior Manager | Indian Bank |
| 74 | Arbind Tirkey | Senior Manager | Oriental Bank of Commerce |
| 75 | G Ramesh Kumar | Senior Manager | Syndicate Bank |
| 76 | R Hari Kumar | Senior Manager | United Bank of India |
| 77 | T K Karunakar | Branch Manager | State Bank of Travancore |
| 78 | Rajat Kumar Deep | Branch Manager | State Bank of Patiala |
| 79 | T Prakash Rao | Manager-RD | Central Bank of India |
| 80 | K Namassivayya | Manager | Union Bank of India |
| 81 | Suresh R | T. Manager | Union Bank of India |
| 82 | Harish Y | Asst. Manager | Andhra Bank |
| 83 | Alekhya A | Asst. Manager | Andhra Bank |

**REGIONAL RURAL BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 84 | V Narasi Reddy | Chairman | APGVB, Warangal |
| 85 | V Brahmananda Reddy | Chairman | CGGB, Guntur |
| 86 | P Gopi Krishna | General Manager | Andhra Pragathi Grameena Bank |
| 87 | G Chandru | Regional Manager | Saptagiri Grameena Bank |
| 88 | J Ramakrishna | Senior Manager | Saptagiri Grameena Bank |

**APCOB**

|  |  |  |  |
| --- | --- | --- | --- |
| 89 | S Vijaya Bhaskara Reddy | Dy. General Manager | APCOB |

**PRIVATE SECTOR BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| 90 | Pavan Kumar Chillarige | Vice President | HDFC Bank |
| 91 | N S Rao | General Manager | Coastal Local Area Bank Ltd. |
| 92 | N Ramalingam | Dy. General Manager | Karur Vysya Bank |
| 93 | B Ravichandra | Regional Manager | IndusInd Bank |
| 94 | V Sreenivas Seth | Asst. General Manager | The Lakshmi Vilas Bank Ltd. |
| 95 | Sandeep Reddy | Regional Head | ICICI Bank |
| 96 | K Brahmaiah | Regional Head-ARB | Kotak Mahindra Bank |
| 97 | R Srinivasan | Chief Manager | City Union Bank Ltd. |
| 98 | Thyagarajan | Chief Manager | Dhanalaxmi Bank Ltd. |
| 99 | Tony Jose V | Chief Manager | South Indian Bank Ltd. |
| 100 | B C S Rao | Asst. Vice President | AXIS Bank |
| 101 | L Muni Srikanth Reddy | Asst. Vice President | HDFC Bank |
| 102 | A Naveen | Senior Manager | ICICI Bank |
| 103 | G Ram Kumar | Senior Manager | Tamilnad Mercantile Bank Ltd. |
| 104 | Pavan Harish | Branch Manager | Karnataka Bank Ltd. |
| 105 | P Suresh | Manager | Coastal Local Area Bank Ltd. |
| 106 | V Hari Harinadha Rao | Manager | The Federal Bank Ltd |
| 107 | D Johnson | Asst. Manager | Tamilnad Mercantile Bank |

**LEAD DISTRICT MANAGERS**

|  |  |  |  |
| --- | --- | --- | --- |
| 108 | M Sudarshan Rao | L.D.M, Guntur | Andhra Bank |

**OFFICERS FROM SLBC**

|  |  |  |  |
| --- | --- | --- | --- |
| 109 | M Bala Bhaskar | Chief Manager | Andhra Bank |
| 110 | Vunnam Rajesh | Senior Manager | Andhra Bank |
| 111 | N Anil Babu | Manager | Andhra Bank |
| 112 | Ashok B Adur | Asst. Manager  | Andhra Bank |
| 113 | K Srinivasa Rao | Asst. Manager  | Andhra Bank |