

Minutes of the Meetings

**Proceedings of 217th Meeting of
STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH**

Date: 07.12.2021 - Time: 11.00 AM

Venue: CM Camp Office, Tadepalli

**STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH
CONVENER: UNION BANK OF INDIA**



**FGM Office, Union Bank of India
2nd floor, Andhra Bank Building, RR Apparao Street, Vijayawada
Phone: 0866-2562522, 2562518
Website: www.slbcap.nic.in, E mail: slbc@unionbankofindia.com**

The 217th Meeting of SLBC of Andhra Pradesh was conducted on 07.12.2021 at AP CM Camp Office, Tadepalli at 11.00 AM.

The meeting commenced with presentation of flower bouquet to Sri Y S Jagan Mohan Reddy, Hon'ble Chief Minister by Sri Rajkiran Rai G, President SLBC and MD & CEO, Union Bank of India.

Sri V Brahmananda Reddy, Chief General Manager & Convener, SLBC extended a warm welcome to the Hon'ble Chief Minister, Hon'ble Ministers, Chief Secretary, President SLBC & MD CEO Union Bank of India, Special Chief Secretaries, other dignitaries from Government of AP, RBI, NABARD and others who attended the 217th SLBC meeting through VC.

Convener, SLBC presented the agenda items to the house for discussion.

Sri Y S Jagan Mohan Reddy, Hon'ble Chief Minister, attended the meeting as Chief Guest. The excerpts of his address are as follows.

He stated that he was glad to be a part of the SLBC meeting which was being conducted physically post COVID pandemic. He expressed that it was at a crucial juncture that the meeting was being conducted right as the economy was at a revival phase which would boost the revival even further. He informed that Andhra Pradesh had registered a GDP growth of 13.7% in the first half year of the current fiscal, however, the apprehension about resurgence of COVID in the form of new variants was again rearing its head affecting the economic revival.

He appreciated the ACP performance in the first half year with banks having achieved Rs 171520 crores (61%) of the total ACP target of Rs 283380, and Rs 100990 crores (47%) of the total target of Rs 213560 of the priority sector.

However, he pointed out that the credit flow to priority sector had shrunk over the same period of the previous year which drew a closer concern.

Though the overall performance in ACP achievement of agriculture sector was Rs 70532 crores against the target of Rs 148500 (48%), the progress in agriculture term loans and ancillary activities needed to be picked up. He also exhorted the bankers to pay close attention to the lending to the sectors like farm mechanization, horticulture, dairy, fisheries. He advised bankers to identify the core problems and explore suitable remedial measures to improve the performance.

He requested banks to increase the lending to tenant farmers. He mentioned that Government has so far issued CCRC cards to all eligible farmers and the data was integrated with the e-cropping portal. He appealed to the banks to lend a generous helping hand to the tenant farmers in view of their fragile financial position.

He appreciated the efforts of the banks and department in aligning BC services with RBKs. He noted that a total of 9160 BCs are mapped with 10,778 RBKs and of them 6538 BCs have commenced their operations. He appealed to the bankers to cover the leftover 1618 locations so as to enable functioning of BCs at RBKs in saturation mode. The SOP on BC operations at RBK locations is in place.

He also expressed satisfaction over the achievement of all statutory norms against ANBC in the State and was hopeful that micro enterprises sector will also meet the norm. He felt that there is a need to reduce the higher interest rates being charged on SHG lending and allow to SHGs to exhaust the corpus lying in their savings accounts.

He further highlighted that the government has distributed 30 lakh house plots (pattas) to the economically marginalized section of the population and also has started constructing houses for all these people. In our State, construction of 15.60 lakh houses is underway which is one of the biggest housing projects in the country. The large scale construction activities boost the economy. He requested banks to provide Rs 35000 as a loan to the beneficiaries to enable them to avail additional facilities. Moreover, the state government has decided to make the loans available at 3 % interest rate.

He also highlighted about the housing project being undertaken, namely, AP TIDCO (PMAY) YSR Jagananna Nagar which is a priority for the government. He advised banks to complete the sanctions as per the given targets and also instructed the concerned department of the State Govt to hold a meeting with the banks to sort out the issues in implementation.

He emphasized that MSME activity needs to be encouraged as the sector begets ample employment opportunities and contributes a significant amount to GDP. The government has initiated various measures to support MSME activities like release of long pending incentives and supporting the One Time Restructuring process which has led to the revival of the MSMEs in the State.

Around 9.05 lakh people engaged in small trading and other activities were supported under Jagananna Thodu scheme and the government is now going to launch phase 3 where it is aiming to provide financial assistance to 6.5 lakh beneficiaries and solicited bankers' support.

Government of Andhra Pradesh has been implementing Nadu Nedu scheme under which the whole education and health sector is being transformed. Steps are also afoot to construct 16 new teaching and medical colleges in the State to bolster the health sector with a financial outlay of Rs 12243 crores where NABARD has also agreed for providing financial support to the project. He appealed to the bankers to cooperate and support this noble undertaking.

He mentioned that during the South zonal council meeting held during November at Tirupati, the issue of increasing bank network in the rural areas was raised and requested the banks to expand the network of brick and mortar branches wherever possible. However, the possibility of setting up ATMs at Village Secretariats and RBKs may be explored in view of high footfalls at these locations. GoAP is connecting every nook and corner of the State with broadband facility under Bharat Net project where banks can overcome the connectivity issues. GoAP has also planned to set up digital libraries across the State at Village Secretariats. These will be constructed using optical fibre under the State's Bharat Net project.

He averred that YSR Cheyutha is a woman empowerment scheme helping the beneficiaries in a massive way where fixed financial assistance would be endowed to them for 4 consecutive years. Government is handholding the beneficiaries and entered MOUs with MNCs for establishing livelihood activities for which bank credit is essential and it needs to be stepped up. He also advised the banks to provide KCC facility for the Cheyutha beneficiaries to meet working capital needs.

Sri B Rajendranath, Hon'ble Minister (Finance) highlighted the following issues

- ✓ He appreciated the banking fraternity for rising up to the occasion and serving the people as warriors during this pandemic.
- ✓ He also appreciated the progress in credit plan achievement during the first half year.
- ✓ The overall growth under MSME is satisfactory. Micro enterprises segment needs close attention of the banks.
- ✓ Education and housing loan lending needs to be ramped up.
- ✓ Loan disbursements under PMMY scheme need to be improved.
- ✓ Government is investing heavily in development of human resources and health and education sectors where he requested banks' support.

Sri K Kanna Babu, Hon'ble Minister (Agriculture) highlighted the following issues

- ✓ He requested bankers to extend credit support for the natural farming activities where GoAP is planning to propagate the benefits of natural farming at RBK level.
- ✓ Government is encouraging food processing units in a big way where banks' support is crucial.
- ✓ He also requested banks to support organic FPOs.

Sri Sameer Sharma, Chief Secretary, Govt.of AP highlighted the following

- ✓ GoAP has been implementing numerous welfare schemes in saturation mode which is path breaking. The VS&WS (Village secretariat & Ward secretariat) system is bringing revolutionary transformation in the society.
- ✓ He appealed to bankers for their support for the schemes and developmental projects to usher in economic prosperity of the State.

Sri Rajkiran Rai G, President SLBC and MD & CEO, Union Bank of India, extended a hearty and warm welcome to Sri Y S Jagan Mohan Reddy, Hon'ble Chief Minister, AP and highlighted the following.

He congratulated bankers for continuing the momentum in credit delivery to the people of the State especially while the Nation was resurging from the devastating second wave.

He noted that the performance of ACP is laudable where 61% of the ACP has been achieved in the half year, denoting the revival of economic activity.

Govt of AP, under the able leadership of our visionary Chief Minister, has been implementing various welfare and developmental schemes on saturation mode for uplifting the downtrodden people of the society, and also introduced certain flagship women centric schemes like YSR Cheyutha, YSR Aasara for empowerment and development of micro entrepreneurship among women. He was enthralled to note that the systems and procedures in the State of Andhra Pradesh are followed to the letter and spirit which provides a comfortable ecosystem for the bankers to operate in the State.

YSR Jagananna Nagar and Jagananna Colonies are also among the most ambitious schemes which are intended to achieve the dream of housing for all. In this mammoth program the bankers' role is conspicuous and inevitable. This will add to banks' priority sector lending. He assured the house that SLBC would intervene to align the policies of different banks to accelerate progress in the scheme.

The concept of RBKs (Rythu Bharosa Kendra) is highly innovative, aimed at transforming the lives of the farmers. It is the first of its kind in the country and the vision of the RBK concept is strengthening of agriculture in the State where a myriad of services like supply of quality certified agri-inputs, crop procurement, capacity building and knowledge dissemination are the key pillars. He assured the government that the proposal of establishment of ATMs at selected Village Secretariats and RBKs is an initial step for aligning banking services with RBK platform.

He thanked the government for their idea of alignment of BC activities with RBKs which certainly helps in rapid penetration of banking services to the masses since various State govt. departments are working in tandem on RBK system.

The progress in tenant farmer finance has witnessed an uptick in the State. He urged all bankers to make further efforts to improve the performance and report correctly.

He disclosed that banking sector of Andhra Pradesh has surpassed all the regulatory norms in all sectors, except Micro enterprises and hoped this would be met by next quarter.

Opening of more branches in the State is the need of the hour in view of the demand and the potential for business. SLBC shall work for allocation of new branch locations at all potential centres. He also informed that ATM facilities shall be established at all viable RBK/Village secretariat locations.

He highlighted that AP government has been forthcoming in supporting banks in recovery and implementation of various developmental schemes by mapping the VSWS staff to all bank branches on a permanent basis.

Smt K Nikhila, Regional Director, RBI in her address informed the house that, RBI has set up 112 Centers for Financial Literacy (CFLs) across the state of AP to impart financial education with greater involvement of community. She explained the importance of role of various stakeholders in the project and requested state government officials present here to instruct their field level functionaries to cooperate and work with CFL staff to make this project a success.

With regard to RBI's initiative under "Expanding and Deepening of Digital Payment Ecosystem", as part of second phase of the project, SLBC AP, in consultation with the state government has identified Guntur and Srikakulam districts for making them 100% digitally enabled. She urged both SLBC AP and the state government to work together in completing this project at the earliest.

With regard to ACP achievement, while appreciating the bankers for achieving majority of the targets, she pointed out that the lending to Micro enterprises at 6% was lower than the norm of 7.5%. She advised all the banks to review their strategies and take appropriate steps to improve this position and ensure that all the targets/sub-targets are achieved.

She introduced the committee to Reserve Bank - Integrated Ombudsman Scheme, 2021 launched in virtual mode by Hon'ble Prime Minister Shri Narendra Modi on November 12, 2021. She explained that the scheme integrates the existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. In addition to this, the Scheme also includes under its ambit, Non-Scheduled Primary Co-operative Banks with a deposit size of ₹50 crore and above.

She pointed out that the COVID-19 pandemic has affected the economy as a whole and especially the handloom and the handicraft sector has faced the brunt of the pandemic. With the economy showing signs of recovery, she opined that this sector needs to be supported by the necessary institutional credit to cater to the increasing demand for handloom and handicraft products. She advise all the banks in the state of AP to give focused attention towards the credit needs of this sector and hand hold the beneficiaries to address any field level difficulties faced by them.

She reminded SLBC that DCC and DLRC meetings pertaining to June 2021 quarter are yet to be conducted in Krishna District and for September 2021 quarter they are yet to be conducted in 5 districts of Guntur, Krishna, Kadapa, Visakhapatnam and Vizianagaram. It was observed that at district level the delay in DCC meetings is due to late submission of data by member banks and unavailability of the Chairman i.e. the District Collector. She advise all the state heads present here to take note of this and issue instructions to their district level officers to ensure prompt submission of data i.e. within 15 days of the end of the quarter. She also urged the state government representatives present to impress upon the district collectors on the need for timely conduct of DCC meetings to facilitate effective coordination in implementing various developmental activities in the districts under the Lead Bank Scheme.

She appreciated the government's initiative of setting up of RBKs and hoped that the idea of integrating BC network with the RBKs would be beneficial for all the stakeholders involved.

Shri S K Jannawar, Chief General Manger, NABARD, Andhra Pradesh Regional Office congratulated SLBC and the Bankers for showing tremendous improvement in financing the farmers in rural areas during the COVID Pandemic. The achievement under ACP has been 61%, around 47.5% under Agriculture. He also appreciated the support extended by the Govt. Departments to Bankers in achieving their targets. He also appreciated the services rendered by the Govt. to the farmers through RBKs.

He briefly explained the support extended by NABARD to the Govt. of AP in achieving the goals in infrastructure development in the State. He informed the sanction of assistance under RIDF for modernization of Schools under Naadu – Nedu Scheme and receipt of proposals for sanction of Medical infrastructure in the State. He pointed out the importance of food processing and value addition in agriculture and mentioned the receipt of DPRs from GoAP for assistance for setting up of Secondary Food Processing Units in every Parliamentary constituency in the State. Shri Jannawar mentioned about signing of MoU with GoAP for assistance under FIDF scheme of Govt. of India and expected that creation of Fisheries Infrastructure will benefit the fishery in the State tremendously. He requested again to expedite the submission of proposals.

Shri Jannawar Stressed upon the need for early grounding of proposals sanctioned for infrastructure development by the PACS under PACS and MSC scheme. He also explained the role of NABARD in creation of farm aggregation through formation and nurturing of FPOs. The concept of promotion of 10,000 under CBBO scheme and conducting State Level Consultative Committee meeting for smooth implementation of the Scheme was also brought to the notice of the participants. He also stressed the need for promotion of specific Organic Product FPOs.

Shri Jannawar mentioned the performance of GoAP in promotion of APY and getting Award of Excellency by GoAP. He requested the Bankers to extend all social security benefits under the scheme.

NABARD has advised Indian Bank, Bank of Baroda, Canara Bank, Karur Vysya Bank, Central Bank of India and State Bank of India to take immediate steps to repay the Interest Free Loan (IFL) to NABARD in respect of Poultry Venture Capital Fund. Concerned Banks are advised to take immediate action to refund the outstanding amount. As advised by NABARD, the concerned banks may forward the beneficiary-wise information pertaining to the under CSS - JNNSM – Solar Lighting, CSS MNRE Lighting Scheme – 2016 and Solar Pumps (old schemes from 2012-13 onwards) to NABARD in the prescribed format. In case of non-submission of data, subsidy may be recalled by Govt. of India. Further, SBI and UCO Bank (now BoI) have been advised to refund the subsidy in respect of ineligible projects under AMI Sub-Scheme of ISAM (including erstwhile GBY/AMIGS Schemes). Concerned banks may accordingly look into the proposed action points.

Shri Jannawar informed the availability of assistance for capacity building of rural youth for developing entrepreneurship skills. He requested the bankers to promote working capital loans to Fisheries and Dairy farmers through issue of Fisheries and AH KCCs. He also explained the concept of Integrated Farming Systems for better realization of prices by the farmers and requested the Bankers to finance integrated farming models in the State.

Shri Jannawar appreciated the initiatives of Agriculture Department, GoAP the concept of e-panta, registration of cultivating farmers which facilitates streamlining lapses in the process of crop loans.

Dr (Smt) Poonam Malakondaiah, Special Chief Secretary (Agriculture & Cooperation) thanked the bankers for notable performance under agriculture sector for the first half year of FY 2021-22.

The Special Chief Secretary highlighted that 10707 RBKs with manpower of 15000+ trained employees are serving the farmers at the village level itself. These are the platforms where quality certified inputs along with various associate services have been extended.

She expressed her gratitude for honoring the Honourable Chief Minister's call for integration of BC services with RBKs. She advised bankers to instruct their BCs to work as per the SOP formulated in this regard. She also requested bankers to map BCs for the 1613 vacant locations.

The access for the e-panta platform has been given to the bankers to view the details which will help them in extending quality credit for the actual cultivator.

She exhorted the bankers to improve the tenant farmer lending, highlighting the issuance of 4.91 lakh CCRC to farmers, which is not commensurate with the bank lending to the CCRC holders.

She appealed to the bankers to regularly update data in YSR SVPR portal as the government is releasing the eligible benefit amount promptly as per the pre-announced dates.

She requested bankers' attention in supporting the agriculture infrastructure and ancillary activities. She also requested to prioritize the YSR Cheyutha beneficiaries while sanctioning KCC loans.

Sri Ajay Jain, Special Chief Secretary (VSWS), Govt of AP highlighted the following

- Govt of Andhra Pradesh has issued 30 lakh house pattas to the beneficiaries across the State and is constructing 15.60 lakh houses on a large scale under first phase of

Jagananna Colonies Scheme with a unit cost of Rs 1.80 lakh to be borne by the government. He requested the bankers to facilitate additional assistance to the beneficiaries through SHG lending to enable them to acquire additional facilities. Govt of AP would provide the interest subvention for the same.

- Government is also going to issue registered title deeds in favour of the beneficiaries which banks may accept for the creation of mortgage as per the guidelines.
- He thanked bankers for extending their unstinted support to Jagananna Thodu scheme and informed that government is going to launch phase 3 of the scheme where loans need to be sanctioned for the fully paid and newly identified applicants. He requested the bankers' support on similar lines to phase 1 and 2.
- He assured supporting the banks on the recovery front through the robust workforce of VS&WS system.

Sri Karikal Valaven, Special Chief Secretary (Industries & Commerce), Govt of AP highlighted the following.

- MSME is the second largest sector in AP providing employment opportunities where the government has been according utmost importance for its development.
- With an aim to support the MSME units during the COVID time, government has released all pending incentives which enabled the sector to sustain in the difficult phase.
- He requested the bankers to cover all eligible MSME units under OTR scheme where the GoAP is also rendering support under YSR Novadayam scheme.
- He urged bankers to improve the performance under PMEGP, Stand Up India and Mudra schemes.

Smt Y Srilakshmi, Special Chief Secretary (MAUD), Govt of AP highlighted the following.

- YSR Jagananna Nagar is one of most ambitious projects of the State government where it has been already decided to construct 1.19 lakh houses under the category of 365 and 430 sqft with bank credit support.
- The target allocation is already completed, the lending process is underway and she requested bankers to expedite the sanction and grounding process.
- The participation of the private banks in lending process is not up to the expected level and requested their active participation.

Sri S S Rawat, Principal Finance Secretary, Govt.of AP highlighted the following.

- He informed the house that the planning commission had praised the schemes and developmental activities in the State on their recent visit. He thanked the banks for supporting successful implementation of such schemes.
- He expressed satisfaction over overall ACP achievement, and priority sector lending in the first half year.
- The Honourable Chief Minister envisions a lion's share of bank credit going to the SC/ST community for their upliftment.
- He requested the bankers to expand the branch network especially in the aspirational districts where the bank branches are sparsely spread.

- Government has been infusing capital on a large scale into SHG groups through YSR Cheyutha and Aasara schemes etc. and efforts have been made to ensure utilization of these funds for asset creation and improving the livelihood of the beneficiaries. Bankers' support and participation is crucial to achieve this objective.
- Government of AP has been supporting the SHGs through SERP and MEPMA departments. The recovery rate in SHG lending is very good and appealed to the bankers to relook into the higher interest rate being charged by some banks in view of their loans being categorized under weaker section lending and also their fragile financial position.

In addition to the above, the following deliberations took place on various agenda items.

- SHG takeover issue – the issue was flagged by DGM Indian bank where he informed that in certain districts like Guntur, District cooperative bank has been forcefully taking over the good SHG accounts from other banks impacting their business. He requested the government to issue instructions to arrest the unhealthy takeover practice.
- Responding to the above, Hon'ble Chief Minister (HCM) informed that the higher rate of interest being charged by the banks and withholding of corpus fund may be the factor forcing the SHGs to move to other banks and requested the banks to relook at their rates of interest and accumulated corpus of SHGs.
- Responding to the HCM's suggestion, President SLBC and MD CEO, Union Bank of India informed that house that the same shall be discussed in a sub-committee meeting for a logical solution.
- HCM mentioned that during the South zonal council meeting held during November at Tirupati, the issue of increasing bank network in the rural areas was raised and requested the banks to expand the network of brick and mortar branches wherever possible. However, the possibility of setting up ATMs at Village Secretariats and RBKs may be explored in view of high footfalls at these locations. GoAP is connecting every nook and corner of the State with broadband facility under Bharat Net project by which banks can overcome the connectivity issues.
- Responding to the above, President SLBC and MD CEO, Union Bank of India, submitted that the opening of ATMs needs some logistic support and suggested setting up of ATMs in 10 RBKs and Village secretariats on a pilot basis where footfall is high.
- Special CS, Industries & Commerce, informed banks that as per the AP State Industrial Policy 2023 lands in APIIC projects will be allocated to the entrepreneurs on lease basis for 10 years after which option shall be given for buying out the land to successful units. He requested bankers to extend finance for the MSME units located in APIIC industrial parks against mortgage of lease hold rights without insisting on additional security.
- President SLBC and MD CEO, Union Bank of India, responded that the detailed analysis needs to be made for clarity on lease hold rights and suggested analyzing the security model of other states in such units.
- HCM advised the Secretary Industries and Commerce to submit the model policy followed by other states on allocation of plots in government industrial parks and the procedure on accepting those as security for bank finance so that banks can formulate their policies accordingly.
- Spl CS, MAUD submitted that the performance of SBI, Canara bank and few other banks under AP-TIDCO, YSR Jagananna Nagar housing scheme is not at the expected level.

- GM, SBI informed that bank is ready to complete the sanction process of 25000 target units by January 2022, however, branches are not in a position to receive the applications in full shape from the beneficiaries and also submitted that some of the applicants are not providing income proof.
- Responding to the above, HCM opined that the application submission position by the department vis-à-vis the target is very low and instructed MAUD department to submit applications along with all requisite KYC documents to the banks immediately. He also instructed the department to hold a meeting with poor performing banks, discuss about the issues slowing the sanction process and sort them out.
- Responding on submission of income proof HCM informed that the beneficiaries belong to low income and weaker section category, as such, they are not in a position to produce income proof. He requested banks to consider any income proof certified by the VSWS staff.
- President SLBC and MD CEO, Union Bank of India submitted to the house that AP-TIDCO, YSR Jagananna Nagar housing scheme is a part of PMAY of GoI, so these loans would be classified under priority sector and advised all bankers to extend credit support generously.
- CGM NABARD flagged that there are instances being reported by banks that properties which are mortgaged to the banks are being sold out and registered with SROs without any restrictions which is causing loss to the banks and difficulty in recovery of loans.
- Responding to the above, HCM instructed the concerned to examine the issue represented by the banks in this regard and take suitable steps for curbing the anomalous incidents to protect the interest of the banks.

Convener, SLBC of AP on behalf of all member banks assured the house that bankers in the state would continue their support and cooperation for effective implementation of all bankable state government schemes. He termed RBKs and e-panta process as a game changer in enhancing the quality of agriculture lending. He expressed confidence in achieving the ACP targets with the cooperation of the Banks and State Government for the rest of financial year. He also appealed to the RBI to facilitate the collateral free loan limit of Rs 20 lakh to the SHG groups of urban areas too as it is allowed to rural groups.

He also highlighted that banks have accorded 85% of ECLG sanctions for eligible units and underscored that our MD CEO is instrumental in formulating the ECLG concept as part of Aatmanirbhar package.

He further added that, it was observed the women empowerment schemes being implemented by the State Govt have garnered widespread acclaim from other states.

He informed that the Jagananna Nagar Housing scheme would enhance business potential for the banks and assured that the lending progress would be sped up.

He thanked the State government administration for their laudable support to banks, the kind of congenial atmosphere resulting in overall development of the State and remained hopeful for the same in the future as well.

The meeting concluded with vote of thanks to the chair, other dignitaries and member banks by **Sri P V Prasad, Deputy General Manager, Indian Bank.**

Summary of Action Points emerged in the meeting

S.No.	Action Point
1	GoAP shall identify 10 RBKs and Village secretariat locations for opening of ATMs on pilot basis. (Action: Agriculture dept. & VSWS Dept GoAP)
2	Branch network to be expanded especially in the aspirational districts viz. Vishakhapatnam, Vizianagaram, Kadapa, where the bank branches are sparsely spread. (Action: LDMs & District administration of respective districts)
3	GoAP shall share the model policy followed by other states on allocation of plots in government industrial parks and the procedure on accepting those as security for bank finance so that banks can formulate their policies accordingly. (Action: Industries Dept, GoAP)
4	All banks including private sector banks shall actively participate in implementation of AP TIDCO YSR Jagananna Nagar scheme. As per the PMAY scheme guidelines self-declaration can be considered as income proof, though, if necessary, banks can accept the income proof submitted by beneficiaries which is certified by VSWS staff. (Action: All concerned banks)
5	A SLBC Sub-Committee to be conducted on following. 1. SHG takeover, interest rates and withdrawal of corpus fund, waiver of documentation charges 2. Action plan for the phase 3 of Jagananna Thodu scheme (Action : SLBC)
6	Banks are also advised to instruct their BCs to offer their services at RBK locations as per the SOP formulated and banks operating in unmapped locations shall appoint BCs for RBKs in their location. (Action: All Concerned Banks)
7	Controllers of member banks shall instruct their district coordinators to ensure prompt submission of data i.e. within 15 days of the end of the quarter. State government to impress upon the district collectors, to extend coordination with LDMs for timely conduct of DCC meetings to facilitate effective coordination in implementing various developmental activities in the districts under the Lead Bank Scheme. (Action: All banks and GoAP)
8	Government to complete the mapping process of village and ward secretariat staff to the bank branches for the purpose of coordination in implementation and recovery of loans under Govt schemes. (Action: Govt of AP, VSWS Dept)
9	Banks to pay special attention to improve the performance under finance to SC/ST category, MUDRA, Stand Up India, PMEGP and Handloom weaver loans. (Action: All Banks)
10	Banks can extend finance to the tenant farmers against the details available in e-panta portal. (Action: All Banks)

S.No.	Action Point
11	Banks shall extend finance to the SHG members by way of un-availed CC limits, enhancement and fresh CC loans for housing purpose under Navratnalu Pedalu andariki Illu scheme. (Action: All Banks)
12	Banks shall prioritize sanctioning the KCC loans for YSR Cheyutha beneficiaries as per the guidelines. (Action: All banks)
13	State government to instruct their field level functionaries to cooperate and work with CFL (Centre for Financial Literacy) staff to make CFL project a success. (Action: PR&RD Dept, GoAP)
14	State controllers of banks shall instruct their district coordinators of Guntur and Srikakulam to extend their fullest cooperation in achieving the 100% digitalization of the district and submission of relevant data to the LDMS regularly. (Action: All banks)
15	GoAP to examine the issue represented by the banks in selling and registration of mortgaged properties and take suitable steps for curbing the anomalous incidents to protect the interest of the banks. (Action: Stamps & registration dept, GoAP)

LIST OF PARTICIPANTS

CHIEF GUEST

S No	Name of the official Smt/Shri	Designation	Organization/ Department
1	Y S Jagan Mohan Reddy	Hon'ble Chief Minister	Govt of AP

HON'BLE MINISTERS

2	Buggana Rajendranath	Hon'ble Minister for Finance, Planning & Legislative Affairs	Govt of AP
3	Kurasala Kanna Babu	Hon'ble Minister for Agriculture	Govt of AP

RESERVE BANK OF INDIA

4	K Nikhila	Regional Director	Reserve Bank of India
---	-----------	-------------------	-----------------------

NABARD

5	Sudhir Kumar Jannawar	Chief General Manager	NABARD, AP RO
6	B Ramesh Babu	Deputy General Manager	NABARD, AP RO

SLBC of AP

7	Rajkiran Rai G	MD & CEO ,President of SLBC AP	Union Bank of India
8	V Brahmananda Reddy	Chief General Manager &Convener of SLBC AP	Union Bank of India
9	E Raju Babu	Assistant General Manager, SLBC	Union Bank of India
10	P Koteswara Rao	Senior Manager	Union Bank of India
11	M Mahalakshmi	Assistant Manager	Union Bank of India

OFFICIALS - Govt of AP

12	Sameer Sharma,IAS	Chief Secretary	Govt of AP
13	Dr (Smt) Poonam Malakondaiah, IAS	Special Chief Secretary, Agriculture/AH/DD and Fisheries	Govt of AP
14	Y Srilakshmi,IAS	Spl Chief Secretary,MAUD	Govt of AP
15	Ajay Jain ,IAS	Special Chief Secretary (Housing/Village Volunteer & Ward Volunter)	Govt of AP
16	R Karikal Valaven ,IAS	Special Chief Secretary (Industries & Commerce)	Govt of AP
17	Shamsher Singh Rawat ,IAS	Principal Finance Secretary to Govt (PFS)	Govt of AP
18	Praveen Prakash IAS	Principal Secretary Chief Minister	Govt of AP
19	Solomon Arokiaraj IAS	Secretary to Chief Minister	Govt of AP
20	K Dhananjaya Reddy IAS	Additional Secretary to Chief Minister	Govt of AP
21	R Mutyala Raju, IAS	Additional Secretary to Chief Minister	Govt of AP
22	Dr K VV Satyanarayana, IRAS	Finance Secretary	Govt of AP
23	T Vijay Kumar IAS (Retd.)	Executive Vice Chairman, AP RySS & Ex-Officio Spl. Chief Secretary,	Govt of AP
24	Ch Sridhar	MD,APTIDCO	Govt of AP
25	V Vijaya Jayalakshmi	MD, MEPMA	Govt of AP
26	M Kesava Kumar	DGM,SERP	Govt of AP

EXECUTIVES FROM BANKS

27	B Srinivas Rao	General Manager	Union Bank of India
28	Smt Vinita Bhattacharjee	General Manager	State Bank of India
29	Vege Ramesh	Deputy General Manager	Union Bank of India
30	A Venkata Ramaiah	Deputy General Manager	State Bank of India
31	P Venkateswara Prasad	Deputy General Manager	Indian Bank

32	B Venkatanarayana	Chief Regional Manager	Indian Overseas Bank
33	Muralidhar Behera	Deputy General Manager	Canara Bank
34	T Kameswara Rao	Chairman	CGGB
35	Dr R S Reddy	Managing Director	APCOB
36	Srinivas Tatikonda	Regional Head - AGM	ICICI

Officials - Govt of India (Attended through VC from SLBC office)

37	B Subba Rao	Assistant Director	Dept of Telecom
38	T J Umamaheswari	Dy. Director(H&T)	Handl & Textiles
39	Dr S Greep	State Director	KVIC
40	A G Rao	Asst. Director	KVIC

OFFICIALS FROM BANKS (Attended through VC from SLBC office)

41	K Srinivas Reddy	Deputy Zonal Head	Union Bank of India
42	Amit Shrivastava	DGM & Zonal Manager	UCO Bank
43	P Raja	Assistant General Manager	Union Bank of India
44	P Suresh	Assistant General Manager	UCO Bank
45	A M V Ramachandran	DZM	Bank of Maharashtra
46	M Viswa Prasad	Chief Manager	Central Bank of India
47	T Gopinadh	Chief Manager	Bank of India
48	N Gayathri	Chief Manager	Punjab National Bank
49	B S R K PRASAD	Chief Manager	Punjab & Sind Bank
50	Ch Sree Ramu	General Manager	APGVB
51	J Somayaji Rama Krishna	Regional Manager	SGB
52	Venkat Rao K	Vice President	HDFC
53	Ch Sreenivasa Rao	Dy. Vice President	Axis Bank
54	Abijith K	Assistant General Manager	South Indian Bank
55	Raj Kumar	Chief Manager	TMB
56	K T Rama Rao	AVP	HDFC
57	P Krupaji	Senior Manager	Axis Bank
58	T Nagarjuna Sagar	Manager	Karur Vysya Bank
59	N Raveendra Kumar	Manager	Bank of Baroda
60	Y Tejasvi	Manager	Bank of Maharashtra

**OFFICERS FROM SLBC (Attended through VC
from SLBC office)**

61	K Rajesh	Senior Manager	Union Bank of India
62	G S Sowmya	Assistant Manager	Union Bank of India
63	Mudith Himwan	Assistant Manager	Union Bank of India

Proceedings of Sub-Committee Meeting

Date: 20.12.2021
Time: 11.00 AM
Venue: SERP Conference hall
NTR Administrative Building
Vijayawada

STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH

CONVENER: UNION BANK OF INDIA



Union Bank of India, FGM Office, Andhra Bank Building,

R R Appa Rao Street, Vijayawada 520 001

Phone no: 0866 2562522, 2562518

Email: slbc@unionbankofindia.com

[Website: slbcap.nic.in](http://Website:slbcap.nic.in)

Proceedings of Sub-Committee Meeting

A meeting (physical & virtual) of SLBC Sub-committee was held on 20.12.2021. The meeting was chaired by , **Smt Y Srilakshmi, IAS , Spl Chief Secretary MAUD , Govt of AP, Shri A.Md.Imtiaz, IAS, CEO SERP, Shri CH Sridhar, IAS, MD APTIDCO. MD MEPMA,** Officials from Govt. AP, executives & senior officers from major Banks, and DGM from NABARD (virtual) have participated in the meeting.

Asst. General Manager and Co-ordinator, SLBC of AP extended a warm welcome to the participants and initiated discussion on agenda items.

Agenda : 1 Jagananna Thodu 2021-22 Phase-III

Asst General Manager and Co-ordinator, SLBC of AP informed that Govt. is planning to implement Phase 3 of Jagananna Thodu and will be launched on 28.12.2021 targeting existing 5.88 lakh and 2.60 lakh new beneficiaries (incl. PMSVANidhi). Requested bankers to sanction fresh applications in faster manner.

Requested Govt. of AP to complete the process of mapping of volunteers to bank branches for better coordination of sanction and recovery of all Govt. sponsored schemes. Highlighted that effective recovery would enthrall more beneficiaries to be eligible for the interest subvention.

Shri A.Md.Imtiaz, IAS, CEO SERP has requested Bank Controllers and MD APCOB to give suitable instructions to the Branch managers and CEOs of DCCBs to accept applications and sanction loans. Also requested that a simple procedure to be adopted for sanction of these small loans and charges may be waived wherever possible.

Shri T Kameswara Rao, CGGB Chairman has requested to provide softcopy of list of Jagananna Thodu applications and handover physical applications for early sanction of loans.

Following action points evolved and approved in the forum:

- All the Banks to issue instructions to the Bank Branches to follow SOP for implementation of Jagananna Thodu Phase-III scheme and to complete the process of loan applications on or before 27th December, 2021 in view of the scheduled 3rd phase Jagananna Thodu launch programme
- All the Bank Branches of Commercial Banks, RRBs, Cooperative Banks to accept JT-Phase -III, New & renewal applications from field level staff and complete the documentation process before 27th of December 2021.
(Action: All Banks)

Agenda : 2 YSR Jagananna Nagar-AP TIDCO(PMAY) Housing Finance

Government of AP is implementing Pedalandariki Illu under Navaratnalu as a flag ship program to provide 30.75 lakh pacca houses to homeless poor families in the State including the Pradhan

Mantri Awas Yojana (Urban) - AHP, G+3 houses in three categories - 300 sft, 365 sft & 430 sft type of houses. These houses are under construction by the APTIDCO.

Government has further decided that Bank finance to be extended to only those beneficiaries who opted for 365 sft and 430 sft category houses under captioned scheme and to allot the 300 sft houses to beneficiaries at a nominal amount of Rs.1/- (One Rupee) only. As such for 1.19 lak houses of 365 sft and 430 sft category houses, target for Bank finance was approved in SLBC Sub Committee meeting held on 20.11.2020 & communicated to the banks. AP-TIDCO is implementing Agency & MEPMA has been supporting the Banks at field level for speedy disbursement of loans.

The implementation of the scheme has come for discussion in the last 217th SLBC meeting held on 07.12.2021 and Hon' Chief Minister has expressed his displeasure on the slow progress.

Smt Y Srilakshmi, IAS , Spl Chief Secretary MAUD , Govt of AP has highlighted that 75,784 applications have been submitted out of which only 22,400 were processed. Expressed disappointment with poor performance of private banks in sanctioning APTIDCO loans. More focus to be entrusted on disbursements as sanctions which are yet to be disbursed have piled up. No significant improvement has been observed in the progress of scheme post 217th SLBC Meeting.

Asst General Manager and Co-ordinator, SLBC of AP has requested to set timelines for submission of applications, sanction and disbursement of loans to implement the scheme effectively.

Following action points emerged in the forum:

- Submission of applications and documentation to be completed by 31.12.2021 by the department(MEPMA).
- Processing, Sanctioning and disbursal should be completed by Banks by 15.01.2022.
- Private Banks like HDFC, ICICI, AXIS etc., to start implementation of the scheme.
- A review meeting will be conducted by GoAP in first week of Jan 22 to monitor the performance.
- The quantum of loan disbursed should be in proportion to the stage/progress of the project

(Action: All Banks, MAUD)

Agenda : 3 Navaratnalu- Pedalu andariki Illu – Additional loans
--

It is a massive housing program for construction of 15.6 lakh houses in Phase I. A benefit of Rs. 1.80 Lakh for construction of house for each beneficiary will be provided by the Govt. Additional financial assistance of Rs.35000 by the Banks to the beneficiaries (SHG Members) to acquire additional facilities. Govt. vide GO No 08 dated 04.10.2021, accorded administrative sanction for Rs.35000/ additional loans from the Banks to the housing beneficiaries at 3 % interest rate.

During the 217th SLBC meeting dated 07.12.2021 Sri Ajay Jain, Special Chief Secretary (VSWS), Govt. of AP informed that the Govt. of Andhra Pradesh has issued 30 lakh house pattas to the beneficiaries across the State and is constructing 15.60 lakh houses on a large scale under first phase of Jagananna Colonies Scheme with a unit cost of Rs 1.80 lakh to be borne by

the government. He requested the bankers to facilitate additional assistance to the beneficiaries through SHG lending to enable them to acquire additional facilities. Govt. of AP would provide the interest subvention for the same.

Shri Rahul Pandey, IFS, Special secretary housing dept. said that there is considerable progress in sanction of these loans, sought the cooperation from all the bankers and also clarified that interest charged above 3% will be borne by the State Govt.

Shri A.Md.Imtiaz, IAS, CEO SERP has requested bankers to provide loan amount of Rs. 35,000/- to Housing beneficiaries by enhancing SHG CCL Loan Limit.

Asst General Manager and Co-ordinator, SLBC of AP confirmed that guidelines have been communicated to the banks and requested bankers to implement the same effectively.

Following action points emerged in the meeting:

- All the Banks to issue guidelines to their branches for providing additional loan amount to the SHG members for housing purpose.
- SHG/Housing beneficiaries may be allowed Rs. 35,000/- additional loan by permitting the SHG to withdraw the amount within the sanctioned limit or by renewing the limit.

(Action: All Banks)

Agenda : 4 Issues in SHG lending

Asst General Manager and Co-ordinator, SLBC of AP has highlighted the forum that the SHG takeover issue was flagged by DGM Indian bank in the 217th meeting of SLBC where he informed that in certain districts like Guntur, District cooperative banks have been taking over the good SHG accounts from other banks forcefully and adopting unethical practices. To which President SLBC and MD CEO, Union Bank of India informed the house that the same shall be discussed in a sub-committee meeting for a logical solution.

Shri A.Md.Imtiaz, IAS, CEO SERP has applauded Banks for extending continuous support to the Self Help Groups to access required loans. It is worthwhile to mention that the repayment rate of SHGs is around 99.31% in the state of Andhra Pradesh, which is the best among the various advances portfolios of the banks. Requested banks to consider waiver of processing/documentation charges for SHG loans up to Rs. 20 lakh and reduce interest Rates charged by the banks to SHG Bank Linkage.

Responding to the discussion, **Shri R S Reddy, MD APOCB** has clarified that they have not practised any unethical or forceful migration of SHG accounts from other banks to their bank and that it was only due to the attractive lower interest rates (9% int. up to 20lakhs) offered by their bank that makes customers prefer to shift their accounts to APCOB. However their market share is only 2%

Shri T Kameswara Rao, CGGB Chairman informed that the SHG lending is government sponsored scheme and all the service area guidelines will apply and has also informed that the rate of interest has already been reduced from 13% to 9%.

SGB has informed that RRBs are already operating on minimum profits and are not in a position to further reduce the interest rates considering the cost of funds involved.

Asst General Manager and Co-ordinator, SLBC of AP has informed the committee that the high interest rates issue was taken up earlier and now all banks including RRBs are charging 9% or even less and with regard to service charges, many PSU banks have waived the service charges for SHG loans up to Rs.10.00 Lakhs.

After lengthy discussion, following action points have evolved in the forum:

- Not to takeover SHG loans against the interest of the group members and no violation of service area guidelines.
- Banks to follow extant RBI guidelines while takeover of SHG loan accounts like any other loans from one bank to another and avoid unhealthy competition.

(Action: All Banks)

Agenda : 5 Bank Mitra Services at RBK locations- SOP on BC Services
--

Asst General Manager and Co-ordinator, SLBC of AP has informed the forum that Banks have agreed to integrate their BC services at RBK locations and extend their services at RBKs daily from 9 AM to 5 PM for the convenience of farmers. BCs are also advised to assist basic loan documentation formalities and awareness on FI activities apart from regular banking activities at RBK location. A total of 9160 RBKs are mapped with BCs. Still 1618 locations are yet to be mapped.

Spl. Chief Secretary, Govt. of AP, during the Sub Committee meeting held on 18.10.2021, suggested for formulation of SOP/Job Card on BC operations at RBK locations keeping in view the all bank related requirements of the farmers.

A detailed SOP/Job card on BC operations has been formulated (enclosed) and placed before the house for approval.

- After a detailed discussion, the SOP for BC Services has been approved by the forum

Agenda : 6A KCC Facility to Animal Husbandry & Fisheries Farmers

Asst General Manager and Co-ordinator, SLBC of AP informed that, a significant chunk of the farmers engaged in animal husbandry, diary and fisheries activities, are yet to be provided with the facility of KCC. In order to ensure maximum coverage of farmers engaged in Animal Husbandry and Fisheries under KCC, it has been decided by DFS and launched a special saturation drive in the form of weekly "District-level Camps" for a period of 3 months w.e.f. 8th November 2021. SOP for holding the weekly camps, checklist for scrutiny of applications and the acknowledgment that is to be given to the applicant has been shared with Banks. LDMs are requested to ensure camps are conducted and reported accurately.

Following action points emerged in the forum

- LDM to conduct camps and follow the directions of DFS

- Animal husbandry and Fisheries Departments of state Govt. to participate in the camps and mobilise applications from all the eligible beneficiaries.
- Banks to encourage beneficiaries for fresh KCC applications and mobilise by adding more numbers to the campaign and avoid rejecting applications for trivial reasons.

(Action: LDMs, All Banks ,Fisheries & AH dept.)

Agenda : 6B Extension KCC Facility to Animal Husbandry & Fisheries Farmers to all the eligible YSR Cheyutha/Aasara Women beneficiaries

During the 217th SLBC meeting dated 07.12.2021, Hon'ble Chief Minister (HCM) averred that YSR Cheyutha is a woman empowerment scheme helping the beneficiaries in a massive way where fixed financial assistance would be endowed to them for 4 consecutive years. Government is handholding the beneficiaries and entered MOUs with MNCs for establishing livelihood activities for which bank credit is essential and it needs to be stepped up. He also advised the banks to provide KCC facility for the Cheyutha beneficiaries to meet working capital needs.

According to the HCM instructions, Special chief secretary called for a meeting with SLBC and bankers and requested to extend Pasu Kisan Credit Card to all eligible YSR Cheyutha/Aasara Women beneficiaries in the ongoing nationwide AHDF Kisan Credit card campaign for those who have already purchased livestock units.

Forum has unanimously approved to consider the YSR Cheyutha (Jagananna Palavelluva and Jagananna Jeevakranthi) and Asara beneficiary applications also for sanction of KCC duly following the existing guidelines to ensure maximum performance.

The meeting was concluded with vote of thanks.

Proceedings of Sub-Committee Meeting

Date: 07.02.2022
Time: 11.30 AM
Venue: Virtual

STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH

CONVENER: UNION BANK OF INDIA



Union Bank of India, FGM Office, Andhra Bank Building,

R R Appa Rao Street, Vijayawada 520 001

Phone no: 0866 2562522, 2562518

Email: slbc@unionbankofindia.com

[Website: slbcap.nic.in](http://Website:slbcap.nic.in)

Proceedings of Sub-Committee Meeting

A virtual meeting of SLBC Sub-committee was held on 07.02.2022. The meeting was attended by Joint Director, Industries Dept, Joint Director O/o Spl CS (Industry) GoAP, CGM APIIC GoAP, AGM from RBI, Chairman, SC ST Chamber of Commerce and Industry, executives & senior officers from major Banks, and manager from NABARD.

Asst. General Manager and Co-ordinator, SLBC of AP extended a warm welcome to the participants and initiated discussion on agenda items.

Agenda 1 : Housing Finance –Increase flow of credit

Assistant General Manager, SLBC informed that housing Bank vide Ltr No NHB/SLBC/AP/OUT5945/2021 Dated 28.09.2021 stated that housing is the biggest driver of economic growth with strong forward and backward linkages. Increasingly the supply and quality of housing has a multiplier effect on the economy by boosting the primary sector (raw material), manufacturing sector (construction sector material) and the services sector (architects and engineers, skilled labour, banking, finance).

Provision of housing for all is the focus area for the Government both central and state. As the nation celebrates “Azadi Ka Amrit Mahotsav” it assumes greater significance for the Banks, to intensify the efforts for increasing the flow of housing credit particularly EWS and LIG segments. NHB requested the SLBC to discuss the matter in a subcommittee meeting for addressing the housing needs of people by increasing the penetration of housing finance, especially in semi urban/rural areas and to the people in EWS/LIG segments.

He pointed out that the ACP achievement under housing sector is far from the set target and advised all controllers of banks to sensitize their branches on the importance of housing sector and also to convert the government schemes like PMAY into business which can give boost to the segment.

Agenda: 2: Promotion of entrepreneurship among SC/ST Entrepreneurs- Implementation of various schemes of Government of India and Government of AP-Increase of credit flow.

Assistant General Manager, SLBC highlighted that Hon’ble Minister of State, Finance, Govt of India during his review with bankers pointed out that the bank credit share to SC/ST communities needs to improve. Govt of India has been implementing number of flagship schemes Viz., Stand up India with a mandate to encourage entrepreneurship among SC/ST entrepreneurship and other schemes like PM MUDRA, PMEGP.

In order to give fillip to the credit flow to SC ST segments Govt of India has introduced many credit linked subsidy schemes.

Chairman, SC ST Chamber of Commerce and Industry informed that Govt of India has been implementing schemes like Stand Up India, Make in India start up schemes in order to encourage entrepreneurship among the SC ST communities thereby increasing the job opportunities thus increasing the quality of life of these sections. He opined that it is the need of

the hour to evolve a good ecosystem by converging various subsidies and incentives with Stand Up India and other schemes intended for benefiting the SC ST community.

GoAP has been implementing YSR Jagananna Badugu Vikasam a special industrial incentive package for SC & ST entrepreneurs. Under the scheme, many subsidies or incentives on land allotment, stamp duty, power charges and interest subsidy are available. He further quoted the guidelines of the RBI circular issued on credit flow to SC STs where rejection of the applications cannot be done at branch level. He suggested that banks should aim to extend loans to minimum 25000 entrepreneurs of these communities. Further, he suggested the following strategies to improve the credit flow to the SC ST communities.

- ❖ The field level bank functionaries should be sensitized to converge the YSR Jagananna Badugu Vikasam scheme to Stand Up India
- ❖ During district level industrial promotion meetings, targets under Stand up India, Mudra for SC ST beneficiaries to be discussed and specific action plan to be drawn.
- ❖ Asset distribution camps of SUPI and MUDRA schemes to be held frequently so that many people may be motivated to start entrepreneurship activities.
- ❖ Requested banks to sensitize field functionaries to adhere to the RBI guidelines while rejecting loan applications of SC ST communities.
- ❖ He requested to make their chamber a special invitee for the DCC DLRC and JMLBC meetings so that the challenges, problems and field level issues and concerns in SC ST lending can be put for discussion and suitable remedial action.

Assistant General Manager, SLBC felt that there should be a specified platform to monitor the flow of applications of SC ST communities where industries department can facilitate an application routing module.

Joint Director, O/o Director of Industries, GoAP informed that their department would source quality applications from budding SC ST entrepreneurs and share the same to the concerned bank branches for sanction of loans as per eligibility.

Joint Director, O/o Special Chief Secretary, Industries department, GoAP opined that banks can sanction loans under Stand Up India and other government sponsored schemes by converging the benefits being available under YSR Jagananna Badugu Vikasam scheme so that viability of the project improves. He also suggested preparing a checklist to be required by bank branch for sanction of loans under Stand up India and other government sponsored schemes. He told that the land allotment process for the 870 SC ST entrepreneurs in the State is completed in all respects and requested bankers to support these upcoming entrepreneurs.

Assistant General Manager, SLBC welcomed the idea and suggested sharing the list of applications Bank wise and branch wise to SLBC for onward submission to banks with an advice to take the appropriate credit decision. He requested the bankers to take cognizance of the agenda item and implement the action points emerged as the concerned ATR of each bank would be discussed in the highest state forum.

After at length deliberations, the following action points emerged.

- The field level bank functionaries should be sensitized to converge the YSR Jagananna Badugu Vikasam scheme with Stand Up India and other Government

sponsored schemes. CGTMSE scheme is to be used for taking care of the collateral security aspect wherever required

(Action : Banks, Industries Dept,

Govt of AP)

- Preparation of checklist/criteria for sanction of loans under Stand up India and other government sponsored schemes.

(Action : SLBC, Industries Dept, Govt of AP)

- During district level industrial promotion meetings, targets under Stand up India, Mudra for SC ST beneficiaries to be discussed and specific action plan to be drawn.

(Action : Industries Dept, Govt of AP)

- Banks shall sensitize field functionaries to adhere to the RBI guidelines while rejecting loan applications of SC ST communities.

(Action : Banks)

- SC ST Chamber of Commerce and Industry can be invited for the DCC DLRC and JMLBC meetings so that the challenges, problems and field level issues and concerns in SC ST lending can be put for discussion and suitable remedial action.

(Action : SLBC , LDMs)

- Banks can accept the applications for processing, sourced and shared by the DICs at district level for sanction of loans under Stand up India scheme.

(Action : Banks)

<p>Agenda 3: APIIC - Lease deeds executed & registered - Considering lease deed for mortgages while financing to the industries.</p>

Assistant General Manager, SLBC informed that as per Industrial Development Policy 2020-23 and APIIC allotment regulations clause 8.3 a Buyout option upon payment of premium is available which is “The Allottee has an option to buy the plot on lease after successful operation from the date of commercial production.”

Further, as per the Lease Deed executed by APIIC, Clause No. 16 (a) read as follows:

“The LESSEE, may mortgage the schedule property, only after obtaining No Objection Certificate (NOC) from APIIC to avail loan only for construction of factory building and for establishment of plant and machinery for the purpose of the project implementation from reputed financial institutions/scheduled banks.

In case LESSEE defaults in payment to financial institutions and such financial institution intends to recover its dues, APIIC reserves the right to determine the LEASE, after giving

notice/may permit transfer of LEASE-hold rights in favour of the auction purchaser recommended by the financial institution(s), on payment of the balance dues along with any interest accrued to LESSOR under this LEASE deed. The plot will be available for its intended use only i.e. industrial purposes and the new LESSEE can setup and run his unit after seeking all necessary approvals”.

The above guidelines are not clear to understand the right of the financial institution in case of default when the finance is extended against mortgage of lease hold rights.

CGM APIIC Finance Dept informed that as per the NOC format it clearly denotes that the first charge lies with the bank and lease right transfer to financed bank in the event of default and assured that the relevant NOC format would be shared with banks for easy understanding.

Assistant General Manager, SLBC quoted neighbouring State policies where buying option is available as per the policy. Responding to this, CGM APIIC clarified that to avoid real estate transactions, GoAP has allotted the plots on lease basis instead of outright purchase at initial stage.

DGM, SBI informed that the right of the financed banks on the lease is the point of contention which required further clarity.

After thorough deliberations, the following action points emerged.

- ❖ It was decided to conduct another meeting with select bankers to discuss all associated issues while creating mortgage on lease hold rights and other issues in depth to arrive at an acceptable conclusion.

(Action: APIIC, GoAP)

Agenda 4: Observations of IBA Standing Committee on Agriculture and Allied activities- Strengthening of State Recovery act

Assistant General Manager, SLBC informed that Standing Committee on Agriculture and Allied activities was held by IBA on 03.09.2021, where the above subject was one agenda item. The observation of the committee in this matter was as follows. Banks are filing cases under state recovery act which have remained pending for a long time due to various factors, and were ultimately forced to settle the accounts through compromise/OTS absorbing a significant loss of amount. The member Banks of the committee proposed that mechanism of state Recovery act may be strengthened to ensure effective recovery of Banks overdue. To address the above issue Govt may bring in legislation for agriculture land similar to SARFAESI Act.

Since no representative from the State govt participated in the meeting, the forum resolved to recommend to GoAP to bring in legislation for agriculture land similar to SARFAESI Act.

Agenda: 5 RBI-EC on MSME meetings.

I. Revival and rehabilitation of MSMEs

Assistant General Manager, SLBC informed that RBI has been conducting quarterly EC on MSME meeting to review the progress of MSME lending and associate issues. During the 61st

review meeting held on 18.11.2021 while reviewing of stressed MSMEs under Framework for revival and rehabilitation of MSMEs was advised to examine and report the major reasons for large number of sick units being categorized as “Unviable” after the viability studies and possible steps that can be initiated to improve the hand-holding of sick MSME units.

II. Cluster financing –

He also informed that the committee observed that cluster data viz. no of clusters, functional units and bank linkage % needed significant updation. Committee also suggested that SLBC, banks and MSME-DI were to work together and intervene particularly in clusters where bank linkage was low.

Banks are requested to take suitable steps to implement the suggestions made by the committee.

Agenda 6: Awareness camps on bank loan products and services at RBK locations – Action Plan

Assistant General Manager, SLBC informed that RBK concept in our State has been proven as a one stop shop for farmers to get all kinds of facilities/services right from “*Vithu nunchi vikrayam*” and has received accolades from top functionaries of various agencies in the country. It also noticed that the RBK locations in the villages have become prominent places having high footfall of farmers.

On the advice of the Hon’ble Chief Minister, the Bank Mitra services have been aligned with RBKs where visible banking activities have been happening. Further, to strengthen the association between bank branches and RBKs with an ultimate objective to benefit the farming community, Govt of AP requested for conduct of weekly awareness camps on bank loan products and services at RBK locations involving nearby bank branch manager, the agriculture department staff and subject matter specialists from the agriculture university/colleges. He further told that Dept of Agriculture, GoAP has issued a campaign schedule from 07.02.2022 to 28.02.2022 in this regard. He requested all bankers to cooperate with department staff and advise their branch managers to participate in the above awareness camps during the given schedule which will be helpful to promote our products and also garner new business.

Agenda 7 : Meeting with Jewellers’ Association – Issues highlighted

Assistant General Manager, SLBC informed that as per IBA Letter no. RB/MBR/JEW/I0737 dated 25.12.2021; SLBC of AP has conducted a virtual meeting with Jewellers’ association of AP from various districts on 10.01.2022 in order to ascertain the issues faced by them from banks, State govt and regulators/Govt of India while availing banking facilities. The following are the key points expressed by the association members in the meeting.

With reference to the banking activities:

- Big players in the industry are able to procure raw gold in bulk thereby benefiting from economies of scale while the smaller artisans/traders suffer due to lack of sufficient working capital.
- As per BIS norms, only few licensed jewellers are permitted to hallmark the ornaments which lead to loss of sales for smaller traders.

- A special scheme may be designed for small traders to avail bank finance in the form of 4-5 merchants as a group. Uniform guidelines for all banks may also be formulated for bank finance to jewellers.
- The collateral security norms for availing finance from financial institutions by the jewellery traders may be liberalised

With reference to State Govt - NIL

With reference to Govt of India and regulators - NIL.

He requested bankers to extend working capital limits as per the bank approved policy norms to the gold jewelers to meet their credit needs.

Agenda 8 : Financing against e- NWR Ware House Receipts Issued by_ WDRA _Registered warehouses

Assistant General Manager, SLBC informed that WDRA (Warehouse development Regulatory Authority) has implemented a system of electronic Negotiable Warehouse Receipts (eNWR) by issuing certificates of registration to two repositories namely, National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL) for creation and management of eNWRs. The eNWRs issued by warehouses registered by WDRA for approved commodities are eligible for pledge financing. Banks can see the e-NWR on the repository system and also mark their lien, which ensures a secure robust system for them.

SLBC of AP has received a letter from the Chairman, WDRA, Lr dated 04.01.2022, requesting all the Public Sector Banks in our State to extend pledge finance to applicants wanting to pledge e-NWRs and avail loans under the PSL scheme. Increasing the loans given against eNWRs in the State will help farmers to avoid distress sale of their produce and get better prices in future and thereby increase their Income.

He requested bankers to extend pledge finance against e-NWR to all needy farmers which ensures assured recovery and also helps the farmers to avoid distress selling.

The meeting ended with vote of thanks to the chair.

Notes

Notes
