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| **Proceedings of the**  **Sub-Committee Meeting**  **held on 16.04.2019 at 03.00 PM at**  **Conference Hall, SLBC**  **Circle Office, Andhra Bank, Vijayawada**    **State Level Bankers’ Committee of Andhra Pradesh**  **Convenor logob Andhra Bank**  Circle Office, Andhra Bank Building, R.R. Apparao Street, Vijayawada  Phone : 0866-2562522,2562518  Email :[slbc@andhrabank.co.in](mailto:slbc@andhrabank.co.in) |

**Proceedings of Sub-Committee Meeting**

Sub-committee Meeting was held on 16.04.2019 at Circle Office, Andhra Bank, Vijayawada. The detailed list of participants is enclosed.

**Sri KSD Siva Vara Prasad, Circle General Manager & Convener, SLBC of AP** has welcomed Dr. P Krishna Mohan, CEO, SERP, GoAP & other participants and initiated the discussion on the agenda items.

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| **Agenda - 1** |

**Reimbursement of VLR/Pavala Vaddi claims to banks:**

**Convener, SLBC of AP** informed that as per the information received, some banks are yet to receive the reimbursement of pending claims under Vaddi Leni Runalu / Pavala Vaddi from Government. If the VLR claims are not settled fully, the claim amount will be pending in books of accounts of the banks since banks have already parted with the amounts.

**Convener, SLBC of AP** requested Department of Agriculture, GoAP to expedite the reimbursement of claims to the banks in full.

**Deputy Director, Department of Agriculture, GoAP** informed that;

* Claims submitted by the Banks : Rs.633.73 crores
* Settlement of claims during 2018-19 : Rs.126.57 crores
* Balance to be settled : Rs.507.16 crores
* The Department has submitted budget estimates under VLR and Pavala Vaddi for settling the pending claims as well as claims pertaining to 2018-19.

**Banks** have informed that;

* The amounts pertaining to the financial years 2012-13, 2013-14 & 2014-15 were not claimed due to bifurcation of state and requested Government to give the option to banks for claiming the pending amounts lying in their books of accounts as a onetime measure.
* There is a problem in uploading of claims in VLR Portal.

**Assistant Director, Department of Agriculture, GoAP** informed that banks are facing problem in uploading of details due to shifting and upgrading of the VLR portal and the problem will be resolved within 2 days.

**Convener, SLBC of AP** requested banks to submit their unclaimed amounts before 30th April, 2019 and requested department to consider the claims submitted by the Banks as a onetime measure.

**Representative from Indian Bank** informed that;

* Government is insisting for Aadhaar of beneficiaries while claiming VLR amount.
* Banks are submitting claims after passing on the VLR benefit to the farmers.
* Department of Agriculture to evolve a procedure for settlement of claims if the same farmer availed crop loan facility from more than one bank.

**(Action: all Banks & Department of Agriculture)**

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| **Agenda - 2** |

**Financing Tobacco Crop Loans under Tie-up arrangement with Tobacco Board**

AGM, SLBC informed that the Tobacco Board vide letter F.No.2(1)/2018-19/PDN/ dated 16.04.2019 requested to defer the agenda for discussion in the sub-committee meeting. They have requested banks to furnish the information on NPAs in respect of crop loans sanctioned to tobacco growers who had let out their barns.

* List of FCV tobacco growers bank branch wise / auction platform wise in Andhra Pradesh who had leased out their barns during 2015-16, 2016-17 and 2017-18 crop seasons and became NPA due to non payment of tobacco crop loans along with the particulars.
* Total no. of FCV tobacco growers in the NPA list bank branch wise / auction platform wise in Andhra Pradesh in the past 10 years.
* It is observed that banks have financed FCV tobacco growers more than the scale of finance fixed for tobacco growers during 2017-18. Banks to furnish the reasons for the same.

On submission of above information a separate meeting may be conducted for discussion.

Controlling authorities of all banks are requested to furnish the above information to SLBC at the earliest to takeup with Tobacco Board for resolution.

**(Action: all Banks & SLBC)**

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| **Agenda - 3** |

**Sanction of Overdraft facility to FPOs on Fixed Deposit**

**Consultant, SERP, GoAP** informed that SERP has released an amount of Rs.98.07 crores as revolving fund to FPGs and livelihoods enhancement to members through FPOs. Further, SERP proposed to release an amount of Rs.33.20 crores to 166 FPOs (each FPO @ 20 lakhs) to place as fixed deposit in the banks for a period of one year. Banks are requested to provide overdraft facility to each FPO against this deposit to an extent of 80% of deposit to carry out business activity. Overdraft is to be sanctioned only after obtaining the following;

1. Board of Directors resolution of the FPOs.
2. Activity approval letter from the PD DRDA-Velugu in DPMU and APD DRDA-Velugu in TPMUs.

Bank wise statement is enclosed as **Annexure No.1**

**After discussions, the forum has resolved** to extend overdraft facility to FPO to an extent of 80% against the proposed deposit of Rs. 20 lakhs duly obtaining Board Resolution of FPO and Project approval letter from the PD DRDA-Velugu in DPMU and APD DRDA-Velugu in TPMUs.

**(Action: Banks Concerned & SERP, GoAP)**

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| **Agenda - 4** |

**Promotion of Farmer Producer Groups Promoted by SERP**

**Dr. P Krishna Mohan, CEO, SERP, GoAP** informed that SERP is implementing Andhra Pradesh Rural Inclusive Growth Project (APRIGP), a new generation Livelihoods promotion initiative program in 161 backward mandals across the 13 districts in the state. A group of 15-20 primary producers with contiguous landholdings are mobilized to form Farmer Producer Groups (FPGs) in the SHG model.

**CEO, SERP, GoAP** requested banks to extend finance to FPGs to enable selected poor households to enhance agricultural incomes and secure increased access to human development services and social entitlements.

**Consultant, SERP, GoAP** informed that the suggested guidelines for FPG Bank Linkage were in principle agreed in 203rd SLBC meeting and SERP has provided the clarifications sought by the banks during sub-committee meeting held on 03.08.2018. It is given to understand that controlling authorities have not communicated instructions to their branches for implementation of credit linkage to FPGs. Branch managers are insisting on guidelines from their controlling authorities.

**Sri B Suri Babu, General Manager, NABARD** informed that since, FPG financing is primarily for agriculture and allied sector activities and the members are mostly SF, MF and tenant farmers, banks may consider financing FPGs as measure to increase credit flow to agriculture sector.

**CEO, SERP, GoAP** requested the bank representatives to take up the issue with respective controlling offices and get the guidelines issued to their branches by 30 April 2019.

The following resolutions were made during the meeting;

* Banks are requested to extend credit to FPGs based on approved guidelines.
* Controlling authorities of banks are requested to issue necessary guidelines to the branches for extending credit linkage to Farmer Producer Groups (FPGs) promoted by SERP by 30.04.2019 with a copy marked to SERP/SLBC.
* SERP is requested to share the list of APRIGP Mandals, FPOs and FPG to banks.

**(Action: Banks Concerned & SERP, GoAP)**

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| **Agenda - 5** |

**Approval for continuation of AP SLBC Call Centre at Andhra Bank - Circle Office, Vijayawada**

**for a further period of one year from 01.04.2019**

The Committee reviewed the functioning of **“Andhra Pradesh SLBC Call Centre”** for the year 2018-19 and approved for continuation of the Call Centre for a period of one year from 01.04.2019 onwards on outsourced model as per following model.

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| **Particulars** | **Proposed terms** |
| No. of working shifts per day | One |
| Working hours per shift | 9.30 AM to 5.30 PM |
| No. of personnel per shift | 3 Persons with overall responsibility |
| Charges for personnel per month | Rs.48,126/-  ( @ Rs.16,042/- per person ) |
| EPF | 13% applicable at present |
| ESI @ 4.75% | Nil |
| Corporate Service Charges per month | 15% |
| GST | 18% applicable at present |

The following PSU banks operating in the state of AP (having more than 50 branches) have agreed to share the expenditure in proportionate to their branch network as on 31.03.2019.

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| **Sl. No.** | **Name of PSU bank** |
| 1 | State Bank of India |
| 2 | Andhra Bank |
| 3 | Syndicate Bank |
| 4 | Canara Bank |
| 5 | Indian Bank |
| 6 | Union Bank of India |
| 7 | Indian Overseas Bank |
| 8 | Bank of India |
| 9 | Corporation Bank |
| 10 | Central Bank of India |
| 11 | Bank of Baroda |
| 12 | Vijaya Bank |
| 13 | Punjab National Bank |
| 14 | Oriental Bank of Commerce |

**(Action: SLBC & Major Public Sector Banks)**

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| **Agenda - 6** |

**Quality of service being provided by the Customer Care Centre (Call Centre)**

**AGM, SLBC** informed that the Dept. of Financial Services, Ministry of Finance Office, GoI vide letter F No 21 (6) 2014-FI (Mission Office) dated 16th November 2018 advised to ensure reliable and qualitative information about the scheme is made available to the customers by the call centres by adopting the following services:

1. Reduction in call response time by rationalized deployment of customer care executives (CCE)
2. Development of SOP for call handling and grievance Redressal
3. In house training of the CCE to make them aware of the salient features of the all the schemes as well as the procedure for opening of PMJDY Accounts
4. Linking of Grievance Redressal System (GRS) with concerned banks and the states. Update from GRS should be made available to the customer through SMS/log in facility on the website of the SLBC in local language.

SLBC has initiated necessary measures in this regard.

**(Action: SLBC & Banks)**

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| **Agenda - 7** |

**Timely submission of Data to SLBC by Banks and LDMs**

**Convenor, SLBC** informed that the Reports/ Data is received from many banks and LDMs with inordinate delay, that too after constant persuasion through mails / personal contacts, resulting in delay of the consolidation process at SLBC. Reserve Bank of India is taking very serious note on submission of data by many banks with such inordinate delay.

**AGM, SLBC** informed that the SLBC of AP web site is providing on line data entry portal where Bankers are required to upload the data flow. However, most of the Banks are submitting data in Excel format and the data is being entered by SLBC Manually for consolidation. Though some banks could upload the data, it is with some errors. Hence, SLBC is preparing the data manually. Banks are requested to strictly adhere to upload in the web portal of SLBC with data accuracy.

**Convenor, SLBC** informed that the Controllers are requested to sensitize the staff responsible for preparation and submission of data in the web portal of SLBC as per time lines to enable SLBC to submit the data to all concerned as per schedule and conduct the meetings of SLBC as per the yearly calendar.

**(Action: all Banks & LDMs)**

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| **Agenda - 8** |

**Campaign to achieve Saturation under the Kisan Credit Cards (KCC)**

**Convenor, SLBC** informed that the Department of Agriculture, Cooperation & Farmers Welfare, GoI requested state Governments to launch a campaign in coordination with State / District Level Bankers Committee to ensure that all farmers outside the purview of institutional credit are provided Kisan Credit Cards (KCCs) in a time bound manner so as to bring them into the fold of institutional credit.

He requested Department of Agriculture, GoAP to conduct village level camps with coordination of LDMs and Banks.

**Deputy Director, Department of Agriculture, GoAP** informed that department is going to conduct Revenue Sadassu at village level and they will merge these camps with Revenue sadassu.

**AGM, SLBC** informed that Department of Agriculture, Cooperation & Farmers Welfare (Credit Division), Ministry of Agriculture & Farmers Welfare, GoI has decided to develop a dashboard on access of institutional credit through KCC so that the progress under the campaign is obtained District wise & State wise. The Dashboard will have progress of;

1. KCC issued for crop loans
2. KCC issued for Animal Husbandry and Fisheries
3. KCC sub-limit for pursuing the activities of Animal Husbandry and Fisheries for existing KCC holding farmers

Hence, Lead District Managers are advised to submit the data on progress of KCC saturation drive in the format enclosed as **Annexure No.2 & 3**, to enable SLBC to submit the consolidated information to Department of Agriculture, Cooperation & Farmers Welfare (Credit Division), Ministry of Agriculture & Farmers Welfare, GoI.

Further, Controlling authorities of all Banks are requested to instruct their field functionaries to submit district wise data to LDMs.

**(Action: Department of Agriculture, LDMs, Banks & SLBC)**

The Meeting concluded with Vote of Thanks to the Chair.

**LIST OF PARTICIPANTS**

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| **S.No** | **Name of the Participant**  **Smt/Sri** | **Designation** | **Name of the Bank/ Organisation** |
| 1 | KSD Siva Vara Prasad | Circle General Manager & Convenor,SLBC of AP | SLBC of AP |
| 2 | Dr P Krishna Mohan | CEO, SERP | Govt. of AP |
| 3 | B Suri Babu | General Manager | NABARD |
| 4 | B Ramesh Babu | Dy. General Manager | NABARD |
| 5 | Dr G Ravindra Babu | Dy. Director,  Dept. of Agriculture | Govt. of AP |
| 6 | B S Srinivasacharyulu | Asst. Director,  Dept. of Agriculture | Govt. of AP |
| 7 | Y Siva Sankara Reddy | AO, Credit, C & DA | Govt. of AP |
| 8 | M Bala Bhaskar | Consultant, SERP | Govt. of AP |
| 9 | S Jagannatha Swamy | Asst. General Manager | SLBC of AP |
| 10 | Raj Kumar Malik | Asst. General Manager | Oriental Bank of Commerce |
| 11 | N Venkata Ratnam | Asst. General Manager | APCOB |
| 12 | B V N Swamy | Chief Manager | State Bank of India |
| 13 | G Venkateswara Reddy | Chief Manager | Indian Bank |
| 14 | K Vinod Babu | Chief Manager | Syndicate Bank |
| 15 | Y S Charan Kumar | Chief Manager | Bank of Baroda |
| 16 | D Rama Prasada Rao | Chief Manager | Bank of India |
| 17 | P V Durga Prasad | Chief Manager | Union Bank of India |
| 18 | G Sarada Vani | Chief Manager | Indian Overseas Bank |
| 19 | S Raju | Chief Manager | Central Bank of India |
| 20 | K Ramakrishna | Regional Manager | Sapthagiri Grameena Bank |
| 21 | K Ashaiah | Chief Manager | AP Grameena Vikas Bank |
| 22 | M Jagannath | Senior Manager | Canara Bank |
| 23 | N L Acharya | Senior Manager | Corporation Bank |
| 24 | M Srinivasa Reddy | Senior Manager | Chaitanya Godavari Grameena Bank |
| 25 | K Venkateswara Rao | Senior Manager | Oriental Bank of Commerce |
| 26 | V Naveen Kumar | Manager | Vijaya Bank |
| 27 | K V Prasanna Kumar | Manager | Axis Bank |
| 28 | P Srihari | Manager | Syndicate Bank |