

## 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

यूनियन बैंक ऑफ इंडिया  Union Bank of India

भारत सरकार का उपक्रम A Government of India Undertaking



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### 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 27<sup>th</sup> December, 2021 in view of the scheduled 3<sup>rd</sup> 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 27<sup>th</sup> 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 217<sup>th</sup> 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 217<sup>th</sup> 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, dairy 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.

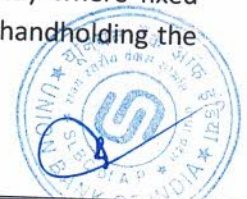
Following action points emerged in the forum

- 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 217<sup>th</sup> 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.

