

A meeting of SLBC Sub-committee was held on 19.01.2023 at SLBC Office, Vijayawada. The meeting was chaired by Sri Navneet Kumar, Field General Manager and Convener SLBC of AP. The participants in the meeting include Shri CH Sridhar IAS, MD AP TIDCO, Smt Vijayalakshmi MD MEPMA, OSD finance Department, Deputy General Manager RBI, Asst General Manager – NABARD, Chairman CGGB (through VC) and Deputy General Manager SERP, Deputy Director Agriculture Department, OSD VSWS Department, CGM Skill Development from state government and Executives & Senior officers from Major Banks.

Sri Navneet Kumar, FGM & Convener SLBC of AP has extended a warm welcome to the participants and outlined the agenda notes.

Asst General Manager, SLBC presented the agenda items to the house for discussion

Agenda: 1 : Priority Sector SHG Loans up to Rs 20 lakhs- Waiver of processing Charges, inspection charges/Adhoc service Charges

Asst General Manager, SLBC of AP informed that during 220th SLBC meeting it was resolved to explore the possibility to reduce the higher rate of interest and full waiver of processing and documentation charges irrespective of loan limit. SLBC also advised the Bankers to consider the Government's request favourably in view of standout asset quality and recovery support from dedicated and well-structured Government Organization.

Deputy General Manager, SERP, Govt of AP, submitted that the issue has been under discussion for quite long time, without any decision from major banks except few banks like UBI,PNB,APCOB.

He requested the bankers to express their Banks stand in this regard. He also stated that the proposal of uniform interest rate for all SHGs is at RBI for consideration.

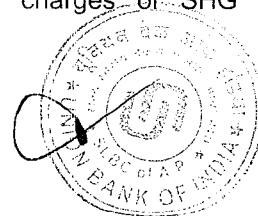
Canara Bank has informed that they are not charging any processing charges upto Rs 20.00 Lakh and similarly UBI and PNB are also informed that, processing charges upto loan amount of Rs 10.00 Lakh is NIL in their respective Banks. Other banks like SBI, IOB informed that the decision to be received from HO level.

Convener SLBC of AP underscored that the stress level in the said segment is very low, more so has been pending for long time, hence requested for an early favourable action.

Deputy General Manager, RBI also advised the banks to pursue their central offices to arrive an early decision not later than week time.

The following action point was emerged in the meeting.

❖ Banks involving in SHG lending shall communicate their Bank's stand/position within a week on Government request of full waiver of processing , documentation and charges of SHG loans irrespective of loan limit .



Agenda : 2. AP state's Skill Hubs - Alignment of activities with RSETIs.

Asst General Manager, SLBC of AP, informed that during the 220th SLBC meeting, the Chairman of meeting and hon'ble Finance Minister , Govt of AP, has highlighted that plans are afoot to establish skill hubs in all assembly constituencies in the state with an objective to provide better skill training to the unemployed youth to improve their employment opportunities. He also appealed the bankers to align various skill development activities being implemented by banks with the Govt skill hubs to expand spectrum further.

In the state of AP 16 RSETIS (Sponsored by UBI,SBI, Canara Bank and India bank) are imparting training to rural unemployed youth on various lively hood activities.

Chief General Manager Skill Development, Govt of AP, informed that the department would submit a detailed SOP for the said objective.

The following action point was emerged in the meeting.

➤ Skill Development, Govt of AP shall submit a detailed SOP to prepare further roadmap on Alignment of activities with RSETIs with AP state's Skill Hubs

Agenda 3: Internship/Apprenticeship/On the job Training to the students in Banks

Asst General Manager, SLBC of AP, informed that during the 220th SLBC meeting, Higher Education Department has requested for providing internship to the students in the financial Institutions like Banks etc as part of 10 months mandatory internship programme of the Government and in October 2022 SLBC received a letter from Finance Department Government of Andhra Pradesh requesting to arrange for issuing necessary instructions in the Banks for providing internship opportunities to the students. Responding to the same, SLBC have written a letter to Finance Department requesting to share the details of the Government directions, draft SOP, numbers of students to be accommodated etc, so that SLBC can draw adoptable a road map to rope in the Banks in the said programme.

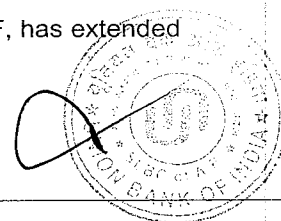
OSD, Finance department, Govt of AP, informed that, the department has forwarded the SLBC requirements to the higher education department, wherein the concerned department to be reverted back.

As there was no participation by the Department of Higher education in the in the previous (08-12-2022) and present meeting, the forum decided to set aside the agenda item.

Agenda 4: KCC-Saturation Drive.

Convener SLBC of AP has highlighted that , Government of India has introduced the KCC scheme for AH & Fishery activity farmers to bring under ambit institutional finance, whose credit needs are not sufficiently met hitherto. He advocated the banks to tap the potential under the sector which will contribute to boost our priority sector lending.

Asst General Manager, SLBC of AP, informed that Department of Financial Services, MoF, has extended the Nationwide AHDF KCC campaign from 15th September 2022 to 15th March 2023.



He further emphasized that the pendency applications of few banks is high, drawing the attention of DFS during the review meeting. Hence, advised them to dispose the pending application immediately.

The following action point was emerged in the meeting.

- Banks shall dispose the accepted applications with suitable credit decision within time norm of 15 days and the application which are pending for more than 15 days needs clear immediately.

Agenda 5: Pedalandariki ilu – Relaxations to Provide SHG loan of Rs 35000/ to the Housing Beneficiaries.

Asst General Manager, SLBC of AP, informed that Government of Andhra Pradesh has taken massive Housing Programme for construction of Houses to Houseless people of Below Poverty Line under the Flagship programme of Navarathnalu Pedalandariki Ilu, where a financial assistance of Rs 1.80 Lakh per house along with permanent infrastructure like drinking water, electricity connections and drainage will be provided by Government. As per the SLBC resolution banks are providing Rs 35,000/ to the beneficiaries from their existing SHG limits to meet additional facilities for their dwelling unit. However, for non SHG members, Govt has initiated steps to bring all the housing beneficiaries to form as SHG @ 10 members in each group. For these newly formed SHG groups, Government proposes following relaxations to enable the members to avail the limits at the early and to complete the construction thereby handover of house unit.

1. To sanction group loans immediately after formation of groups duly relaxing the waiting period of 6 months for newly formed non SHG members.
2. To enhance the loan limit of Rs 15000/- per beneficiary to Rs 35000/- i.e. Rs 1.50 lakh to Rs 3.5 lakhs to each SHG Group.

Members opined that banks are ready to help but it is beyond the discretion of SLBC or Banks as it is contravening to the RBI's NRLM guidelines.

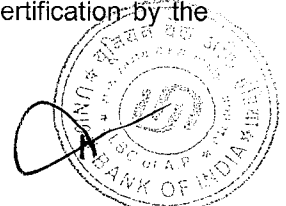
The following action points were emerged in the meeting

- State Government may seek relaxation of NRLM SHG guidelines from RBI for this select group of SHG.
- Banks shall explore the possibility to extend the finance to the members through any other approved scheme subject to eligibility.

Agenda 6 : Tenant Farmers Lending - Issues

Asst General Manager, SLBC of AP, stated that Tenant farmer finance is one of the important area, and draws close attention of Hon'ble Chief Minister during the SLBC meetings. Despite having series of Sub Committee meetings to evolve strategies to improve the progress, the performance is not uptick. He further stated that following strategies were recommended to improve the lending.

- ❖ Banks to extend finance liberally to JLGs promoted by department based on the certification by the VAA/AEO/AO without insisting individual CCRC for the members.



- ❖ To develop well designed mechanism to handhold the tenant farmers from card issuance to Bank finance.
- ❖ Government to expeditiously work- on to bring the revamped CCRC portal for usage
- ❖ Government through their RBK staff, may spread awareness among the owner farmers to
- ❖ co-operate with tenant farmer allowing him to avail bank credit.
- ❖ Government may explore the possibility for creation of guarantee coverage for these loans to build confidence among financing banks.

Deputy Director, Department of Agriculture, Govt of AP the SLBC recommended modifications in the CCRC portal are under the close consideration of revenue department. She further averred that the above said other recommendations would be brought to the notice of Government. She also informed that almost 5.43 Lak CCRC cards issued during the current year, where requested the attention of the banks to step up the lending through JLG mode.

Convener SLBC of AP has advised that the LDMs and District level officials of the department ensure to work cohesively and shall have close follow up with the field level functionaries to resolve the issues time to time to produce a notable results.

Chairman, CGGB flagged that, their branches are struggling to even renew the existing KCC allowed tenant farmers due to meagre cooperation from field level staff in certification of crop loan assessment which is mandatory in absence of valid CCRC cards.

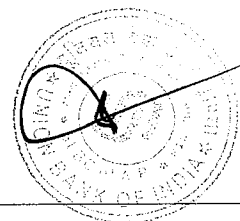
The following action point was emerged in the meeting.

1. State Govern to develop well designed mechanism to handhold the tenant farmers from card issuance to Bank finance and also extend assistance in recovery of overdue loans
2. Government to expeditiously work- on to bring the revamped CCRC portal for usage
3. Government through their RBK staff, may spread awareness among the owner farmers to co-operate with tenant farmer allowing him to avail bank credit.
4. Government may explore the possibility for creation of guarantee coverage for these loans to build confidence among financing banks
5. Banks shall continue to extend liberal finance through JLG mode adhering to the NABARD guidelines.

Agenda 7 : PMAY (U)- AP TIDCO- Housing Loans (YSR Jagananna Nagar)

Asst General Manager, SLBC of AP, submitted that it is one of flag ship programme of Government, where hon'ble Chief Minsiter is closely monitor^{ing} and reviewing the lending progress in SLBC meetings. As per the information received from LDMs, as many as 5200 applications are pending due to various external reasons, however out of clear and eligible cases banks have accorded sanction in 74% cases and disbursement part stand at 92% vis a vis work done so far.

He also flagged the concerns about delay in handover of the dwelling units and procrastination in registration process of units where more than 75% loan amount was grounded.



MD, AP TIDCO, appreciated the bankers support so far and simultaneously requested them to disburse the loan amount for completed units. He has also drawn attention on pause in loan sanction process in UBI and advised the Bank's authorities to resolve the issue immediately keeping in view the Government priority and pending volume.

Convener SLBC of AP replied that the matter has been pending with Central Office, hopefully, will receive the competent authority's approval in a week time.

MD, MEPMA has also endorsed the concerns of MD TIDCO, requesting for accelerated disbursement for the completed units.

Deputy General Manager, IOB requested the authorities to share the ULB wise and block wise work progress report, so as to direct the branches for proposition release of loan disbursement.

The following action point was emerged in the meeting

- AP TIDCO shall share the ULB wise block wise work progress report, so that to analyse and identify the areas for loan disbursements (Action : AP TIDCO, Govt of AP)
- Banks shall complete the disbursement matching with construction progress which will be certified by AP TIDCO engineers. (Action : Banks and AP TIDCO, Govt of AP)
- Government to expedite the unit handover exercise and speed up the registration process of units in all applicable cases to instil confidence among the beneficiaries. (Action : TIDCO, Govt of AP)

Agenda 8 : Jagananna Thodu- 6th Phase Targets

Asst General Manager, SLBC of AP informed the objective and genesis of the scheme. He highlighted that as on date around 24.50 lacs loans were disbursed under the said scheme, wherein Govt is prompt and regular in release of interest amount, so far Rs 65 Cr was released. Hon'ble Chief Minister has launched phase 6th on 11 Jan 2023. Government set as target of 4.90 lakhs under the six phase and district wise allocation was also received. He also underscored that Government is committed to ensure NIL NPAs of loans.

Convener SLBC of AP opined that, there is need to spread awareness among the borrowers about the benefits being available on prompt repayment.

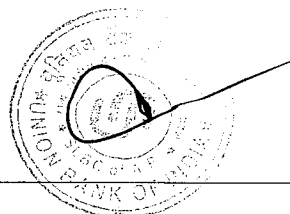
The forum decided to delegate the LDMS to re-allocate the district target to Bank and branches in consultation with all stake holders.

OSD, VS/WS Department, Govt of AP, submitted that with intention to better coordination and assistance in recovery of loans, Government has mapped the VS/WS staff and volunteers to the Bank branches on permanent basis, accordingly 0.80 lacs staff were till date and he also expressed serious concern on gaps in data submission by the banks for reimbursement of interest.

The following action point was emerged in the meeting

- LDMS to re-allocate the district target to Bank and branches in consultation with all stake holders.

(Action : LDMS)



Banks shall ensure to error free and omission free data to the VS/WS department on quarterly basis to ensure reimbursement of interest amount for all eligible borrowers. (Action : Banks)

▪ Banks shall sensitise their branches to utilise the services of attached VS/WS and volunteers for the assigned activities. (Action : Banks)

Agenda 9 : Review on EC on MSME action points.

Asst General Manager, SLBC of AP invited the close attention of bankers on following stated that action points of 65th EC on MSME meeting conducted by RBI

➤ **PM's Task Force on MSMEs** : Banks performance to be stepped up in respect of 1st and 2nd norms. (20 % year-on-year growth in credit to micro and small enterprises and 10 % annual growth in the number of micro enterprise ac/s)

➤ **Financial Literacy initiatives of Banks** : Banks to depute officials dealing with MSME Sector in their districts to NAMCABS workshops on MSME linkage and Banks are also advised to conduct FL camps to promote more MSMEs in all the districts.

➤ **Cluster Financing – Banking facilities to units in MSME clusters** : Banks accord priority to improve the lending to the units located in MSME clusters.

➤ **MSME units not classified as MSME due to lack of Udyam Registration Certificate (URC)**– Banks are advised to hold special camps to educate and ensure that all the MSME entities are registered and possess URCs

Agenda 10: Other Issues

10.1 Request of Shri Dr. Sridhar Babu Addanki IAS-Executive Director-Tabaco Board Guntur

a) **Enhancement of scale of finance for Tobacco crop loans** : As per the request of Tobacco Board vide Lr No 2/A/2022-23/PDN/3279-80 Dated : 10.01.2023, the issue was discussed at table agenda , where the forum resolved to delegate the concerned LDMs for suitable action with approval of DCC/DLRC.

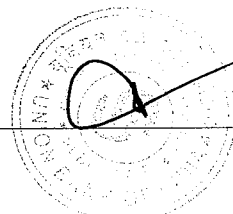
b) **Rescheduling of Tobacco crop loans** : As per the request of Tobacco Board vide Lr No 2/A/2022-23/PDN/3279-80 Dated : 10.01.2023, the issue was discussed at table agenda. SLBC has informed the Sub Committee that they have addressed letter(Vide no Lr. No: SLBC/ 210/151 Dt 26.12.2022) to Commissioner Agriculture marking copy to Tobacco Board to meet necessary preconditions for reschedule of crop loans.

10.2 Pledge financing for agriculture commodities through electronic Negotiable Warehouse Receipts (e-NWR) :-

As per the advise of Department of Financial Services (DFS)vide Lr 3/67/2022-AC dated 17.01.2023, the forum resolved to sensitize the branches to increase the pledge finance through e- NWR in the state.

10.3 Opening of Brick and Mortar Branches in 186 un banked Villages

The District administration of ASR district has identified 11 Villages to open bank branches where economic activities are taking place. Banks to examine the possibility of opening of branches those villages and the decision shall be arrived at the earliest.



Participants List For 19.01.2023 SLBC Sub Committee Meeting

| S.N | Orgination | Name | Digination | Mode |
|-----|------------------------|--------------------------|---|----------|
| 1 | RBI | Shri Anjini Mishra | General Manager | VC |
| 2 | NABARD | Shri Milind Chousalkar | Asst General Manager | VC |
| 3 | UBI | Shri Navneet Kumar | Convener & General Manager SLBC | Physical |
| 4 | UBI | Shri E Raju Babu | Co-ordinator & Asst General Manager SLBC | Physical |
| 5 | Finance Department AP | Shri Murthy | OSD Finance Govt of Andhra Pradesh | VC |
| 6 | SERP | Shri M Kesava Kumar | Deputy Genera Manager - SHG Bank Linkage-AP | Physical |
| 7 | VSWS | Shri B Ramesh Babu | OSD VSWS | Physical |
| 8 | Skill Development | Smt B Rani | Chief General Manager | Physical |
| 9 | Skill Development | Shri Manikanta | Office | Physical |
| 10 | Agriculture Department | Smt M Padmavathi | Deputy Director of Agriculture (Farmer Welfare) | Physical |
| 11 | TIDCO | Shri Ch Sridhar IAS | MD AP TIDCO | VC |
| 12 | TIDCO | Smt V Vijaya Laxmi | Mission Director - MEMPA AP | VC |
| 13 | SBI | Shri D B N Krishna | Asst General Manager | Physical |
| 14 | UBI | Smt Anitha Reddy | Asst General Manager | Physical |
| 15 | CANARA | Shri Gopala Naik | Deputy General Manager | Physical |
| 16 | Indian Bank | Shri Vijay Kumar | Dy Regional Head & SLBC Controller | Physical |
| 17 | Indian Bank | Shri K Prasanna Kumar | Manager | Physical |
| 18 | Bank of India | Shri V V Somasekhar | Deputy General Manager | Physical |
| 19 | Bank of Baroda | Shri SVSN Murthy | Regional Head- Asst General Manager | VC |
| 20 | Punjab National Bank | Shri Uday Kumar | Chief Manager- SLBC Controller | Physical |
| 21 | Indian Overseas Bank | Shri V Srikanth | Asst General Manager- State Controller | Physical |
| 22 | CGGB | Shri T Kameswara Rao | Chairman CGGB | VC |
| 23 | HDFC | Shri Santhosh | Vice President & Cluster Head | Physical |
| 24 | ICICI | Shri Rajeev Kumar. M | State Controller | Physical |
| 25 | ICICI | Shri Chandra Sekhar | Regional Head | Physical |
| 26 | APCOB | Shri Ch.K.V. Krishna Rao | General Manager | Physical |
| 27 | APCOB | Shri MSRG Tilak Nara | Deputy General Manager | Physical |
| 28 | UBI | Shri P Koteswara Rao | Sr. Manager LDM | Physical |


ड. राजु बाबु
E. RAJU BABU
 सहा महा प्रबंधक & को-ऑर्डिनेटर
A.G.M. & Co-Ordinator
 एस एल बी सी ए पी
State Level Bankers Committee of AP

