

## Minutes of the Sub-Committee Meeting

Date	25.09.2023
Time	03.00 PM
Venue	SLBC Conference Hall, Vijayawada

STATE LEVEL BANKERS' COMMITTEE OF ANDHRA PRADESH

CONVENER: UNION BANK OF INDIA



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

R Rappa Rao Street, Vijayawada 520 001

Phone no: 0866 2562522, 2562518

Email: [slbc@unionbankofindia.bank](mailto:slbc@unionbankofindia.bank)

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

**Proceedings of Sub-Committee Meeting**

A meeting of SLBC Sub-committee was held on 25.09.2023 at SLBC conference hall, Zonal office, Union Bank of India, Vijayawada. The meeting was attended by Sri.Navneet Kumar,GM and Convener, SLBC of AP, Sri Umesh Singh, MD & CEO, CERSAI,Sri V.Ramakrishna, IRS,Commissioner and Inspector General of Registration and Stamps, Govt.of AP, Sri Dr. KVV Satyanarayana, IRAS Finance Secretary (B & IF), Govt. of AP,Sri M. Shivaprasad, IFS, Joint Managing Director, APSHCL, Sri Sai Pradeep,Asst.Director, WDRASri R K Mahana, General Manager, RBI (VC), Sri MSR Chandra Murthy, Dy.General Manager, NABARD, Sri. MVSN Murthy, OSD finance Department (VC), Govt.of AP, Executives and Senior officials from major banks. The list of participants is enclosed.

Sri Raju Babu, Asst General Manager, SLBC of AP has extended a warm welcome to the participants and presented the agenda items to the house for discussion.

**Agenda 1: Central Know your customer registry (CKYCR) – Data Population**

GM & Convener, SLBC welcomed Sri Umesh Singh, MD & CEO, CERSAI to the subcommittee meeting and requested him to enlighten the forum about CKYCR latest updates.

Sri Umesh Singh, MD & CEO, CERSAI presented slideshow to the forum emphasising the importance of the CKYCR.CKYCR is a registry established under PML Rules, 2005 (Maintenance of Records) in 2016.It is a repository of KYC records. The financial institutions upload the KYC details of their customers into this repository. The registry issues a 14-digit unique CKYC no which can be used by the customers to maintain multiple account-based relationships. It ensures digitization of KYC and inter-usability of KYC records.

CKYCR Registry was set up to receive, store, safeguard, and retrieve the KYC records in digital form of clients. The basic intent for setting of registry was to achieve universalisation of KYC across financial sector to make CKYCR as a single source of truth. He also explained to the forum the benefits of CKYCR to Customer(Time saving, No re-submission of documents and one time KYC compliance), Industry participants (Seamless and automated back office for KYC processing, Reduction in processing time for account opening, reduction in compliance cost and storage documents) and for Regulators ( reduction in number of fake accounts being opened and monitor compliance of institutions).

He further explained that 77.92 Crore KYC records were available in CKYC registry, 6887 entities participated in CKYC registry and 22 lakh transactions carried out in a single day. Download of KYC record is essential to establish linkage between the Entity and the CKYCR record available in the Registry.Linkage is a must to get update notification in future, in case of update of customer record by any other financial entity. In case of NPA accounts, update notification can help the REs in tracing the updated address/mobile number where the customer has opened SB/ Current account with other Banks and routing transactions through them. Security Interest (SI) registry has been established under SARFAESI act 2002 in 2011. It encompasses security interest of immovables, movables, intangible assets and assignment of Receivables (TReDS ). It also allows filing of attachment orders by Revenue & Tax authorities. Financial institutions input the details of security interest in this registry. Public and entities can search for a property to know the encumbrance status.Security Interest helps both debtors and creditors in making their lending decisions. It eliminates the risk of issuance of multiple loans against the same asset. Filing of security interest allows the Financial institutions to enforce the security interest when the borrower is unable to repay the loan without indulging in court proceedings. As on 31st

August 2023, 6.39 Crore records were registered in SI registry, 3604 Secured creditors were in SI registry and 79897 SI transactions are carried out in a single day. It is observed that Banks are not filing Security Interest created against movables (Plant & Machinery, Stocks, Debt including Book debt or receivables) in SI Registry.

He further informed that, there is a need to integrate SI registry with State Land Records (SLR) to safeguard interest of immovable property purchasers and creation of deterrent in land sale/ purchase frauds. There are challenges in integration like various data fields are unique/uncommon in each State Land records. All data fields of all State's Land Registries are not available in SI registry. These can be worked out in consultation with SLR. He reminded that, CERSAI is a notice-based registry and provides results based on information provided by the entities. Any rectification in security interest details is made effective with post approval from Central Government. Therefore, it is important on the part of all entities to ensure the correctness and quality of data while doing charge creation. He requested SLBC to coordinate with participating banks and financial institutions to sensitize the dealing staff in Banks and FIs.

GM & Convener, SLBC AP advised all the member Banks to make use of the inputs given by MD & CEO, CERSAI and sensitize the staff at Branches for effective use of CKYCR.

(Action: All Banks)

**Agenda 2: Registration & Stamps Department- CCA – CARD 2.0-Deployment of New version of CCA i.e. CARD 2.0-CARD PRIMME (Property Registration Integration Mutation Made Easy) – Implementation in all SROs in the State**

AGM SLBC requested Commissioner and Inspector General of Registration and Stamps, A.P to present details about the CARD-PRIMME- 2.0 to the forum.

Sri V.Ramakrishna, IRS, Commissioner and Inspector General of Registration and Stamps, Govt. of AP, has given power point presentation on CARD 2.0 and informed to the forum that,Registration Department of Andhra Pradesh has launched a new version of software (CARD-PRIMME-2.0) for registration of documents in 24 Sub-Registrar offices in the state under pilot project. As per the amendment to Information technology act,2000 the property documents need not be only physically signed but digital sign is also considered.

CARD PRIME was introduced to improve registration of property experience to the users. It will try to address pre- registration issues like verification of Prohibition, Holders name in the Statutory records, Market value and duty calculation. For registration process auto duty calculation, document generation, simplified duty payment, E-Stamp, Slot booking, registration in 20 minutes and improved security with E-sign. He also informed that as per the clarificatory orders issued by UIDAI, for all documents relating to properties, a biometric e-sign can be used instead of collection of fingerprints at the time of property transactions. To simplify the registration process, a system of document preparation, payment of duties, submission of documents for registration, slot booking through online was made available in public domain (Registration.ap.gov.in). After receipt of document, the registering officer will register through e-sign method and a soft copy of document shall be sent to e-mail of parties by dispensing requirement of physical documents and if warranted, a copy of registered document will be issued in the form of hard copy from the data base.

He further, informed that changes made in the registration process by presenting Nadu (previous) Nedu (present) details to the forum.

S.NO	Nadu	Nedu
1	Dependency for Property verification like prohibition, holder name	Property verification like prohibition, holder name is made easy
2	Dependency in Duty Calculation	Duty Calculation made easy
3	Document preparation dependency on 3rd Party	Document preparation by Self, Public, or any one with simple data entry
4	Payment dependency is high – Multiple Payments for Single document	Smooth Payment Process throughonline – Single online Payment for Single document
5	Long waiting hours at SRO	Prioritized Registration with slot booking in FIFO (First in First Out) Model
6	Dependencies in anywhere Registration	Simplified anywhere Registration-choose your SRO
7	Physical Document	Both Physical and electronic Document with Enhance Security
8	Physical Signatures in the Document	Physical as well as E-sign Aadhar enabled Document for improved Security.
9	Registration process taking longer time	Simplified Registration process to complete it within 20 minutes.
10	Delivery of Document, taking time	Immediate delivery of the Document
11	Mutation of the Agricultural properties need to be taken up separately with Revenue Authorities.	Auto-Mutation of the Agricultural properties without interference of revenue authorities.
12	Mutation of the Urban properties need to be taken up separately with Urban Authorities.	Auto-Mutation of the Urban properties without interface of Urban authorities
13	No Registrations at Village level	Registration at VSWS near to your villages.In 2000 villages all registration services were commenced.
14	Stamp buying was cumbersome	E-Stamp introduced.Stamp buying made simple easy and transparent.

He also explained the CARD process flow for mortgages:

- Party of Bankers login to CARD PRIMME
- Enter their details along with property details
- Here Bankers representative name is given optional, so Branch Managers may or may not come to SRO.
- Duty fees can be paid at the time of document preparation itself.
- Slot can also be booked for the Registration office where registration is done.
- Party needs to present the document in SRO.
- Party needs to Authenticate him/her before Sub registrar with Biometric or IRIS AADHAR based authentication.
- E-signatures of Parties are taken on the Document along with Reverse page endorsement.

- Defacing of paid challans is done at the SRO.

For LT Bonds & Mortgage Deed by Small Farmer for Agriculture Loans in f/o PAC/Bank Relaxation of Parties for EKYC and E-sign is provided

He requested SLBC to sensitise the above advancement in registration process among bankers and ensure to avail the facility of online/e-sign registration method of documents, while dealing with Bank transaction relating to properties with registration department.

AGM SLBC advised all Banks to percolate the information shared by the department on CARD PRIMME (Property Registration Integration Mutation Made Easy) up to Branch level.

(Action: All Banks)

### **Agenda 3:Andhra Pradesh State Housing Corporation Limited (APSHCL) – PMAY(Urban) BLC Scheme-New Material payment system**

AGM SLBC requested, Sri M. Shiva prasad, IFS, Joint Managing Director, APSHCL, to explain the New material payment system in PMAY(Urban) BLC Scheme.

Joint Managing Director, APSHCL, explained that during the 66th CSMC meeting held by MoHUA, Gol has issued directions that, the Central Govt.Share of Rs.1.50 Lakhs shall be released in the form of cash only to the Housing beneficiaries as is being done in PMAY Urban Scheme. Unless cement, Steel, sand, other materials etc., are made available to the beneficiaries for completion of their houses by 31.03.2024, the progress will be hampered, and the target set by the State Government and Central Government will not be achieved.

GoAP is supplying 13 types of materials to the Housing beneficiaries at lesser rates duly finalizing the cost of building materials through reverse tendering process assuring quality of materials and the cost of materials to be met from the State share.The issue was discussed during the Senior Officers meeting headed by Special Chief Secretary to government, Housing Department on 30.05.2023, along with the representatives of 6 Banks viz..SBI, UBI, IOB, Canara Bank, ICICI and Central Bank of India.During the deliberations, it was suggested for supply of material to the beneficiaries without debiting the material expenditure from State Nodal Account (SNA).

He also informed that an amount of Rs.56.12Cr worth of various materials like Cement, Steel and Sand has been issued to 1,21,133 beneficiaries based on the available information in their Housing website, which is to be recovered and deposited in their pool accounts which are already opened in 6 Banks viz.. SBI, UBI, IOB, Canara Bank, ICICI and Central Bank of India and the remaining 25 accounts are to be opened in the concerned Banks. He also informed that the beneficiaries who are willing to take department materials (Cement/Steel/Sand/Other materials/Warli art/ elevation paints etc) will give one time consent in the prescribed format in the presence of EA (Engineering Assistant)/ WAS for transferring the cost of materials taken by him from his account to APSHCL Head office account. No material shall be issued to the beneficiaries who have not given consent form. After consent form approval given by the AE only, material release orders will be generated for issue of cement, steel, sand, other materials etc. to the beneficiary. Exclusive Bank account (Material Pool account) will be opened by MD, APSHCL in each bank (where the beneficiary individual accounts are opened), preferably in the branch located in Vijayawada/ Bank Headquarters town in case of Regional Banks. Once the material is issued from the godown and confirmed in the online module, a separate payment batch will be generated for the cost of material by the APCFSS (Service provider of APSHCL) from time to time and sent to GM (Finance). The cost of material will be released to the beneficiary account by GM

(Finance) through PFMS system – EAT module and the amount will be debited to SNA account. Then GM (Finance) shall address a letter to the Bank Manager of the Branch where material pool account is opened along with list of beneficiaries with their Bank account number, amount transferred towards material cost and soft copy of Beneficiaries consent forms with request to freeze the amount to the extent of the material cost transferred. After transfer of amount to the beneficiary account, the Branch Manager in turn will transfer the material cost to the APSHCL, Head Office account opened in the Branch. Payment to the suppliers will be done from the APSHCL, Head Office account in non- SNA mode.

He requested the Bankers to implement the New material payment system which will help the Housing beneficiaries to complete their houses within the targeted period duly utilizing the quality building materials in construction.

After thorough deliberations, forum resolved that New Payment System may be adopted by the member Banks and the details of this system will be shared with Bank Branches for effective implementation.

(Action: All Banks)

#### **Agenda 4: Warehousing Development & Regulatory Authority (WDRA) -Increase Pledge finance against electronic Negotiable Warehouse Receipts (e-NWR)**

AGM SLBC invited Sri Sai Pradeep, Asst. Director, WDRA to SLBC sub-committee meeting and requested him to explain the electronic Negotiable Warehouse Receipts (e-NWR) to the forum.

Asst. Director, WDRA informed that Government of India had enacted the Warehousing (Development and Regulation) Act, 2007 to put in place a Negotiable Warehouse Receipt (NWR) System in the country. The WDRA was set up by GoI to implement of the provisions of the W (D & R) Act. One of WDRA's main objectives is to implement the NWR System, which would help farmers to store their produce in scientific warehouses and avail loans from Banks against pledge of NWRs. This would save farmers from distress sale during the harvesting season and provide an opportunity for better price discovery for their produce later. To facilitate this, WDRA is engaged in activities like registration of warehouses issuing or intending to issue NWRs, promotion of scientific warehousing and improving fiduciary trust of depositors and Banks for enhancing liquidity in rural areas. some aspects of which are outlined below:-

WDRA has implemented a system of electronic Negotiable Warehouse Receipts (e-NWR) 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 e-NWRs. The e-NWRs 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. Being closely monitored by WDRA, e-NWRs enjoy the trust of banks and other stakeholders.

Presently, e-NWR is the only negotiable warehouse receipt in the country. The W(D&R) Act, 2007, mandates that only WDRA registered warehouses in the country can issue NWRs. Various legal protections are extended to the holders of the instrument. WDRA is mandated to protect the interest of depositors and also to improve fiduciary trust among the stakeholders.

WDRA has registered more than 4400 warehouses with more than 300 LMT capacity and registered warehouses have issued more than 5 lakh NWR/e-NWRs so far. Several banks started extending pledge loan

against e-NWRs and the growth of pledge finance is substantial. It shows the trust of the banks and depositors on e-NWR system.

Considering the benefits of e-NWR and WDRA regulation, RBI has extended the priority sector limit for loans against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months from Rs. 50 Lakhs to Rs. 75 Lakhs for e-NWRs whereas for other warehouse receipts it is capped at Rs. 50 Lakhs.

The Indian Banks' Association has issued an advisory in this respect to consider pledge finance only against the e-NWRs issued by warehouses registered by WDRA. This has no doubt increased the trust of financial institutions in the e-NWR. Recently, State Bank of India, Punjab National Bank (PNB) and Federal Bank have exchanged MOU with WDRA to promote pledge finance against e-NWRs in the country.

AGM SLBC advised all the Public Sector Banks to consider extending pledge finance to applicants wanting to pledge e-NWRs and avail loans under the PSL scheme. Increasing the loans given against e-NWRs 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 also requested WDRA to hold meetings at District level by inviting all stake holders so that more and more Banking institutions become aware of the benefits of e-NWR based pledge financing.

(Action: All Banks)

#### **Agenda 5: Takeover of SHGs by Banks without following guidelines**

AGM SLBC informed that SLBC has been receiving complaints from various Banks on Takeover of SHGs from one Bank to Other. Some SHGs have migrated due to lower interest rates and distance convenience from one Bank to another Bank. But Some Banks have taken over SHGs from other Banks without following the takeover norms. Due to this, same SHG maintains loan accounts in both the Banks and it leads to non-repayment of the loans and in some cases misappropriations are also observed.

SLBC advises all member Banks to follow the takeover norms while lending to take over SHGs

(Action: All Banks)

#### **Agenda 6: Follow up meeting on SHG Bank Linkage issues – Refund of 3% of Interest subvention amount to State Government**

AGM SLBC explained the details about the meeting of SLBC Sub-committee on SHG Bank linkage issues which was organised on 16.08.2023 at 2nd Block, AP Secretariat Velagapudi on the specific request made by Government of Andhra Pradesh. In the meeting, the Secretary Finance (B&IF) requested the banks to reimburse 3% out of the 4.5% interest subvention as and when received from Govt. of India. While doing so banks are effectively earning 8.5% (11.5% - 3%) as earlier and there is no loss to the banks when compared to the rate of interest charged in the FY 2020-21 & 2021-22.

In that meeting Secretary Finance has asked the Banks to accept the proposal and express their consent at the earliest. He further added that a follow up meeting will be conducted in a week's time and Banks were asked to come up with their decision. During the meeting many Banks expressed that subvention claims are made by corporate offices of the banks and parting of the amount so claimed is in the purview of corporate office. So, Banks have requested Secretary Finance to give some time to discuss with their Central offices and come back with the appropriate decision.

AGM SLBC informed to the forum, that so far, no updates were received from Banks on this subject by department hence, Banks have to respond and submit their proposal on the subject.

Secretary Finance (B&IF) joined the meeting through VC and asked the Banks about the status of the proposal. In response, Banks have informed that the proposal is still under discussion at Central Office level and decision was not yet received from them. Secretary Finance (B&IF) informed that, if no decision comes from Banks by 10th October 2023, Government will go with their own decision and assign SHG lending to their choice Bank.

After thorough deliberations, forum resolved that since Interest subvention amount was reimbursed by MoRD, GOI.SLBC has to write a letter to MoRD and seek advice from them and Banks shall abide by whatever advice gives by MoRD.

(Action: All Banks and SLBC)

#### **Agenda 7: Expanding and Deepening of Digital Payments Ecosystem'(Digital Districts Phase 4) :**

AGM SLBC explained the main objective of EDDPE is to enable every individual in the identified district to make/ receive payments digitally in a safe, secure, quick, affordable and convenient manner through provision of necessary digital infrastructure and literacy to handle such transactions.

So far covered Districts (Phase 1, II & III): YSR, Guntur, Srikakulam, Eluru, Kurnool, SPS Nellore, Bapatla, Palanadu and East Godavari

Districts for Phase IV: Remaining 17 Districts - Ananthapuram, Prakasam, Sri Sathya Sai, Chittoor, Krishna, Annamayya, Parvathipuram Manyam, Visakhapatnam, Vizianagaram, Alluri Sitharama Raju, Anakapalli, Dr.B.R.AmbedkarKonaseema, Kakinada, Nandyal, NTR, West Godavari, Tirupati. AGM SLBC advised the Banks to inform the status under EDDPE to the forum.

Banks informed that in Phase IV all districts are covered digitally 100% under EDDPE and the data is also uploaded in the portal. Shri. R K Mahana, GM RBI congratulated all the Banks for achieving 100% digitalisation under EDDPE for 17 districts in Andhra Pradesh.



**List of Participants.**

S.No	Name (Sri/Smt)	Designation	Organisation
1	Dr.K.V.Satyanarayana	Finance Secretary (B & IF)	Govt.of AP (VC)
2	Navneet Kumar	GM & Convenor SLBC of AP	SLBC
3	E Raju Babu	AGM – SLBC Coordinator	SLBC
4	Umesh Singh	MD & CEO	CERSAI
5	V.Ramakrishna, IRS	Commissioner and Inspector General of Registration and Stamps	Govt. of AP
6	M. Shiva prasad, IFS	Joint Managing Director	APSHCL
7	R K Mahana	General Manager	RBI (VC)
8	MSR Chandra Murthy	DGM	NABARD
9	Praveen Kumar	General Manager	SBI (VC)
10	Sai Pradeep	Asst.Director	WDRA
11	R.Anitha	AGM	UBI
12	R.Ramachandra Rao	CM	SBI
13	I.Satyanarayana	CM	Canara Bank
14	A.V.Bhaskaran	Dy.Regional Manager	Bank of Baroda
15	P.Krupaji	SM	Axis Bank
16	G.V.Suryakiran	Dy.Zonal Manager	BOI
17	V Veerabhadra Rao	Co-ordinator	IOB
18	Venkat Ranga Rao	Vice president	HDFC
19	Ch Sree Rama Somayaji	General Manager (AP)	APGVB
20	B.Dhanujeya naik	Senior Manager	Kotak Bank
21	G.Venkat Yadav	Manager	KVB
22	S.Uday kumar reddy	Manager	APCOB
23	V S Pavan Kumar	Senior Manager	CGGB
24	M V Satish	Co-ordinator	CGGB
25	P.SreeRamulu	GM (F)	APSHCL
26	Goutham Laxminarayana	CM	SLBC
27	S.Ram Kumar	AIG (R & S)	Registration & Stamps
28	P.Maruthi Ram	GM	CGGB
29	S.S. Murthy	DGM	CBI
30	N.Brahmaiah	AGM	SGB
31	N.Venkataratnam	CGM	APCOB
32	R.Krishnamurthy	DGM	PNB
33	S.Satish	Senior Manager	Canara Bank
34	G. Omprakash	Dy Manager	SBI
35	D.Raja Pradeep	Manager	Bank of Baroda
36	A.Kalyani	Manager	Union Bank of India

Related departments and other bankers participated through VC

Sub Committee meeting

Date: 25.09.2023

Convener: Union Bank of India