

AX1 / SLBC / 2020-21 /1079-1198

03.06.2020

**All Members, SLBC — Maharashtra**

Dear Sir,

**Sub : Minutes / Action Points — 14<sup>th</sup> SLBC meeting held on 29.05.2020  
Through VC**

Please find enclosed Minutes / Action Points of the 147<sup>th</sup> SLBC meeting held on 29.05.2020 (through VC and weblink) for your information and necessary action.

You are further requested to inform the action taken to SLBC on or before 03.07.2020 for appraising / reviewing in the next SLBC meeting.

The minutes are also available on SLBC website at the following URL :

<<[https://www. bankofmaharashtra.in/slbc meetings](https://www.bankofmaharashtra.in/slbc%20meetings)>>

Yours faithfully,

  
General Manager.  
Convener, SLBC, Maharashtra.



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No. AX1 / SLBC – 147 / Minutes / 2020-21

May 30, 2020

**Minutes of the 147<sup>th</sup> SLBC Meeting held on May 29, 2020 through VC**

147<sup>th</sup> SLBC Meeting was convened on 29.05.2020. The meeting had a focused agenda to launch State Annual Credit Plan for the F.Y. 2019-20, including review of crop loan disbursement.

Owing to present exceptional circumstances, due to outbreak of COVID-19 pandemic and the resultant lockdown, meeting was conducted through Video Conferencing.

The meeting was Chaired by Hon'bls Shri Uddhav Thackeray, Chief Minister, Maharashtra State. Shri A.S. Rajeev, MD & CEO, Bank of Maharashtra and Chairman, SLBC Maharashtra, co-chaired the meeting. Shri Ajit Pawar, Hon'ble Dy. Chief Minister, Shri Dadaji Bhuse, Hon'ble Minister, Agriculture, Shri Balasaheb Patil, Hon'ble Minister, Cooperation, Dr. Vishwajit Kadam, Hon'ble Minister of State for Agriculture and Cooperation, Shri Ajoy Mehta, Hon'ble Chief Secretary, Shri Debashish Chakarabarty, Additional Chief Secretary (Planning), Shri Manoj Saunik, Additional Chief Secretary (Finance), Shri Anoop Kumar, Principal Secretary (Marketing) Ms Abha Shukla, Principal Secretary (Cooperation), Shri B. Venugopal Reddy, Principal Secretary (Industries), Shri Eknath Dawale, Secretary (Agriculture) Shri A.M. Kawade, Commissioner (Cooperation), Shri Suhas Divase, Commissioner (Agriculture), Ms R. Vimala, CEO, MSRLM, Dr. Anand Jogdand, additional Commissioner, Cooperation and other senior officials of the State Government attended the meeting.

The Central Government was represented by Ms. Vandita Kaul, Joint Secretary, Department of Financial Services, Ministry of Finance, Government of India, New Delhi.

Reserve Bank of India was represented by Shri Ajay Michyari, Regional Director, Maharashtra & Goa and Shri P.S. Venkateswaran, General Manager, Office-In- Charge, Nagpur.

NABARD was represented by Shri U.D. Shirsalkar, Chief General Manager, Maharashtra Regional Office, Pune.

The meeting was also attended by Shri Hemant Tamta, Executive Director, Bank of Maharashtra and other senior officials of various Member Banks.

Shri N.S. Deshpande, General Manager and Convener, SLBC Maharashtra, welcomed the participants & the important dignitaries and explained the purpose of the meeting.

Shri A.S. Rajeev, MD & CEO, Bank of Maharashtra and Chairman, SLBC Maharashtra, while welcoming the dignitaries, initiated the discussion and informed the house that focus of the discussions during the meeting would be on launching of State Annual Credit Plan (ACP) 2020-21, Review of Crop Loan Disbursements, KCC Saturation programme and implementation of Mahatma Jotirao Phule Shetkari Karjamukti Yojana (MJPSKY), 2019. He proceeded by taking a quick review



of achievements under ACP 2019-20 and informed that the achievement under Priority Sector was 71% of annual target and under Agri sector it was 72%. He also informed that overall achievement was 244% of the Annual Target considering disbursements under Non Priority Sector. He pointed out that the low achievement under Agri / Priority Sector may be attributed to extreme vagaries of monsoon for the past many seasons, calamities like droughts, floods, excessive and untimely rains and outbreak of COVID-19 pandemic at the fag end of FY 2019-20. However, looking at the positive side, with Special Packages and various measures being taken by the Central and State Governments, he expressed confidence of rebounding during days to come. He then apprised the house about State ACP 2020-21. He informed the house that at Rs. 4,74,511 crore, the Priority Sector Plan would be one of the highest in the Country and Banks in the State are committed to live up to the expectations of the State Government. He congratulated the State Government for their humungous efforts in tackling the various difficult situations that have arisen during the past two months due to Corona pandemic and assured full support from the Bankers in their endeavor. He urged the State Government to look into the long pending issues of introduction of a new Maharashtra State Recovery Act so as to encompass recovery proceedings by banks and notifying all District Headquarter Towns, Talukas / Tehsil Headquarter Towns, areas of Municipal Corporations, etc. for creation of Equitable Mortgage in the State of Maharashtra.

Shri N.S Deshpande, General Manager & Convener, SLBC Maharashtra gave an analytical presentation to the house on **Agenda points** that included :-

- State Profile of Maharashtra
- Agricultural Sector & Development in the State
- Banking Scenario of Maharashtra State
- Finance for Agriculture in Maharashtra
- KCC Saturation Programme
- Implementation of MJPSKY, 2019 in Maharashtra
- Support under Priority Sector through COVID-19 Special Schemes and
- Launching of Annual Credit Plan 2020-21 and

Detailed discussion took place in respect of Finance for Agriculture in Maharashtra, KCC Saturation Programme, Implementation of MJPSKY, 2019 in Maharashtra and Launching of Annual Credit Plan 2020-21, which is summarized below :-

#### **Finance to Agriculture in Maharashtra ( Agenda Point No. 4 )**

Convener, SLBC informed the house about achievement of 48% of the Annual Crop Loan Target and about negative YoY growth during last FY 2019-20. He reiterated the reasons for low performance as extreme vagaries of Monsoon, floods, excessive & untimely rain and outbreak of pandemic in the last month of FY which is very crucial for Bankers. He further informed that during the first two months of current fiscal year also, no performance could be registered by the Banks because of lockdown. However, he expressed confidence that with prediction of good Monsoon and relaxation in lockdown



during the coming days, things will pick up. He apprised the House about 10% achievement as of 15.05.2020 under Crop Loan Disbursement. He also informed the House that, at 23% for Agriculture and 26% for Crop Loans, the NPA levels were alarmingly high and hoped that the situation will ease to some extent on receipt of Debt Waiver funds from the State Government and finally, closure of NPA accounts of approved beneficiaries. He suggested certain measures like arranging Credit Camps, KCC to farmers engaged in Animal Husbandry & Fisheries, Tie-ups by Banks with fertilizer / seed / input suppliers, coverage of Uncovered farmers, use of Bank Mitras for interacting with root level people, coverage of all farmers under PMFBY, etc. for improvement in performance.

The Chief Secretary mentioned that the abysmal performance of nationalized banks in crop loan distribution is a matter of serious concern. He said banks should not only focus on non-priority sector. The Focus paper of NABARD clearly indicates that there is huge potential as well as demand for agriculture credit in the state of Maharashtra. Unfortunately, banks are not keeping pace and there declining performance in the past few years indicates that there is not sufficient flow of institutional credit in agriculture sector. He informed the banks that the farmers are already facing financial problems on account of emergence of COVID19 pandemic and subsequent lockdown. Hence it is incumbent upon the banks to achieve the crop loan target and provide crop loans to the farmers in time.

**Action Point ( Member Banks )** - Members Banks to ensure that performance under Agri / Crop loans is cent percent in the current Kharip season. Banks will have to monitor the progress continuously, and organize Credit camps with due observance of social distancing norms. All Banks to ensure that no eligible farmer is denied credit and all set goals are achieved / surpassed during FY 2020-21.

#### **KCC Saturation Programme ( Agenda Point No. 5 )**

Convener, SLBC informed the House that there are about 85 lakh PM Kisan beneficiary farmers in Maharashtra of which 33.73 lakh have applied for KCC during the Saturation Campaign and 18.10 lakh in-principal sanctions were given. He further informed that, of these in-principal sanctions, as of 22.05.2020, a level of 1.84 lakh actual sanctions with Rs. 1,514.63 crore of disbursement is achieved. He urged that Bankers to convert in-principal sanctions into actual sanctions and convey rejection to ineligible applications at the earliest. He also informed the House that a VC was conducted by Department of Financial Services, Government of India on 29.05.2020 and specific targets for KCC saturation will be given by the Government for FY 2020-21.

Principal Secretary, Cooperation, Government of Maharashtra observed that the percentage of actual sanctions is very low as compared to applications received and suggested Banks to step up efforts so that more farmers are benefitted during the ongoing Kharif season.

Convener SLBC informed that all pending applications need to be scrutinized, urgently and avoid double financing. He also informed that the level of coverage of farmers in Maharashtra is high and so there may be few uncovered farmers as compared to other States. He further informed that



strategies like campaigns, advertisements, sending SMS, etc. have been already followed, in this regard. He apprised the House that on comparison of data of farmer borrowers received from DCCBs with that of some Commercial Banks, it was found that approximately 95% of the farmers are already covered.

**Action Point ( Member Banks )** – Member Banks to process applications with due diligence and dispose off the same by 31.05.2020 as per the deadline given by Department of Financial Services, Government of India. Also, Member Banks to expressly inform rejection of ineligible applications to the concerned farmers with due reasons thereof.

### Implementation of MJPSKY, 2019 in Maharashtra ( Agenda Point No. 6 )

Principal Secretary, Cooperation, Government of Maharashtra informed the House that, up till now, the State Government has transferred the benefit of about Rs. 12,000 crore in the pending loan accounts of about 19 lakh farmers under MJPSKY, 2019, but owing to local elections in 6 Districts, and subsequent outbreak of COVID 19 pandemic, implementation of lockdown and resultant paucity of funds due to lockdown, the implementation of the scheme had to be put on hold. She further informed that remaining farmers would get the benefit under Debt Waiver Scheme from the month of July 2020 onwards. However, referring to GoM GR dt. 22.05.2020, she urged the Bankers to provide fresh finance to all the remaining approved beneficiaries by closing their existing overdue accounts as these accounts shall be credited with the waiver amount along with the interest thereon from 01.04.2020 till the date of credit as per the government resolution. She assured to reimburse the banks with requisite amount, along with interest w.e.f. 01.04.2020, onwards till the final settlement of their accounts, only to such Banks who provide fresh crop loans to the farmers featuring in the list of MJPSKY 2019 scheme but who have not received the benefit under loan waiver scheme till now. She further informed the House about interaction of the State Government with Reserve Bank of India and response received from RBI as under :-

#### Query

#### Advise from RBI

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| <p>1 To declare outbreak of COVID-19 as Natural Calamity so that bankers can take suitable measures for all affected borrowers in terms of restructuring of all eligible Agri. advances.</p> <p>2 Extension of Moratorium period of Agri. loans (Long Term &amp; Short Term) beyond 31.05.2020, up to 31.03.2021 /</p> | <ul style="list-style-type: none"><li>• Implement the guidelines under the Master Direction pertaining to relief measures due to natural calamity calls for a State specific notification.</li><li>• The pandemic related preventive lockdown, apart from causing delays on account of transportation and labour related issues, did not result in extensive crop loss (except for some horticulture and perishable vegetables).</li><li>• Hence, it is clarified that implementing the said Master Direction is not feasible.</li></ul> <p>With the continuation of Covid-19 related disruptions, RBI has announced additional measures to ease financial stress by, inter alia,</p> |
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| 30.06.2021, as per harvesting season of the crops.  | relaxing the repayment pressures and improving access to credit for the borrowers vide RBI circular dt 23.05.2020  |
| 3 Extension of benefit of Interest Subvention (IS) & Prompt Repayment Incentive (PRI) to Crop Loans / KCCs beyond 31.05.2020, up to 31.03.2021 / 30.06.2021, as per harvesting season of the crops. | Request for extension of benefits of interest subvention / prompt repayment incentive till August 31st is being forwarded to Government for their consideration.   |
| 4 Fresh Finance to MJPSKY, 2019 Approved beneficiaries  | There is no regulatory prohibition on granting additional finance merely because an account is classified as NPA. Banks are free to grant fresh finance as a measure to support their stressed but viable borrowal accounts. Banks are also permitted to grant need based additional finance, while restructuring stressed accounts. |

Shri R.K. Mahana, General Manager, Reserve Bank of India confirmed the stand of Reserve Bank of India and further informed that fresh / additional financing cannot be used to evergreen the stressed accounts. Further, apart from additional finance granted as part of a restructuring package, IRAC status of all other accounts shall be the same asset classification category of NPA as the other existing facilities.

**Convener, SLBC informed that fresh finance to remaining approved beneficiaries of MJPSKY would increase the NPAs of Banks. Banks are not in a position to lend fresh finance (Crop Loans) to the beneficiaries of whom existing accounts are NPA, till receipt of Debt Waiver amount in their accounts.**

Chief Secretary, Maharashtra advised Member Banks to treat the NPA loans of remaining MJPSKY beneficiaries as payable amount guaranteed by the State Government and advised to extend fresh finance to them for immediate use during the ongoing Kharif season. He also advised to settle this issue, immediately by discussing with Reserve Bank of India and submit their proposal to the Government by 01.06.2020.

Chairman SLBC, Maharashtra assured to discuss the issue with Member Banks and inform the outcome of the discussion to the State Government by submitting the proposal by 01.06.2020.  
**(Action Point – SLBC)**

#### **Support under Priority Sector through COVID-19 Special Schemes ( Agenda Point No. 7 )**

Convener SLBC, informed the House that to have timely Credit to business in context of COVID-19 pandemic, Banks have devised separate products and are pro-actively financing needy persons, Businesses, Farmers, SHGs, etc. He also informed that, as per instructions of Dept. of Financial





Services, Banks are sanctioning Fund based credit for revival of the economic activity, in form of COVID-19 Emergency Credit Line, i.e. Working Capital to existing MSMEs, Corporate, etc. as well as reassessment of Working Capital needs for existing borrowers is being taken care of.

Chairman, SLBC, Maharashtra informed the House that all Banks are working on releasing pre-approved system generated sanction letters for all MSME accounts up to Rs. 25 crore for speedy processing of proposals and disbursement thereof.

### **Launching of Annual Credit Plan 2020-21 ( Agenda Point No. 8 )**

Convener, SLBC informed the House that achievement under Priority Sector Plan 2019-20 of Rs. 4,24,029/- crore, was to the tune of 71% despite all odds. He further informed about State Annual Credit Plan (ACP) of Rs. 4,74,511/- crore is proposed for FY 2020-21 at 11.91% growth over that of earlier year. He also informed that the Plan was aggregation of District Credit Plans prepared by Lead District Managers and Agriculture segment of the same was short by 18.10% of Ground Level Credit (GLC) Target informed by Government of India and by 15.38% of Potential Linked Plan (PLP) 2020-21 of NABARD. However, he requested that considering the present circumstances and taking into consideration achievement level of 71% for 2019-20, the State ACP 2020-21 projected at Rs. 4.74 lakh crore is reasonable.

CGM, NABARD informed the House about release of front ended facility of Rs. 550 crore as one of the measures, to provide financial help to Cooperative Banks (DCCBs) and RRBs in Maharashtra. He observed that during 2020-21, good Monsoon is expected and more farmers are also expected to become eligible for fresh finance because of Debt Waiver. On this background, he opined that projection of Rs. 93,626 crore for Agriculture Sector for 2020-21 is short of their PLP 2020-21 by 15% and needs upward revision.

However, Chairman, SLBC expressed that projections should be in line with last year's achievements. Principal Secretary, Cooperation, Government of Maharashtra informed that the proposed State ACP of Rs. 4,74,511/- for Priority Sector for FY 2020-21 is approved by Hon'ble Chief Minister of Maharashtra.

**Action Point ( Lead District Managers / All Banks )** – All Lead District Managers to upload Bank wise bifurcation of approved District ACPs on SLBC Portal immediately so as to enable SLBC for onward submission of consolidated Bank wise District wise ACP 2020-21 to Government of Maharashtra and Reserve Bank of India. All Banks to achieve their Target under ACP 2020-21.

### **Other**

CEO, Maharashtra State Rural Livelihoods Mission informed the House as under :-

- SHG Target for FY 2019-20 was not achieved. Banks need to improve performance.



- Bank Sakhi Model can be used for Credit Linkage of SHGs and Banks can decide upon incentive component that can be paid to Bank Sakhis for the purpose.
- Implementing the concept of One Gram Panchayat – One Bank Sakhi be thought of.
- Granting collateral free loan up to Rs. 20 lakh to Women SHGs for running individual activities be considered.

Convener, SLBC informed that under present COVID-19 pandemic lockdown circumstances, Banks have already designed special schemes for SHGs also to support them and would continue the same with the help of MSRLM.

After Agenda wise discussion, Shri Uddhav Thackeray, Hon'ble Chief Minister of Maharashtra addressed the House. He referred to the present challenging times and to the aftermath of the pandemic, when more efforts would be needed to bring the Economy back on it's track. He expected full support of the Banking fraternity during this crucial phase. He informed that MJPSKY, 2019 is one of the most ambitious projects of the State Government and the Government was committed to complete the same by the end of April, 2020 as envisaged, earlier. However, due to local elections in 6 Districts, outbreak of COVID-19 pandemic and the lockdown, a temporary setback is faced. He assured that the Debt Waiver amount for the remaining approved beneficiaries would be given, shortly as per availability of funds and appealed the Bankers to support the Farmer community in the form of fresh Crop Loan finance, in anticipation of the same. He also urged to strengthen the MSME Sector and expressed confidence in Banks of the State to tide over the difficult times with concerted efforts. He also expressed that performance of the banks would show great improvement during FY 2020-21 and offered Best Wishes to all.

Shri Ajoy Mehta, Hon'ble Chief Secretary, Government of Maharashtra summed up the proceedings. He reiterated to provide fresh finance, immediately to all the approved beneficiaries of MJPSKY, 2019 and assured that the State Government is committed to reimburse the Banks at the earliest.

Asstt. General Manager, SLBC Maharashtra proposed Vote of thanks.

List of officials, who participated in the meeting is given in the enclosed **Annexure**.

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**Annexure**

**List of Participants of 147<sup>th</sup> SLBC Meeting held on 29.05.2020**

( through VC from Delhi, Pune, Mumbai, Nagpur, NIC Centres of District HQs, Web Link )

Sr. No.	Name of the Participant	Designation / Institution
1	Shri Uddhav Thackeray	Hon'ble Chief Minister, Maharashtra
2	Shri Ajit Pawar	Hon'ble Dy. Chief Minister, Maharashtra
3	Shri Dadaji Bhuse	Hon'ble Minister, Agriculture, Maharashtra
4	Shri Balasaheb Patil	Hon'ble Minister, Cooperation, Maharashtra
5	Dr. Vishwajit Kadam	Minister of State for Agriculture & Cooperation
<b>Central Government</b>		
1	Ms Vandita Kaul	Joint Secretary, DFS, New Delhi & SLBC Nodal Officer
<b>State Government</b>		
1	Shri Ajoy Mehta	Chief Secretary
2	Shri Manoj Saunik	Additional Chief Secretary, Finance
3	Shri Debashish Chakrabarty	Additional Chief Secretary, Planning
4	Shri Anoop Kumar	Principal Secretary (Marketing)
5	Smt Abha Shukla	Principal Secretary, Cooperation
6	Shri B. Venugopal Reddy	Principal Secretary (Industries),
7	Shri Eknath Dawale	Secretary (Agriculture)
8	Shri A.M. Kawade	Commissioner, Cooperation
9	Shri Suhas Diwase	Commissioner, Agriculture
10	Smt R. Vimala	CEO, MSRLM
11	Dr. Anand Jogdand	Additional Commissioner, Cooperation, Pune
12	Shri D.R. Salunke	Dy. Registrar, Cooperation, Pune
<b>Reserve Bank of India</b>		
1	Shri Ajay Michyari	Regional Director, Maharashtra & Goa
2	Shri PS Venkateswaran	General Manager Office-In-Charge, Nagpur
3	Shri Suresh Satpute	General Manager, Nagpur
3	Shri R.K. Mahana	General Manager, Mumbai
4	Shri B.K. Singh	Asstt. General Manager, Nagpur
5	Shri M.K. Moon	Asstt. General Manager, Mumbai
<b>NABARD</b>		
1	Shri U.D. Shirsalkar	Chief General Manager
2	Shri L.L. Rawal	General Manager, MRO, Pune
<b>Convener Bank – Bank of Maharashtra</b>		
1	Shri A.S. Rajeev	MD & CEO, Bank of Maharashtra & Chairman, SLBC
2	Shri Hemant Tamta	Executive Director, Bank of Maharashtra
3	Shri N.S. Deshpande	GM, Convener, SLBC
4	Shri B.V. Barve	Asstt. Gen. Manager, SLBC
6	Shri Amit Teke	Senior Manager, SLBC
7	Shri Mangesh Kedar	Senior Manager, SLBC
6	Shri Sundarraj Gounder	Senior Manager, SLBC
7	Shri P.M. Walunekar	Manager, SLBC
<b>Scheduled Commercial / Apex Banks.</b>		
1	Shri Sandeep Gaware	General Manager, Canara Bank
2	Shri K. Satyanarayanan	General Manager, Central Bank
3	Shri R.C. Thakur	General Manager, Bank of India
4	Shri Amit Patni	Zonal Head, ICICI Bank
5	Other Member Banks	Through Web Link
<b>Lead District Managers</b>		
1	All Lead District Managers	Through respective NIC Centres of District HQs

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