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State Level Bankers' Committee, Maharashtra

संयोजक संयोजक Convener

Planning Department,
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बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

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AX1 / PLN / SLBC / 2015-16 / 200 - 330

22.04.2015

All Members, SLBC – Maharashtra

Dear Sir,

Sub : Minutes / Action Points – Core Committee Meeting on Agriculture held on 07.04.2015 at Mumbai

Please find attached Minutes / Action Points of the Core Committee meeting on agriculture held on 07.04.2015 at Mumbai for your perusal & to initiate necessary action wherever applicable. You are further requested to inform the action taken to SLBC on or before 22.05.2015 for appraising in the next SLBC meeting.

The minutes are also being uploaded on SLBC website at the following URL :
<<<http://www.bankofmaharashtra.in/SLBC-Meetings.asp>>>

Yours faithfully,

Chief Manager,
SLBC, Maharashtra.



**Minutes of the Special SLBC Core Committee Meeting on Agriculture held at MVM Hall
Mumbai, on April 07, 2015.**

A special meeting was held on 07.04.2015 at MVM Banquets, Mumbai to discuss relief measures for the agriculture sector as Maharashtra is facing natural calamities like drought, unseasonal rains and hailstorms for the past many seasons thereby disrupting the crop cycles and agro economy. Shri R.K. Gupta, Executive Director; Bank of Maharashtra presided over the meeting.

The meeting was attended by Shri S.K. Sharma, Principal Secretary, Cooperation, Govt. of Maharashtra, Shri S.M. Deshpande, Secretary, Expenditure (Finance), Govt. of Maharashtra, Shri Shri U. S. Saha, CGM, NABARD and Shri Chandrakant Dalvi, Commissioner, Cooperation, Govt. of Maharashtra. Senior Officials of Reserve Bank of India, NABARD, State Government, Commercial Banks, MS State Coop. Bank, Regional Rural Banks, Lead District Managers and representatives of insurance companies also attended the meeting.

Shri S. Bharatkumar, General Manager, Resource Planning, Bank of Maharashtra & Convener, SLBC, welcomed the participants. He explained the purpose of the meeting as to discuss the issues related to natural calamities, hailstorms, declaration of paisewari for Kharip and rabbi crops etc. and action to be initiated for remedial measures. He also explained the importance of SLBC forum for coordinating between the State Government, the Central Government, Reserve Bank of India, NABARD and member banks for effective implementation of various schemes of the Government and percolation of guidelines.

Shri R.K. Gupta, Executive Director, Bank of Maharashtra, briefed the house about the present scenario in the State of Maharashtra and expressed that there was a cause of concern as more than 24000 villages in 30 districts of the State had suffered from severe drought, unseasonal rains and hailstorms one after the other. He informed the house about disbursement of Rs. 16,432 crore in the affected villages and the need for restructuring and conversion of this amount into term loans repayable in installments. He also stressed the need for making fresh finance available to the farmers for the next season. He appealed the bankers and the Government to come together for standing behind the farmer community during the difficult times. He urged for a permanent solution for such kind of situations so that the burden on the farmer community is reduced progressively and the community can come out of the debt trap. He felt that various agri insurance schemes needed to be revisited for becoming more farmer friendly. He also stressed the need for increasing irrigation potential through Micro irrigation, construction of Farm Ponds and Kolhapur type Bandhara through MNEREGA work. He appealed all Lead District Managers to pay more attention towards implementation of various relief measures for necessary review in the BLBC meetings and DLCC meetings. He expected the discussions in the meeting to be more interactive.



Shri S.K. Sharma, Principal Secretary, Cooperation, Government of Maharashtra expressed concern over the growing number of suicides being committed by farmers in Maharashtra. He informed the house that the State Government had decided to make adequate power supply available to the agri sector and a provision of Rs. 900 crore for the cause. He advised the bankers to ensure easy accessibility and availability of loans to the farmers.

Shri U.S. Saha, CGM, NABARD briefly told the house about the Potential Linked Plan (PLP) exercise, various physical and financial targets, importance of minor and micro irrigation and benefits of changing the cropping pattern to achieve a high yield that will enhance the repayment capacity of the farmer. He felt that tenant farmers were the worst sufferers and a neglected sector. He informed the house that NABARD proposes to identify and include this sector separately from next year. He requested similar consideration from Government of Maharashtra and Reserve Bank of India.

Shri R.K. Gupta, Executive Director, Bank of Maharashtra summed up the proceedings. He expressed happiness over the deliberations in the meeting that focused on how best the bankers can help the farmers in stress. He opined that assistance delayed is assistance denied and requested all concerned to come together for assisting the farmer community in their difficult times. He felt that the incidences of continuous restructuring and rephrasing of loans should go down and bankers should focus on increasing investment credit and capacity building of farmers that will go a long way in increasing their repayment capacity.

After detailed agenda wise discussions, The meeting concluded with vote of thanks proposed by Shri S. Bharatkumar, General Manager & Convener, SLBC, Maharashtra.

Agenda Item-wise discussions and action points are given in the **Annexure – I**

The list of officials who participated in the meeting is given in the **Annexure – II**



Annexure – I

Sr. No.	Agenda Item	Discussions Held	Action Point	Action by
1	Banking Scenario of Maharashtra State	<p>Member Secretary, SLBC informed the house about the 14,000 branches strong network having a mix of more than 8,600 semi urban and rural branches. He opined that commercial banks, DCCBs, Urban Cooperative banks, pat pedhis and PACCSs are well spread to cater to the needs of rural population and have helped Maharashtra become a really progressive State.</p> <p>He also informed about appointment of more than 13000 Bank Mitras by banks in the State. Basic banking facilities like opening of accounts, deposits, withdrawals and scouting of loan proposals are being provided by these Bank Mitras.</p>	<p>Member banks to examine the requests for opening of new branches received directly to their offices, through Lead District Managers and through SLBC in light of various extant guidelines laid down by Reserve Bank of India and Government of India. It should be ensured to cover maximum number of villages with population above 5,000 through Brick and Mortar Branch.</p> <p>Member banks to inform list of new branches opened during the previous quarter at the time of every DLCC meeting invariably to the concerned Lead District Manager.</p> <p>All the member Banks should submit the list of new branches opened by them in Maharashtra State during the financial year 2014-15</p>	Member Banks



2	Finance for Agriculture in Maharashtra	<p>Member Secretary, SLBC informed the house that crop loan disbursements have almost trebled in the last five years from Rs. 10,800 crore in 2009-10 to Rs. 31,223 crore as of 28.02.2015 and expected to increase this figure further by the end of March 2015 after compilation of data. He however observed that agricultural production had not increased proportionately and percentage of investment credit has gone down substantially. He also informed the house that Total agricultural credit outstanding in the State was to the tune of Rs. 1,35,000 crore.</p> <p>He informed about the target of Rs. 8,50,000 crore set for agriculture sector by Government of India for 2015-16 against last year's target of Rs. 8 lakh crores.</p>	<p>Bankers need to focus on investment credit.</p> <p>NABARD is requested to inform disaggregation of the target for the State of Maharashtra.</p>	<p>Member Banks</p> <p>NABARD</p>
3	Suggested Action Points on Relief Measures in Maharashtra	<p>Member Secretary, SLBC informed the house about declaration dtd. 25.11.2014 of 19059 villages having paisewari less than 50 paise and guidelines dtd 26.11.2014 issued by SLBC. 4752 villages were added vide declaration dtd. 14.01.2015 and 1078 under rabi season vide declaration dtd. 13.03.2015. Vidarbha (11 districts - 12087 villages) and Marathwada (8 districts – 8139 villages) are the worst affected regions of Maharashtra.</p>	<p>Suggested measures to be taken by all Member Banks on priority basis in villages where the paisewari is less than 50 paise :</p> <ul style="list-style-type: none">• Conversion of crop loans / Kisan Credit Card limits into term loans.• Postponement / reschedulement of installment of term loans.	<p>Member Banks</p>



			<ul style="list-style-type: none">• Providing additional finance to short term and term loans in all eligible cases wherever necessary.• Strictly adhere to Reserve Bank of India guidelines. <p>Lead District Managers of the affected districts to take proactive steps in the event of natural calamities. They are to take up the matter with respective District Collectors and call for immediate special meetings of DLCC to review the situation. The decision as regards the adoption of relief measures are taken with clear guidelines as regards the names of villages / blocks / entire concerned districts obtained from the District Administration.</p> <p>In case of natural calamities where a single village or only a few villages are affected, branch managers of the banks in affected villages to take up the matter with</p>	<p>Lead District Managers</p> <p>District Administration</p> <p>Member Banks</p>
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			respective district collector with the help / guidance of the Lead District Manager of the district. District collectors to issue certificate of losses to district / selected villages / beneficiary. On the strength of this certificate, Branch Managers to apply relief measures / reschedule / rephrase loans. Concerned Regional / Zonal / Circle offices of the banks to provide proper support to their branches in these cases.	
4	Position of State as per Relief Measures declared by Government of Maharashtra.	<p>Member Secretary, SLBC informed the house that a total of 30 districts in the State are affected by drought followed by unseasonal rains and hailstorms. The crops that were severely affected were rabbi crops and perennial crops like mango, grapes and oranges. He also informed about finance of Rs. 16,432 crore during the Kharip and rabbi seasons in the affected villages and stressed the need for rephasing of this finance.</p> <p>He clarified about the Government of India's provision in the Interest Subvention Scheme 2014-15 that in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% may continue to be available to banks</p>	Banks to rephase all eligible accounts before 30-06-2015. The converted crop loans of ALL farmers should have a repayment period of 5 years.	Member Banks



	<p>for the first year on the restructured amount and such restructured loans may attract normal rate of interest from the second year onwards as per the policy laid down by RBI.</p> <p>He informed about the villages in Solapur district. It has been mentioned that, more than 80% area was not sown under Kharip and hence paisewari shown by Government of Maharashtra is Nil. The drought has not been declared in the district. The total finance for crop loan in the district till 28-02-2015 is of Rs. 2031crore in Kharip and Rabi season. Though there was no crop sown in the district, crop loans have been disbursed. In such condition the chances of recovery are bleak in the current year. Since the drought has not been declared, the relief measures can't be adopted and the crop loans will become due for repayment. In view of this, he requested the State Government to clear the position as regards the paisewari in the district.</p> <p>Principal Secretary, Cooperation assured to look into the matter and direct the district collector to issue necessary guidelines.</p>	<p>Cooperation Department, Government of Maharashtra to assess the situation and arrange to issue necessary guidelines in respect of Solapur District.</p>	<p>Coop Dept. Govt of Maharashtra</p>
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	<p>MD, Maharashtra State Cooperative Bank represented that restructuring of short term agricultural loans for an enhanced period of five years would create additional burden on funds position of the DCCBs; particularly on the 14 of the 31 DCCBs which were not financially strong. He requested the State Government to issue guarantee so that NABARD can extend adequate refinance to bring out the DCCBs form possible financial crunch.</p> <p>Principal Secretary, Cooperation observed that some of the DCCBs had not rescheduled a single loan during the last year. He advised to submit complete data on rescheduled loans by DCCBs for considering their proposal.</p> <p>Representatives of banks opined about limitation of bankers in implementing various relief measures and subvention schemes and this is where the role of insurance companies is most important. It was observed that the cut off dates were very stringent, rates were very high varying from 2% for wheat to 17% for onion and there was a confusion about the compulsory nature of crop insurance.</p>	<p>MS Cooperative Bank to provide data on rescheduled loans by DCCBs to Cooperation Department, Government of Maharashtra.</p> <p>Insurance companies to issue clear guidelines and design schemes that are liberal and have a broader coverage. An approximate scale of finance to be kept in mind while designing the schemes.</p>	<p>MS Cooperative Bank</p> <p>AIC & other Insurance companies</p>
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	<p>Commissioner, Cooperation suggested that any insurance scheme should not be restricted to a particular crop or season. A scheme should cover the kharif and rabi seasons and all crops therein comprehensively.</p> <p>Executive Director, Bank of Maharashtra suggested that the insurance schemes should be farmer friendly and the insurance companies should inform the quantum of crops damaged based on the claims settled by them.</p> <p>Representative of Agriculture Insurance Co. of India (AIC) assured that all suggestions would be taken into account.</p> <p>Representatives of Banks congratulated Government of Maharashtra about being very liberal in comparison with other States in respect of giving benefit of interest subvention to the farmer community. However they felt that there was a language barrier and lack of awareness among the borrowers about various beneficial schemes of the Government. It was informed that many of borrowers were under misguided notion of getting waiver of loan from the Government. They appealed the State Government to support the cause of spreading awareness among the borrowers.</p>		
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		Principal Secretary, Cooperation assured that a pamphlet in Marathi language would be printed and supplied to all Gram Panchayats as part of the awareness campaigns.	Branches to disseminate the awareness material.	Coop Dept. Govt of Maharashtra Member Banks
5	Guidelines for relief measures by banks in areas affected by natural calamities.	Reserve Bank of India vide their communication No. RBI/2014-1 5/512, FIDD.No.FSD.BC.52/05.1 0.001/2014-15 dated 25.3.2015 has issued detailed guidelines in respect of relief measures by banks in areas affected by natural calamities.	All banks to note the guidelines and strictly adhere to the same while implementing relief measures.	Member Banks
6	Procedure of interest application after restructuring / rephasing of crop loans	Reserve Bank of India vide their communication No. RBI/2014-15/417 FIDD.No.FSD.BC.48/05.04.02/2014-15 dated 21.1.2015 has issued detailed guidelines on procedure of interest subvention scheme for the year 2014-15.	All banks to note the guidelines and strictly adhere to the same while implementing relief measures.	Member Banks
7	Actions to be initiated by banks	In the event of a natural calamity by way of any harmful mishap occurring in the State, the suggested procedure to be adopted by the member Banks and Lead District Managers, action needed and the agency initiating the action is given the agenda booklet	All member Banks and Lead District Managers to note and act accordingly.	Member Banks Lead District Managers



Annexure II

List of Participants of Core Committee Meeting on Agriculture
held on 07.04.2015 at Mumbai

Sr. No.	Name of the Participant	Designation / Institution
1	Shri R.K. Gupta	Executive Director, Bank of Maharashtra & Chairman SLBC
2	Shri S. Bharatkumar	General Manager, Resource Planning & Convener, SLBC, Maharashtra
State Government		
1	Shri S.K. Sharma	Principal Secretary, Cooperation
2	Shri S.M. Deshpande	Secretary, Expenditure (Finance)
3	Shri Chandrakant Dalvi	Commissioner, Cooperation
4	Shri Santosh Patil	Officer on Special Duty, Coop Dept.
5	Shri R.B. Ghadge	Dy. Secretary
6	Shri Vasant Kulkarni	Dy. Secretary Planning
7	Shri Anil Bansode	Chief Statistician, Agri
8	Shri M.S. Gholap	Jt. Director, Agri
Reserve Bank of India		
1	Shri C. Patnaik	General Manager, FIDD, MRO, Mumbai
2	Shri L.K. Menon	Dy. General Manager, FIDD, MRO, Mumbai
3	Shri D.B.V. Raju	AGM, Nagpur
4	Shri Mohan Sangvikar	AGM, FIDD, MRO, Mumbai
NABARD		
1	Dr. U.S. Saha	Chief General Manager
2	Shri Lalit Jadhav	Dy. General Manager
3	Shri S.P. Sathaye	Dy. General Manager
Scheduled Commercial / Apex Banks.		
1	Shri S.L.N. Prasad	Asstt. Gen. Manager, Allahabad Bank
2	Shri J.V. Mehta	Dy. Gen. Manager, Bank of Baroda
3	Shri R. Balasubramanian	Dy. Gen. Manager, Bank of India
4	Shri Venkatesh Prabhu	D.M. Canara Bank
5	Shri Rajesh Mishra	Sr. Manager, Canara Bank
6	Shri Narender Singh	General Manager, Central Bank of India
7	Shri H.M.C. Sastry	Asstt. Gen. Manager, Corporation Bank
8	Ms Jaya Chakraborty De	Dy. General Manager, Dena Bank
9	Shri P.K. Pegu	Dy. General Manager, IDBI Bank
10	Shri P.C. Mehta	Chief Manager, Indian Bank
11	Shri M.K. Gupta	Asstt. Gen. Manager, Indian Overseas Bank
12	Shri H.A. Sonwalkar	Sr. Manager, Indian Overseas Bank
13	Shri S.N. Gupta	Asstt. Gen. Manager, Oriental Bank of Commerce
14	Shri K.K. Singh	Asstt. Gen. Manager, Punjab National Bank
15	Shri P.N. Pandey	Dy. Gen. Manager, State Bank of Hyderabad
16	Shri K.S. Anbalgan	Dy. Gen. Manager, State Bank of India
17	Shri Suresh Nayak	Dy. Gen. Manager, Syndicate Bank
18	Shri S.K. Jain	General Manager, Union Bank of India



Sr. No.	Name of the Participant	Designation / Institution
19	Shri S.M. Gopale	Sr. Manager, Union Bank of India
20	Shri K. Devadanam	Dy. Gen. Manager, United Commercial Bank
21	Shri Francis D'Silva	Sr. Manager, Federal Bank
22	Shri Rajinder Bansal	SVP, HDFC Bank
23	Dr. Sameer Agarwal	DVP, HDFC Bank
24	Shri Bere Ramakrishna	AVP, HDFC Bank
25	Shri Sameer Kulkarni	Regional Manager, ICICI Bank
26	Shri Nagaraja Aithal	Asst. Gen. Manager, Karnataka Bank
27	Shri Naresh Kumar	Vice President, RBL Bank
29	Shri Pramod Karnad	Managing Director, MS Cooperative Bank
30	Shri B.A. Ubale	Dy. Gen. Manager, MS Cooperative Bank
Regional Rural Banks		
1	Shri U.R. Rao	Chairman, Maharashtra Gramin Bank
2	Shri S.D.S. Carapurcar	Chairman, Vidharbha Konkan Gramin Bank
Lead District Managers		
1	Shri V.T. Hude	LDM, AHMENAGAR
2	Shri T.D. Gaikwad	LDM, AKOLA
3	Shri Anant Khorgade	LDM, AMRAVATI
4	Shri A.R. Ghate	LDM, AURANGABAD
5	Shri G.B. Bokade	LDM, BEED
6	Shri S.M. Pathak	LDM, BHANDARA
7	Shri M.N. Patke	LDM, BULDHANA
8	Shri Sube Singh	LDM, CHANDRAPUR
9	Shri S.S. Ekhare	LDM, DHULE
10	Shri D.K. Silare	LDM, GADCHIROLI
11	Shri V.S. Lakhote	LDM, GONDIA
12	Shri M.V. Madan	LDM, HINGOLI
13	Shri Dilip Thakur	LDM, JALGAON
14	Shri P.S. Kutwal	LDM, JALNA
15	Shri M.G. Kulkarni	LDM, KOLHAPUR
16	Shri A.M. Mahajan	LDM, LATUR
17	Shri S.S. Kadam	LDM, MUMBAI CITY
18	Shri M.B. Mashankar	LDM, NAGPUR
19	Shri B.U. Waghmare	LDM, NANDED
20	Shri L.R. Khedekar	LDM, NANDURBAR
21	Shri A.D. Chavan	LDM, NASIK
22	Shri B.R. Dupargude	LDM, OSMANABAD
23	Shri S.D. Patil	LDM, PALGHAR
24	Shri P.G. Jaronde	LDM, PARBHANI
25	Shri J.H. Jain	Officer, LDMO, PUNE
26	Shri T. Madhusudana	LDM, RAIGAD
27	Shri S.S. Bandivadekar	LDM, RATNAGIRI
28	Shri S.S. Wagh	LDM, SATARA
29	Shri K.B. Jadhav	LDM, SINDHUDURG
30	Shri S.P. Patki	LDM, SOLAPUR



Sr. No.	Name of the Participant	Designation / Institution
31	Shri Rajan Joshi	LDM, THANE
32	Shri A.R. Mise	LDM, WARDHA
33	Shri S.S. Mehta	LDM, WASHIM
34	Shri G.G. Pimpale	LDM, YAVATMAL
Insurance Companies		
1	Shri D.D. Dange	Regional Manager, Agriculture Insurance Co. of India
2	Shri M.S. Sawant	Asstt. Manager, Agriculture Insurance Co. of India
3	Shri Rajesh	Regional Manager, The New India Assurance Co. Ltd.
4	Shri Vijay Bhailume	Dy. Gen. Manager, The New India Assurance Co. Ltd.
5	Ms Usha Murali	Asstt Manager, The New India Assurance Co. Ltd.
6	Shri Diwakar Singh	Admn Officer, The New India Assurance Co. Ltd.
Convener Bank – Bank of Maharashtra		
1	Shri L.M. Deshmukh	DGM, Member Secretary, SLBC
2	Shri P.M. Karne	AGM, Agri & rural Dev
3	Shri D.B. Deshmukh	Chief Manager, SLBC
4	Shri P.M. Walunjar	Manager, SLBC