

ਪੰਜਾਬ ਨੈਸ਼ਨਲ ਬੈਂਕ
punjab national bank

राज्य स्तरीय बैंकर्स समिति ,पश्चिम बंगाल : STATE LEVEL BANKERS' COMMITTEE , WEST BENGAL

E-mail: slbc.westbengal@unitedbank.co.in
Telephone: 033-2262-7365, 033-2231-1716

11, Hemanta Basu Sarani
Kolkata- 700 001

Ref : SLBC/WB/GEN/ 36 /2020

Dated, the 6th May,2020

- 1) The member banks under SLBC, West Bengal
- 2) The LDMs in West Bengal
- 3) All Line Departments, Govt. of West Bengal

Re : Minutes of the special SLBC meeting held on 04-05-2020

A special meeting of the SLBC was convened on 04-05-2020 to deal with the emerging situation arising out of COVID 19 pandemic and focused credit support for resumption of economic activities. After brief explanation on the purpose of the meeting by Sri M.R.Ray, Convenor, the meeting started under the chairmanship of Dr.Amit Mitra, Hon'ble Finance Minister of Govt of West Bengal. Mr. CH S S Mallikarjuna Rao , MD & CEO of Punjab National Bank & Chairman of SLBC joined in the VC from New Delhi. The other dignitaries included Mr Sanjay Kumar, Executive Director of PNB, Mr Hari Krishna Dwivedi, Addl Chief Secretary (Finance) and other Department Heads.

At the outset, Dr Mitra welcomed the participants and stressed on the need for a concerted effort on the part of the banks and stakeholders to overcome the challenges posed by the pandemic and to accelerate the process for revival of the economy through target oriented delivery of credit. Mr Rao, MD & CEO of PNB also affirmed the commitment to carry forward the agenda of the bank in its role as Convener of SLBC in West Bengal and play a proactive role in the process.

During the ensuing discussion the status of advances to the major sectoral activities falling under Agriculture with KCC saturation, Animal Husbandry & Fishery loans, Food processing, etc. besides MSME with cluster approach, SHG credit linkage under NRLM, Emergency Line of Credit for COVID 19 were reviewed by Dr.Mitra with inputs from the Heads of the Departments. The gist of the discussion and action points emerging thereof are appended below.

- A) **KCC advances** : Dr Mitra opined that the banks should target an enrolment of 20 lakh farmers for the Kharif 2020 crop season with disbursement of Rs.10000 crore . Mr Dwivedi informed that in the Krishak Bandhu portal 46 lakh farmers are already enrolled while total farmers covered by banks stood at 38.79 lakh. As such, the banks should increase the loanee farmers to 46 lakh with new enrolment of around 7 lakh left out farmers by March, 2021. While Dr P Majumdar, Advisor on Agriculture to Hon'ble Chief Minister stressed on increasing the ticket size, Mr M V Rao, Addl Chief Secretary (Cooperation & PR) assured of covering 10 lakh beneficiaries for Rs.3500 crore during the current year. Sri S Mondal, CGM of NABARD requested the banks to issue & activate the Rupay KCC cards.

Dr Mitra advised for sharing of disaggregated data on the non- loanee farmers with the banks for KCC loans at the earliest The minutes of the special meeting on coverage of the non-loanee farmers should be discussed in DCC/BLBC meetings for putting an appropriate strategy in place.

(Action Point 1. Agri Department ,LDMs & Member Banks)

Dr Mitra & Mr Dwivedi opined that the present moratorium of 3 months as allowed by Reserve bank of India may not be sufficient for the distressed farmers and provision of relief in line with RBI guidelines on Natural Calamities should be extended to farmers affected by COVID 19 disruptions. Mr S S M Rao mentioned that one time restructuring would be highly beneficial to the farmers at this juncture and requested the Govt authorities that the matter as proposed by Govt Authorities may kindly be forwarded to RBI for approval.

(Action Point 2. Govt of West Bengal)



- B) **Fishery schemes** : Dr Majumdar stated that credit off-take in fishery activities, is very low in the State and fish farmers are denied facilities available under KCC loans at par with crop loans. Mr Dwivedi suggested for coverage of One lakh farmers in the current year with estimated deployment of Rs.500 crore under KCC scheme. It was also suggested that for existing loans, additional limits at prescribed rates is to be provided through term loan facility with sufficient moratorium. It was informed that district wise targets have been sent to the District offices for sponsoring to the banks. Dr Mitra drew the attention of the banks for credit to the export oriented shrimp culture.

(Action Point 3. Fishery Department & member banks)

- C) **Horticulture & Food Processing Industries** : Mr O S Meena , Principal Secretary of FPI Department informed that that as assessed by the Department , Rs.300 crore will be required for coping up with the current situation and also stated that the restructuring exercise may be undertaken by the banks for the food processing units temporarily shut down due to the pandemic. Dr Mitra opined that the sector holds tremendous potential and a detailed strategy is to be initiated for developing the sector. He advised SLBC to form a separate SLBC Sub Committee for increasing the credit flow & attend to the forward as well as backward linkage issues involving the sector. He further shared his concern that Horticulture has not got enough importance for credit linkage in the State.

(Action Point 4 . SLBC & member banks)

Sri Rao emphasized on development of Horticulture through green house & poly house effects for low cost production of Horticulture products. He further requested the Govt of West Bengal to explore the possibility of introducing a credit linked subsidy scheme for incentivising entrepreneurs in the highly potential FPI and Horticulture sector.

(Action Point 5. Govt of West Bengal)

- D) **SHG & Self Employment (SVSKP) advances** : Mr R Sen, Principal Secretary of SHG & SE Department requested the banks for immediate lodgement of pending subsidy claim for the eligible SHG groups in order to pass on the benefits to the SHG members at the earliest. The banks were also advised to dispose of the pending proposals under SVSKP loans with disbursement of subsidy.

(Action Point 6. Member banks)

Regarding NRLM scheme ,Ms C D Lama informed that while over 68000 loan applications are pending for disposal, an amount of Rs.4289 crore is yet to be disbursed in sanctioned loans. Mr Ray, Convener of SLBC assured the House that the banks would complete the process of sanctioning of partly disbursed loans by May,2020 and disposal of the pending proposals by June, 2020. The dead line was endorsed by Mr Dwivedi under advice of Dr Mitra. Sri M R Ray, Convener of SLBC requested WBSRLM to share the list of bank branches with details of the pending cases & undisbursed loans for necessary follow-up measures.

(Action point 7. WBSRLM & member banks)

Mr Dwivedi also advised that the Jagao data base should be explored for covering the new groups and credit outlay for FY 20-21 should be Rs.15000 crore and banks should target overall 10 lakh SHG groups under credit linkage in the current fiscal. Regarding the issue on term loan as raised by Ms Lama, the Controlling Heads of the banks are also to advise their branches for not insisting on term loans for the SHGs. Dr Mitra also advised that the banks should extend credit of Rs.5000/- to each of the SHG members (maximum Rs.1.00 lakh per group) as per provision of special package on account of the pandemic.

(Action point 8. SLBC & WBSRLM & member banks)



- E) **MSME Advances** Mr R Pandey, Principal Secretary of MSME & Textiles Department, opined that the banks should proactively cover the small entrepreneurs under MUDRA loans for revival of the sector which has been badly hit by the Pandemic. He also requested the banks to clear the pendency in PMEGP loans where only 2280 loans have been sanctioned in the year. It was also opined that the banks should put in a process for timely disposal of Handloom proposals.

(Action point 9. Member banks)

Responding to the query on relief provided to the MSME sector on account of COVID 19, Mr S S M Rao informed that banks are extending emergency line of credit amounting to 10% of fund based limit besides allowing reduction of Margin for assessment of Drawing Power. He also requested the State Govt Authorities to arrange for waiver of penalty as applicable for stamp duty on bank accounts for a specified period as suggested by Indian Banks' Association.

(Action point 10. Govt of West Bengal)

It was agreed that banks would proactively implement the RBI mandated relief measures to ease out the stress on Working Capital by reaching out to the MSME entrepreneurs. GoWB Authorities will also take up the matter with RBI regarding probable increase in the additional credit to 30%.

(Action point 11. Govt of West Bengal)

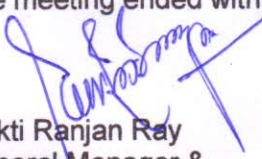
While appreciating the banks for satisfactory progress made in deployment of credit in MSME sector, Dr Mitra exhorted the banks to lend extensively on cluster approach and development of the clusters /industrial parks with focus on export credit. He also requested that the banks may consider the following facilities for non-fund advances covering the MSME entrepreneurs.

- Continuation of the existing Bank Guarantees upto 30-06-20 if expired during the Lockdown.
- Letter of Credit, if falling due during Lockdown, may be converted into term loan of 2 years with 6 months moratorium.

Dr. Mitra also suggested that a special meeting of the SLBC Sub Committee may be convened at the very earliest for preparing a detailed roadmap. He advised that the Department should immediately draw up an Action Plan with targets for the Deliverables to be achieved in a time bound manner. The Annual target of Rs.90000 crore for MSME in FY 20-21 as advised by Dr Mitra during the 148th SLBC meeting on 11-03-2020 has already been adopted by SLBC.

(Action Point 11. SLBC & Department of MSME & Textiles)

The meeting ended with vote of thanks to the Chair and the participants.


Mukti Ranjan Ray
General Manager &
Convener of SLBC

