

Minutes of 40th (special) SLBC meeting of SLBC Jharkhand on drought relief held on 05th October'2012, at Hotel Capitol Hill, Ranchi.

The 40th (Special) SLBC meeting of Jharkhand state on drought relief was held on 05th October'2012, at Hotel Capitol Hill, Ranchi, under the chairmanship of Sri T. R. Chawla, Executive Director of Allahabad Bank and was co-chaired by Sri Debashis Gupta, Development Commissioner of Jharkhand.

The meeting was attended by senior functionaries of Govt. of Jharkhand, Commercial Banks, Financial Institutions and other related agencies. (List annexed as annexure –I).

Sri R.N. Mohanty, General Manager, Allahabad Bank, Ranchi, welcomed the dignitaries and participants in the 40th SLBC meeting. In his welcome address Sri Mohanty described the special SLBC meeting as extremely vital & significant which has been specially convened to formulate the relief measures on account of Early season drought due to which sowing of paddy, the main crop of Kharif has been delayed significantly in all 24 districts of the State. All the 24 LDMs have also been instructed to convene special DCC meeting to formulate and implement immediate relief measures to the affected persons by extending credit as per their need. The Reserve Bank of India has already clarified that the RBI do not distinct "Drought" and "Early season drought" and all relief measures delineated in RBI master circular will be extended to all the affected people, which is provided in the agenda notes.

Sri T.R. Chawla, Executive Director, Allahabad Bank and chairperson of SLBC welcomed dignitaries and participants in special SLBC meeting which was convened to formulate plans to provide relief measures to all the persons/farmers affected by early season drought. The disaster Management department in its notification has directed all concerned departments of State Government to provide relief measures to the affected people. He hoped that the Banks operating in Jharkhand will provide full financial support to all affected persons of Jharkhand in terms of RBI guidelines.

Further, Sri Chwala highlighted that out of total population of 3.29 Crore (As per census 2011) of the state of Jharkhand there are 39 lakhs farmers and 46 % population is below Poverty line (BPL). The Net sown Area is 22.3 lakh hectares. Only 10.06 % area is irrigated and average land holding is 1.58 hectare. The Agriculture contributes 28.60 % to the State GDP. The major crops grown are Paddy (65.45 %), Maize (10.94 %), Wheat (4.26 %), Pulses (13.92 %), and oil seed (5.42 %). The early season drought affected the sowing of Kharif crop adversely which is evident from the rainfall data of Jharkhand State. In May'12, against the normal rainfall of 44.90 mm, the actual rainfall was 6.4 mm, in June'12, against the normal rainfall of 196.60 mm, the actual rainfall was 115.10 mm, in July'12, against the normal rainfall of 327.00 mm, the actual rainfall was 279.70 mm due to which sowing of Paddy, the major Kharif crop could be possible only in 23.84 % of targeted area of sowing.

However, Jharkhand is vulnerable to various natural induced disasters. State Govt. has taken proactive steps to strengthen its mitigation, preparedness, response, recovery and rehabilitation strategies to reduce the risk of disaster in the state by creating State Disaster Management Authority at State Level and District Disaster Management Authority in all the 24 Districts. In Jharkhand majority of population have very strong dependence on agriculture. Agriculture is the main stay for the 80 % of rural population of the State. Hence, Kisan credit card is a very strong means of extending timely credit to the farmers. Sri Chawla appreciated Banks in Jharkhand for adoption of relaxed norms for land possession certificate. The proposal mobilized & sponsored by line department of State Govt. will surely facilitate the Bankers in speedy lending under KCC. He also emphasized that special initiative needs to be taken for extending agriculture credit to the farmers which are to be renewed every year. The scope for lending for vegetables cultivation, Loan for repair of agricultural implements, Loan for Tractor, Power tillers etc should also be fully explored.

At the end of his deliberation Sri Chawla extended thanks to Development Commissioner of Jharkhand, various departments of state Govt. and development agencies and Banks operating in Jharkhand for their excellent support and co-operation extended in all spheres to carry out Banking activities in the State.

Sri Debasish Gupta, Development Commissioner of Jharkhand in his brief but very focused deliberation highlighted some of the challenges ahead of Banking industry. He said that the thrust of banking sector are fourfold. Every family must have a bank account and now bankers have the responsibility to reach the people. Secondly, penetration of Banks is required in the unbanked/underbanked area. Thirdly, after establishment of banking network, credit delivery to the people will be of paramount importance and finally, to recycle the funds efficiently recovery mechanisms are to be strengthened. He hoped that the special SLBC meeting on Drought declared in Jharkhand will definitely come out with some meaningful decisions for the farmers in Jharkhand.

Sri H. N. Panda, General Manager (OIC), Reserve Bank of India, Ranchi in his address to the house emphasized that the meeting was in the context of drought in Jharkhand. He expressed his happiness that finally Jharkhand got the State Cooperative Bank and hoped that the cooperative sector will be activated in terms of Baidynathan committee recommendation so that they also play their role in extending credit specially agriculture credit in Jharkhand. He also informed that RBI has now decided to upgrade its office in the state at par with other state office which is an indication of maturing banking industry in Jharkhand.

Coming on the Early drought in Jharkhand he appraised that all relief measures applicable in case of drought is applicable to Early Season drought as RBI master circular do not distinguish between Early season drought and regular drought. He said that relief measures delineated in RBI master Circular define

relief measures to be taken by Banks. He equally emphasized the relief measures to be taken up by the State Govt. in such situation and he hoped that the State Govt. would take all the steps so that Banks will tailor their concession and relief measures part to ensure delivery of these packages to the farmers.

Dr. S. Sarvana Vel, Chief General Manager, NABARD requested to avoid late drought or crop failure. He said that only 6 blocks in Jharkhand have been identified as over exploited blocks of ground water and remaining blocks have potential for utilization of ground water. He called upon the Bankers for providing more and more assistance for pump sets financing in these areas. He also requested State Govt .to provides assistance for Well, Bore well, Tanks, small Dams and sprinklers to avoid crop failure in next cropping season.

Thereafter, agenda wise discussion on Drought declared in Jharkhand was initiated by Sri R. N. Mohanty, General Manager and SLBC convener of Jharkhand.

1. Meeting of District Consultative Committee

To facilitate coordination and expeditious action by the financial institutions, the convener of the District Consultative Committee of the affected districts should convene a meeting immediately. DCC meeting on drought have already been convened in Deoghar, Khuti, Godda, Ranchi, E. Singhbhum, Chatra and Dumka. All the remaining districts DCs, LDMs and concerned controllers are requested to convene the DCC meeting to formulate the action plan. The minutes of the meeting to be sent to the SLBC.

Action: Concerned DCs of the remaining Districts,LDMs and controllers of the concerned LDMs

2. Special SLBC meeting

This meeting has been convened in terms of RBI master Circular by convener of SLBC.

3. Identification of the beneficiaries

Branches/ Offices will obtain list of affected villages in their respective area of operation from Govt. authorities for assessment of loss sustained by the existing borrowers of the branch as well as others. CGM NABARD clarified that there is no difference for implementation of relief measures in case of Regional Rural Banks and cooperative Banks.

Action: Concern State Govt. Deptt.

4. Identification of loss

In the case of natural calamities, such as drought, the Govt. authorities would have declared '**annewari**' to indicate the extent to which the crops are damaged. Where such declaration has not been made, banks should not delay in providing conversion facilities and the District Collector's certificate that crop yield is below 50% of the normal yield, supported by the view of DCC in this matter, for which a special meeting may have to be convened, should be sufficient for invoking quick relief arrangements. Sri A. K. Singh, Secretary

Agriculture informed that this exercise will be completed by the end of this month.

Action: State Govt.(Agriculture Deptt.)

Sri A. K. Singh, Secretary, Agriculture has requested to provide Bank wise and district wise data for the interest charged in Agriculture loans for previous year up to 31stMarch'2012 and for current year from 01st April'2012 to 30th September'2012, to find out the possibilities of providing interest subvention which is under consideration of the State Govt.

Action: All Banks

5. Priorities

Protecting and rejuvenating standing crops/ orchards/plantations/ livestock etc. Repairing and protecting livestock, shed grains and fodder storage structures, drainage, irrigation systems. Repairing pump sets, motors, engines and other necessary implements. Financing for next crop is also very important.

Action: State Govt. and All Banks

6. Agriculture loans

The Bank assistance in relation to agriculture would be needed in the form of short term loans for the purpose of raising crops, crop loan and term loans for purchase of milch/draught animals, minor irrigation, land renovation/reclamation etc.

Action :All Banks

7. Crop Insurance

Member banks raised the issue of coverage of crop insurance in the state. Their concern was regarding crop has been extended up to 30th Sepetember'2012, since they are not covered by the crop insurance company. The Secretary, Agriculture stated that cut off date for coverage of crop insurance is fixed by the Govt. of India. The representative of National Agriculture Insurance Company informed that the cut off date cannot be changed at state level as the same is decided by Govt. of India and SLBC is not the appropriate forum to discuss the matter.

Sri R. N. Mohanty, General Manager, Allahabad Bank & convener of SLBC Jharkhand suggested that cropping season in India is staggered due to variation in occurrence of rainfall in different parts of the country and dependence of growing of crop on rainfall. Hence, single cut off date for entire country would not help the farmers for crop insurance. The Development Commissioner suggested to compile the data of KCC financing for the month of September'2012 to take a view or to take up with Govt. of India.

Action: All Banks & Agriculture Deptt. State Govt.

8. The financial assistance required by borrowers

Consumption loans, fresh loans for resumption of normal business and restructuring of existing loans are some of the important components of relief

measures to be extended to the affected people. Some parts of Jharkhand received good shower in later part of monsoon and catchment areas are recharged. This stored water should be utilized for Rabi crops which need less water. Seeds and fertilizers should be made available to farmers for Rabi crops. Banks are requested to continue the credit flow to farmers for Rabi crops.

Action: State Govt. and All Banks

Proposed programme of action to be implemented by Banks

- Postponement of dues/Rescheduling/Restructuring of existing loans.
- Sanction of fresh loan to existing as well as new farmers for various agricultural operations.
- Sanction of loans for alternate business activities to affected farmers as per demand & feasibility of the area for earning their livelihood.
- Sanction/disbursement of all pending applications of KCC under Special Incentive scheme of GOJ.

Sri Debasish Gupta, Development Commissioner of Jharkhand advised that the target for the KCC will be the coverage of all the eligible farmers for issuance of KCC.

- Sanction/disbursement of GCC up to maximum limit of Rs. 25000/- to eligible affected non farmers by 31st October'2012.
- 100% Coverage of the household by opening of account on household basis under 'One account per family' scheme of GOI.
- 100% coverage under National Crop Insurance.

During the discussion it was resolved that the SLBC will collect the data for the disbursements during the month of September'2012, as this period was not covered under Agriculture insurance.

- Controlling offices of the Banks to issue set of instructions to their branches spelling out detailed action plan for drought affected people.

Action: All Banks

Proposed programme of action to be implemented by State Government

- Preparation of Block wise / Panchayat wise /village wise list of drought affected families and to be circulated among Banks.
- Supply of adequate quantity of seeds & fertilizers to affected farmers for undertaking alternate crop.
- Renovation of existing tube well/well/check dam/lift irrigation systems/ponds etc.
- All DCs to ensure meeting on regular basis to review the progress under Drought relief measures being implemented by the Banks and Govt.

Action: State Govt.

Sri T. R. Chawla, Executive Director, and chairperson of SLBC categorically spelt out that in terms of RBI guidelines the short term loan as well as interest due for

repayment in the year of occurrence of natural calamities may be converted in to term loan. He also mentioned some of the issues like Opening of one account per family. He emphasized that Aadhar number should be inked with the account number, because any benefit released by the Govt. can be seamlessly be credited in the account if UID is linked. Last date for Branch opening in unbanked villages over 5000 population in under banked districts was 30th September'2012 and any leniency in this regard should immediately be removed. Remaining areas will be covered by the BC model.

Sri S. R. Das, Dy. General Manager Central Bank of India, observed that agriculture credit extension is only a component of the entire development package to be delivered to the farmers. To improve the situation of the farmers we should provide power, infrastructure and other component to them.

Sri T. R. Chawla, Executive Director, Allahabad Bank and convener of SLBC Jharkhand requested to dispose off all the KCC application pending with banks mobilized under Special incentive scheme by 31st October'2012.

At the end meeting was concluded with the vote of thanks given by Smt. Praveena Kala, Dy. General Manager, State Bank of India, Ranchi.