

**MINUTES OF THE 73<sup>RD</sup> STATE LEVEL BANKERS' COMMITTEE, J&K  
HELD AT S.K.I.C.C., SRINAGAR, ON JUNE 18, 2008 AT 10.30 A.M.**

The 73<sup>rd</sup> meeting of the State Level Bankers' Committee (J&K) was held on 18<sup>th</sup> of June 2008 at S.K.I.C.C., Srinagar. The meeting was chaired by Dr. Haseeb A. Drabu, Chairman / CEO, J&K Bank and Convenor SLBC for J&K and Mr. S. S. Kapoor, Chief Secretary J&K, was the Chief Guest. Principal Secretary, Planning and Development, Principal Secretary, Labour and Employment, Commissioner/ Secretary Finance and other senior functionaries of J&K Government, Regional Director (J&K) RBI, Executive Directors of J&K Bank, heads of various Government Departments, and representatives from NABARD, all major member banks and other concerned development agencies operating in the State attended the meeting. The detailed list of participants is enclosed as [Annexure-A](#).

At the outset the Chairman extended warm welcome to all the participants of the meeting. He also extended formal congratulations to Mr. S. S. Kapoor, the Chief Guest, for his having recently assumed the highest office of the Chief Secretary of the J&K State.

Thereafter, the Chairman made a presentation before the house highlighting the performance of all banks and financial institutions operating in the State during the financial year ended March 2008. He said that the total credit of-take in the State has been to the tune of Rs.4356 Crore of which Rs.2000 Crore (about 46%) has gone to the Priority Sector, which constitutes 123% of the target fixed for the FY 2007-08 in financial terms. He said that this was for the first time in the history that banks had collectively out performed their targets for which banks need to be complimented. Analyzing it further, the Chairman informed the house that out of the Priority Sector advances of Rs.2000 Crore, Rs.370 Crore (i.e. about 18.5%) has gone to Agriculture, 29% to

SMEs, 13% to Micro Credit, 30% to Retail Trade, 2.9% to Education and 7.5% to Housing Sector. He however, expressed his concern that despite all efforts the banks have not been able to do better in Agriculture Sector, which is still languishing at just 18.5% of the total Priority Sector during the year under review. He said that the dismal performance of banks under Agriculture Sector required a detailed study to be done by the SLBC at some stage in future in order to see if there are any structural constraints to lending in Agriculture or any other reasons attributable to banks and other related institutions.

Commenting on the region-wise achievements of banks, the Chairman said that Jammu & Ladakh have exceeded the targets whereas Kashmir Region has not done so good and there was urgent need to upscale credit delivery in the Kashmir valley. He said that the banks had shown exemplary performance under Micro Credit and Retail Trade Sectors in Jammu and there was need to learn from the experiences in Jammu and replicate them in the valley.

He emphasized that the J&K Bank had achieved 127% of its total credit targets under Priority Sector in the State, whereas SBI and PNB had achieved 93% and 130% of their respective targets, which is quite appreciable. He said that out of the total credit disbursement done by all the banks in the State, the share of J&K Bank was 56%, SBI 9%, PNB 11%, other Commercial Banks 15%, Cooperative banks 4% and RRBs 5%. The Chairman expressed displeasure that despite having larger penetration in the rural areas, the RRBs and Cooperative Banks have not been performing well as per expectations.

Commenting on the performance of banks under Government Sponsored programmes the Chairman said that although the banks have shown a lot of improvement as compared to the previous year, yet the performance was still not upto the desired level. He also observed that the State Government was not proactive in the entire SLBC process and that the sponsored Schemes are not delivering as intended.

Mr. S. S. Kapoor, the Chief Secretary J&K State, in his address to the house, expressed his pleasure that he was associated with the SLBC, though in a different capacity on this occasion, and

said that it has been always his endeavour to make contributions to the deliberations in the SLBC in order to achieve better results. He said that Micro Finance Sector was having high potential for creation of employment opportunities everywhere and was in particular most relevant for J&K in view of the fact that very huge opportunities were offered by Handicrafts/ Handlooms sector. He attributed the low credit dispensation in Agriculture sector to weak institutional arrangements in the State. The Chief Secretary informed the house that the Govt. had agreed to implement the Vadyanathan Committee Report in J&K and the process of revitalization of the Cooperative Credit Institutions had begun. He added that revival of three RRBs in the State has been taken in hand and the financial allocations have already been provided for in the State Plan 2008-09 as per the State Government commitments and expressed hope that this would reflect in better credit performance under Agriculture Sector in the coming years. He also informed the house that Govt. has initiated moves to revitalize J&K State Financial Corporation (SFC) to make it active in its service to industrial sector in the State. He said that Govt. has also initiated moves to infuse new capital in J&K Bank. The Chief Secretary complimented the Chairman and staff of J&K Bank for having achieved 127% of its targets and also hailed the SBI, PNB and other commercial banks for their contribution in the economic upliftment of the State.

Commenting on the low performance of banks under Government Sponsored Programmes, the Chief Secretary said that we should all collectively introspect and see what is going wrong. He impressed upon the banks to maximize the process of growth and investment in the State.

### **Confirmation of Minutes of the 72<sup>nd</sup> SLBC meeting.**

As there were no comments from the members, the minutes of the 72<sup>nd</sup> SLBC meeting circulated vide letter No.JKB/SLBC/72/2008-758 dated 30.01.2008 were confirmed by the house. The house appreciated that the minutes had been recorded in a very nice manner and action points had been precisely indicated to the concerned. The Regional Director (J&K) RBI remarked that the action points should be specified and indicated in the same manner so that the concerned are rendered accountable for action and compliance.

## **POINTS OF ACTION OF PREVIOUS SLBC MEETING.**

### **Group on Bundling of Subsidies:**

The Chairman reminded the house that in the 70<sup>th</sup> SLBC meeting a group was formed under the Convenorship of Financial Commissioner (Agriculture) and desired to know the progress on the issue.

The Director Agriculture Kashmir informed the house that the group has not met yet and said that the Govt. intends to conduct that meeting of the said group within the next fortnight.

Reacting to this the Chairman observed that the Govt. was not proactive and serious on the decisions taken in SLBC. He expressed concern that three SLBC meetings have moved, but the group has not found time to meet. The Chief Secretary assured that the Principal Secretary (Agriculture) shall be advised to take desired action in the matter within next 3 months and submit his report to the forum for further course of action.

### **Bank-wise/ Region-wise targets under Handicrafts.**

The Chairman pointed out that during 70<sup>th</sup> SLBC meeting the Industries Secretary had been asked to work out targets for Handicrafts Sector for the year 2007-08 but despite three SLBC meetings passed, no action has been taken so far, which again indicated lack of involvement of Govt. Agencies.

Director Handicrafts clarifying the position raised the basic issue of having effective system of monitoring Credit Guarantee, which the Ministry of Textiles has given to J&K Bank. He also reminded the house that SIDBI had undertaken to popularize the idea of Credit Guarantee Scheme and also that a Committee had been formed by the Central Govt. which had decided to go for a cluster approach for ensuring maximum coverage of the Handicrafts. He expressed pleasure that J&K Bank, SBI and PNB have implemented this and have adopted a number of clusters in the State, where flow of credit is good. He informed that this year 1390 units had been sponsored to J&K Bank in various clusters in Srinagar and Ganderbal, which are being taken care by the J&K Bank.

Mr. M. S. Wani, Sr. Executive Manager, Convenor Bank clarified the position on Credit Guarantee and informed the house that Ministry of Textiles had provided an incentive by way of credit guarantee cover to the artisans for which premium money was transferred to J&K Bank, which was the nodal agency for the purpose. That money is with the Bank even now and needs to be utilized for seeking the guarantee cover and achieving the desired purpose of liberalizing the credit disbursement to the sector. The Director Handicrafts also informed the house that except J&K Bank no other bank has utilized the money.

- **All the banks operating in the State including SBI and PNB were advised to take necessary measures for utilizing the money for the intended purpose.**

**(Action: all banks)**

#### **Registration of Equitable Mortgage:**

Regarding Equitable Mortgage, Mr. B. B. Vyas, Commissioner/Secretary Finance, J&K Govt., stated that they are in dialogue with the Law Department who are of the opinion that the Equitable Mortgage does not have to be registered under the Section 59 of the transfer of Property Act. He informed the house that he has held meetings with the Law Secretary & the Revenue Secretary in this regard and is waiting for the formal clearance from Revenue Secretary. In the matter Commissioner/Secretary Finance suggested formation of a small committee to draft legislation on the issue.

At this point of time the Chairman pointed out that one of the major problems the State is going to face is the contention whether SARFAESI Act does apply to the J&K State or not. He emphasized that either the State should come up with its own legislation along lines of SARFAESI or allow the Act to apply in the State because impaired assets is a concern for every bank and this uncertainty is also preventing other banks from lending here.

- **The house decided to form a small Committee under the Chairmanship of Principal Secretary, Law J&K, with Commissioner Secretary (Revenue) J&K and Mr. Ajit Singh, President / CRO, J&K Bank, as its members. The basic draft on such legislation would be prepared by the J&K Bank on the pattern of SARFAESI ACT.**

**(Action: J&K Bank)**

### Setting up of Credit counseling / Financial Literacy centres.

On being asked by the Chairman to report progress, the DGM, SBI informed that the two centres started by the SBI at Kathua and Doda are running well and people are getting advantage with 608 farmers in Kathua and 488 farmers in Doda having got counseling from such centres so far.

The Chairman, J&K Bank informed that J&K Bank has already initiated steps to set up FLCs in Anantnag, Ganderbal, and Pulwama, where the bank is looking at providing access to the people to other financial services, like credit cards, deposit accounts etc. He informed the house that the bank has also started mobile credit counseling groups in villages.

Representative of PNB informed the house that PNB has formed 31 farmers clubs in Jammu who are contributing towards increasing financial literacy to general farmers. He said that the bank intends to start the similar thing in the valley soon. Besides, PNB has already started business facilitators/ business correspondents with the objective of going into field and providing financial education to farmers.

- **After threadbare discussion on the issue it was decided that whenever any new initiatives are taken by any bank, write up thereof should be sent to SLBC so that the experience could be shared by other banks at other areas.**

*(Action: All banks)*

- *It was also decided that in view of immense utility and usefulness of the website for communication and sharing of resources a dedicated website of SLBC (J&K) shall be launched very soon in conformity with the previous decision of the house. The Chairman directed the J&K Bank to ensure the same at the earliest.*

*(Action: Concerned functionaries/ Website team of J&K Bank)*

### Sub-Committee of SLBC on Relaxation to Trade & Industry.

*The Chairman informed the house that the RBI has already conveyed approval for extension in the period of relaxations to the Trade & Industry in J&K State for further one year.*

Apart from the above, the Chairman wanted to use the forum to highlight the fact that the GOI in its notification has withdrawn the basic exemptions to industry which includes excise duty exemption causing huge grief, suffering and uncertainty among the SMEs sector, particularly in Jammu region, which will definitely impair the investment climate in the State and the banks will soon witness a huge number of stressful accounts in the industry as lot of these enterprises were based on the assumptions of having excise duty exemptions, income tax rebates etc. He also stated that the revision in power tariff has added to the woes of the industry.

He recommended that SLBC should set up a small group to look into the implication of withdrawal of the aforesaid exemptions and recommend some systemic restructuring in order to prevent impairment of the accounts. Reminding the house that prior to 2004 the State had its own set of exemptions for the industry, he requested the Government to have a re-look of some of those exemptions in order to minimize the stress on industry.

Commenting on the issue, Mr. B.B.Vyas, Com./Secy. Finance J&K Govt., stated that he will seek approval from the Chief Secretary for broadening the scope of the proposed Committee and expressed the need to look at the desirability of some more incentives to industry in the State.

The Chairman Convenor Bank, while volunteering himself for the group, suggested that the representatives from SBI, PNB and

*some relevant Government Departments should also be associated with it, who would consider all possible relaxations for the industry including the power package and drop in the interest rates by the banks and work out a package from SLBC.*

*(Action: Finance Department, J&K Govt.)*

***Agenda Item No. 73.01***

**Credit to Priority Sector.**

The Chairman desired to know comments of the members on the figures presented by him relating to achievements under Priority Sector lending by banks, which stood at 123% of the target for the financial year 2007-08.

Reacting to this Chairman, EDB pointed out that as per Economic Survey 2007-08, 1.57 lac hectares of land is under Horticulture Sector for which the magnitude of investment required is 15700 Crores in Horticulture alone, where as the targets fixed are absolutely less when compared to the magnitude, which indicates that the finance is being sourced by money lenders. He said that RRBs need to be strengthened and requested the State Govt. to release their contribution of equity support to RRBs without which the contributions of GOI and Sponsor banks could not be passed on to the RRBs.

- **Reacting to this Mr. B. B. Vyas, Commissioner/Secretary Finance assured that 50% of the State Governments' share is likely to be released during the current month itself and the remaining 50% shall be released next year.**

***(Action: Finance Department, J&K Govt.)***

**Agenda Item No. 73.02.**

**Credit under Govt. Sponsored Schemes.**

The Principal Secretary, Labour and Employment in a brief address to the house said that growing unemployment was a major problem before the Government. He said that it was not possible for the Govt. to provide jobs in Govt. sector to every one as the Govt. jobs were very limited and highly competitive and that the only recourse was in promoting Self Employment Sector. Emphasizing that SLBC can contribute a great deal to minimize and check the rising trend of unemployment, the Principal



Secretary, Labour & Employment pointed out that in a last SLBC meeting a Small Committee had been set up to suggest corrective measures for effective implementation of Self Employment Scheme. The said Committee has taken a number of decisions aimed at encouraging the unemployed youth to take up self-employment income generating units. He assured that it was our moral duty to see that every youngman should get some source of livelihood for his sustenance.

The Regional Director, RBI, appreciating the role of banks in having achieved 123% of target under Priority Sector advances, said that he has advised the bankers to move out from their offices to meet the people, know their difficulties at grass root level.

- **Pointing out that RRBs and Cooperative Banks being very nearer to the masses, the RRBs and Cooperative banks were advised to meet the people in villages, assess their financial requirements, and take necessary steps for financing them.**

**(Action: All RRBs/ Cooperative Banks)**

#### **Agenda Item No.73.03.**

#### **Performance under Handicrafts/ Handloom/ Credit-cum-Subsidy Scheme for Rural Housing Schemes as at the end of March 2008.**

The issue stands already discussed under follow-up action points.

#### **Agenda Item No.73.04**

#### **Bank Credit at a Glance (A Glimpse of Aggregative analysis).**

Detailed Statistical data of various banks operating in the State as at the end of March 2008 was placed before the house through this Agenda Item for information of the members. The Regional Director, RBI appreciated the growth in C.D.Ratio of banks, which stood at 48% as on March 2008 as compared to just 26% as on March 2005 and said that there was further scope to grow. The House also appreciated that incremental C.D.Ratio of J&K Bank is at 122%.

#### **Agenda Item No. 73.05.**

#### **Achievements under KCC Scheme.**

The Chairman pointed out that achievement of banks under KCC Scheme was not so good and attributed the lack of

performance to a number of difficulties like lack of updation in land records, lack of coordination and shrinking agricultural land in the State. He said that only JRB has issued 11000 KCCs, which is a good example.

DGM PNB said that there might be problems with the sponsoring agencies, i.e. Agriculture Department also. Citing that PNB has been sponsored only 300 applications; PNB has directly issued 3295 KCCS.

Reacting to this the Chairman again pointed out that it was again indicative of lack of involvement from the Government side.

- **The Chief Secretary was requested to have a meeting of his senior colleagues from Agriculture, Industries, Finance, Planning, and Rural Development etc.**

**(Action: J&K Govt.)**

- **The Chairman advised Mr. A. M. Mir, Executive Director, J&K Bank to put a note to the Chief Secretary highlighting the points where we find that State Government is not proactive, so that the Government can look into the whole issue and issues appropriate instructions. The Chief Secretary agreed to take a meeting to look into the issue.**

**(Action: J&K Bank)**

The Director Agriculture joining deliberations on the issue pointed out that KCC applications are sponsored to banks as per the targets fixed at DCC/ DLRCs. He also said that there is a gap between the sponsoring, sanctioning and disbursement at bank level and requested that this missing link needs to be addressed.

Regional Director, RBI joining the discussion said that the G.C.C. (General Purpose Credit Cards) should also be clubbed with the figures of KCCs. In view of the fact that there are problems in issuing KCCs in absence of updation of the land records, the Regional Director, RBI suggested that format of information needs to be modified to include data in respect of both KCCs/ GCCs, which was agreed to by the members.

DGM, SBI informed the house that SBI has advised its branches that instead of depending only on the Government

sponsoring agencies, they themselves should meet the farmers, assess their requirements, and sanction their cases. He, however, pointed out that the problem lies with revenue department, as the cases forwarded to Revenue Department for verification are taking months together, with the result the farmers get disillusioned.

The Chief Secretary said that all these issues could be incorporated in the proposed note. He desired to have division-wise/ Bank-wise/ State-wise position containing the details of time gaps of cases sponsored, cases finally disbursed, so that we have some kind of a feed back also.

Mr. A. K. Sharma, representative of Central Bank of India informed the house that recently during his visit to some branches of his bank in Jammu region; a number of villagers' meets were conducted with the farmers with the objective of exploring possibilities of extending as many KCCs as possible. The basic impediment that came to the surface was the cumbersome process of acquiring Revenue papers from Patwaries, who also demand sizeable amounts for the purpose. He said that this problem needs to be addressed at the respective level, to pave way for successful implementation of the KCC scheme in the State.

Chairman, reminded the house that while he was a part of the 10<sup>th</sup> Finance Commission, an amount of Rs.15.00 Crores had been earmarked then for computerizing land records in the J&K State and since then every Finance Commission has been earmarking sizeable amounts for the purpose, but nothing has materialized so far.

Mr. M. S. Wani, Sr. Executive Manager, SLBC (J&K) pointed out that the real problem lies with the revenue records, which continue to be in the names of forefathers.

- **Appreciating the feed back from the representative of Central Bank of India and other members the Chief Secretary assured to issue suitable instructions in the matter in a general way and see what impact it has.**

**(Action: J&K Govt.)**

**Agenda Item No.73.06.**

### Achievement under SHGs.

The chairman informed the house that SBI was the only bank having disbursed Rs.7.67 Crores among 1135 SHGs in the State. On being asked to share their experience with the house, the DGM, SBI said that depending fully on NGOs will be very difficult for banks as there are no reliable NGOs in the State. Explaining the modus operandi of SBI for propagating SHG scheme, the DGM SBI said that SBI has given targets to Branch Managers who take initiatives and meet the people, interact with them with the help of farmers' clubs and encourage them to form SHGs, and it takes them 3-4 months in just convincing the farmers that the bank can extend them financial help through SHG Scheme only. He also said that SBI has adopted some villages which are called "**SBI ka Apna Gaon**", wherein the SHG Scheme is being promoted.

Further, the representative of SBI informed the house that SBI has been providing financial literacy to the people, encourage them to form SHGs and make them aware about their rights and responsibilities, which helps SBI to be a market leader in SHG programme.

The representative of Central Bank of India pointed out that in other States there are Women / Child Welfare Departments, who play constructive role in the formation of the SHGs. He said that Anganwadi workers at village level play a vital role in interacting with the women folk, counseling them in the line, making them aware of inherent advantages they can derive from the Scheme.

The representative of NABARD while presenting his viewpoint regarding the SHGs in the State said that the role of NGOs in promoting the SHGs in other states has remained outstanding particularly in Himachal Pradesh. The non-existence of well-organized and well-trained NGOs has been an impediment in the promotion of SHGs in J&K State. He however, suggested that this deficiency could be overcome by utilizing the services of Anganwadi Workers of the State who happen to be in touch with the people at the grass root level and can encourage the people to avail the advantages of the SHGs Scheme. In this connection he assured the house of all possible support from NABARD.

The Chairman said that the learning from the experiences of SBI was the Village Adoption concept for promoting SHG movement in the State and that the process could be started taking Anganwadi route or taking help from Rural Development Department and Social Welfare Department.

Summing up the discussion on the issue, the Chief Secretary said that SHGs Scheme has proved useful for the beneficiaries as well as for the banks in view of their collective strength of bargaining and excellent track record of repayments with the help of internal group pressures. He pointed out that in J&K we have departments like Social Welfare, Rural Development Deptt., Women Development Corporation (WDC) under the present M.D., Nahid Soz, (who has been playing a vital role in promoting SHGs). He said that Handicrafts department could also be utilized in the process, as there are standing instructions from the Development Commissioner Handicrafts about organizing Handicrafts Artisans into SHGs. **He suggested that the Committee under Principal Secretary, Social Welfare, Secretary Rural Development, MD, WDC and Secretary Industries & Comm. From Govt. side and SBI, PNB and J&K Bank from banker's side be constituted to work out a strategy and explore ways to promote the SHG movement in the State.**

(Action: J&K Govt.)

**Agenda Item No.73.07.**

**Branch Expansion/ Coverage of Districts by RRBs.**

The Chairman informed the house that there were seven uncovered districts in J&K like Leh, Kargil, Udhampur, Reasi, Ramban, Doda and Kishtwar and 3 RRBs were already operating here.

After brief deliberations on the issue the house decided to form a group comprising the Sponsor Banks, i.e. State Bank of India and J&K Bank and the Chairmen of three RRBs, under the chairmanship of Executive Director/ CFO of J&K Bank which would meet and put up a report regarding branch expansion plan keeping in view the merger plan of RRBs that stands already cleared and approved.

(Action: J&K Bank)

**Agenda Item No.73.08.**

**Venture Capital Fund for Poultry and Dairy.**

The Chairman pointed out that we have seen many interesting things on papers by NABARD but have never seen it happen on ground. He further said that a lot of agricultural financing is needed in the State.

NABARD representative said that that the Venture Capital Fund for Poultry and Dairy scheme was valid upto 2008. He however, clarified that the Scheme in respect of Dairy Portion been extended for 2008-09. He also informed the house that an integrated Dairy scheme covering rearing of animals, marketing and processing is also in the pipeline.

Summing up the discussion on the issue the Chairman said that NABARD should share the experience if it has any, otherwise there was need to set up another group under NABARD to work with the Credit Heads of all principal banks here, which shall be holding quarterly meetings to sort out things. He reiterated that NABARD needed to play a pro-active role in this.

(Action: NABARD)

**Item No. 73.09.**

**Disbursement of payments to beneficiaries by State Govt. – IT enabled financial inclusion.**

The Chairman said that it is not a regulatory issue alone but also a very serious commercial decision as it reduces transaction costs and improves reach. He informed the house that J&K Bank is presently engaged with Tata Consultancy Services (TCS) to look out solutions for small payments. Stressing the need to use and leverage technology to improve working the Chairman pointed out that the main problem was the lack of connectivity in the State as there is only one optic fiber connecting Delhi with Srinagar. He informed that the J&K Bank had to use Radio Links to manage its business here. He said that presently there are constraints, which are far beyond the individual capacity of any bank to handle. He expressed the hope that within next few months we would see better use of technology.

**Item No.73-10.**

**Poor performance of banks under SGSY.**

The issue stands discussed under Item No.73.02.

**Item No: 73.11**

**Extension/ Implementation of Debt-Swap Scheme in J&K State.**

The Chairman observed that the incidence of non-institutional money lending is not so high in J&K State and there is no distress in this area. As such, the forum considered that the issue has no scope in J&K.

**Item No. 73.12.**

**Setting up of Training Institute-RUDSETTI.**

The Chairman pointed out that the State Government in past had agreed in principal to allot some land for setting up the Institute here. On being asked by the Chief Secretary as to whether any request had been made and whether the said land is to be paid for, the Chairman replied that SLBC could make a fresh request to the Government for allotment of land for the purpose, which would be paid for by the banks concerned.

The Regional Director, RBI joining the deliberations on the issue said that State Bank has already set up some of the RUDSETTIS and now the GOI has asked for setting up of these RUDSETTIS and State Government are willing to provide lands for this purpose. In case any bank wants to set up such an institute here and needs land, then the Government can consider the request for it.

- **The Chief Secretary said that in case any bank was desirous of setting up an institute here and was in need of land, they are most welcome to write to the Chief Secretary.**

**Agenda Item No.73.13.**

**Total financial inclusion & Credit requirement of SHGs.**

The agenda item stands already discussed under Item No.73.06.

**Agenda Item No.73.14**

**Credit Linked Capital Subsidy Scheme:**

The RBI communication for technology up-gradation plan was placed before the house for information of the members.

**Agenda Item No.73.15.**

**Agriculture Debt Waiver & Debt Relief Scheme-2008 (as announced in the Union Budget).**

The Chairman briefed the house regarding the Scheme and updated the house with regard to progress achieved in

implementation of the Scheme in the State, so far, including deliberations in the Steering Committee of SLBC for the purpose, which met on 17.6.2008 at J&K Bank Corporate Headquarters to monitor the progress achieved in the matter.

The Commissioner Secretary Finance, Mr. B.B.Vyas invited attention of the house to the fact that the Chief Minister while speaking to the Agriculture Minister the other day had said that Horticulture would be covered under the Scheme as a part of the Agriculture lending.

Reacting to this the Chairman said that there was need to comply with the Scheme with **as-is-where-is basis** otherwise it would be difficult for the banks to get reimbursement on this account. Making it amply clear that cut off dates cannot be changed the Chairman expressed his intention that by 25<sup>th</sup> of the month the Finance Ministry shall be approached to explore possibilities of acquiring some concessions for inclusion of Horticulture under the Scheme in view of the distress found in north Kashmir because of drought etc. He assured that the members of SLBC would be kept updated regarding the further developments on the issue.

- **All the banks were advised to provide progress reports on the implementation of the Scheme to SLBC on daily basis. The Scheme being a time-bound affair, the Chairman said that he would be monitoring the scheme himself on daily basis with focus on critical players i.e. PNB, SBI and J&K Bank and Cooperative Banks and RRBs operating in the State.**

*(Action: All Banks/ Financial Institutions)*

**Other issues discussed in the meeting:**

**J&K Development Finance Corporation:**

One of the members pointed out that in the last Empowered Committee meeting it had been decided to open an office of the J&K Development Finance Corporation in Srinagar, but nothing has happened on operational level. The amount of Rs.50.00 Crores earmarked for the purpose is lying with some bank unutilized.

The Director, Industries & Commerce informed the house that the issue has been taken up with the concerned Managing



Director repeatedly requesting him to open their office in Srinagar and start operations from here.

- The Chief Secretary informed that the Board of J&K Development Financial Corporation is headed by Secretary, DIPP and desired to have a brief on the status of the issue, so that he would be personally writing to Mr. Ajay Shanker, Secretary DIPP.

*(Action: Director Industries & Commerce)*

- The Chief Secretary expressed his concern that some key players were not present in the meeting and advised that whosoever was the member of this forum must be invited and it should be ensured that the key players must be present in the meeting to make the deliberations result oriented and meaningful.

*(Action: Convenor Bank)*

**PMRY Scheme:**

The Director Employment pointed out that PMRY Scheme has been merged with some other scheme, but the department had gone ahead with the process of interviews and selection at DIC level but the cases could not be sponsored to banks in absence of the guidelines on the Scheme.

- Reply to this, the Regional Director, RBI informed that the guidelines in the matter are yet to come and the departments had to wait till these guidelines are issued.

*The meeting concluded with the vote of thanks to the chair and gratitude was expressed for involvement and contribution by the participants rendering the deliberations purposeful. Thereafter the participants were requested to join for the lunch hosted by the Convenor Bank.*

Sr. Executive.

[Annexure-A](#)

List of Participants of the 73<sup>rd</sup> Meeting of SLBC (J&K).

<u>S.No.</u>	<u>Name</u>	<u>...</u>	<u>Designation / Department.</u>
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## Chairman

1. *Dr. Haseeb A. Drabu* ... *Chairman/CEO J&K Bank*

## Chief Guest

2. **S.S.Kapur** ... **Chief Secretary, J&K State**

## Reserve Bank of India

3. O.P.Aggarwal ... Regional Director (J&K State)

4. M. R. Garg ... Deputy General Manager

5. B.S.Katoes ... Assistant General Manager

6. Anand Swaroop ... Research Officer.

## NABARD

7. P. L. Negi ... OIC, NABARD, Srinagar

## Government Departments

8. M. I. Khanday ... Principal Secretary, Planning Dev.  
Deptt.

9. B. L. Nimesh ... Principal Secretary, Labour &  
Employment

10. B. B.Vyas .... Commissioner Secretary, Finance  
Deptt.

11. M.Yousuf Dar ... Special Secretary,  
Agriculture Deptt.

12. M. Saleem ... Additional Secretary, Finance  
Deptt.

13. M.A.Shah ... Additional Secretary, Industries &  
Commerce

14. M. Abass ... Director, Rural Dev. Deptt.  
(Kashmir)

15. B. S. Dua ... Managing Director, SIDCO

16. R. A. Quadri ... Director, Handicrafts  
Department

17. Nirmal Sharma ... Director Handlooms Department

18. M.A.Shah ... Director, Agriculture Deptt.  
Kashmir

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|-----|---|-----|----------------------------------|
| 19. | Farooq Ahmad<br>Kashmir                 | ... | Director, Industries & Commerce, |
| 20. | R. K. Srangal<br>Deptt. (Central)       | ... | Dy. Director, Employment         |
| 21. | Arshad Majid Butt<br>ST, BC Corporation | ... | Divisional Manager, J&K SC,      |
| 22. | R. C. Sharma                            | ... | Secretary/CEO, J&K KVIB          |

**Convenor Bank (J&K Bank)**

- |     |                  |     |                          |
|-----|------------------|-----|--------------------------|
| 23. | A.K.Mehta        | ... | Executive Director,      |
| 24. | Abdul Majeed Mir | ... | Executive Director.      |
| 25. | Ajit Singh       | ... | President                |
| 26. | Tafazul Hussain  | ... | President                |
| 27. | M.S.Wani         | ... | Senior Executive Manager |

**Public Sector Banks**

- |     |                               |     |                               |
|-----|-------------------------------|-----|-------------------------------|
| 28. | S. P. Singh                   | ... | DGM, SBI                      |
| 29. | R. K. Koul                    | ... | Chief Manager, SBI,           |
| 30. | R. C. Kaul                    | ... | DGM, PNB                      |
| 31. | M. Latif Mir                  | ... | AGM, PNB                      |
| 32. | A. K. Mota                    | ... | District Coordinator, PNB     |
| 33. | S. N. Chopra<br>Commerce      | ... | DGM, Oriental Bank of         |
| 34. | A. K. Sharma<br>CBI           | ... | Chief Officer (Rural Dev.),   |
| 35. | S. S. Shinde<br>Overseas Bank | ... | Senior Manager, Indian        |
| 36. | Parminder Singh               | ... | Senior Manager, P&S Bank      |
| 37. | R. R. Rajput<br>India         | ... | Chief Manager, Bank of        |
| 38. | N.P. Singh                    | ... | Senior Manager, Bank of India |
| 39. | Prem Malik<br>Bank.           | ... | Chief Manager, Canara         |

**Regional Rural Banks**

- |     |                      |     |                             |
|-----|----------------------|-----|-----------------------------|
| 40. | O. P. Sharma<br>Bank | ... | Chairman, Jammu Rural       |
| 41. | B. A. Lone           | ... | Chairman, Kamraz Rural Bank |
| 42. | Ahmad Ullah Tak      | ... | Chairman, EDB               |

### Cooperative Banks

- |     |                            |     |                                |
|-----|----------------------------|-----|--------------------------------|
| 43. | B. A. Lone                 | ... | General Manager B. C. C. Bank  |
| 44. | Atta Mohammad Nath<br>Bank | ... | General Manager A. C. C.       |
| 45. | F. A. Khan                 | ... | GM, J&K State Cooperative Bank |

### SIDBI

- |     |              |     |                |
|-----|--------------|-----|----------------|
| 46. | M. C. Dhiman | ... | Manager, SIDBI |
|-----|--------------|-----|----------------|

### IDBI

- |     |                 |     |           |
|-----|-----------------|-----|-----------|
| 47. | S. Sanjay Kumar | ... | AGM, IDBI |
|-----|-----------------|-----|-----------|

### BDSMs/ Lead District Managers

- |     |                                   |     |                           |
|-----|-----------------------------------|-----|---------------------------|
| 48. | M. A. Chuloo                      | ... | BDSM, Srinagar            |
| 49. | M. M. Fayaz                       | ... | BDSM, Pulwama             |
| 50. | Abdul Hamid Khan                  | ... | BDSM, Budgam              |
| 51. | T. K. Kokiloo<br>Rajouri & Poonch | ... | Lead District Manager,    |
| 52. | A. H. Khan                        | ... | ALBO, Srinagar/ Ganderbal |
| 53. | M. S. Gilkar                      | ... | ALBO, Anantnag            |
| 54. | M. Ramzan Mir                     | ... | ALBO, Kupwara.            |

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## POINTS OF ACTION OF PREVIOUS SLBC MEETING.

### Group on Bundling of Subsidies:

The Chairman reminded the house that in the 70<sup>th</sup> SLBC meeting a group was formed under the Convenorship of Financial Commissioner (Agriculture) and desired to know the progress on the issue.

The Director Agriculture Kashmir informed the house that the group has not met yet and said that the Govt. intends to conduct that meeting of the said group within the next fortnight.

Reacting to this the Chairman observed that the Govt. was not proactive and serious on the decisions taken in SLBC. He expressed concern that three SLBC meetings have moved, but the group has not found time to meet. **The Chief Secretary assured that the Principal Secretary (Agriculture) shall be advised to take desired action in the matter within next 3 months and submit his report to the forum for further course of action.**

*(Action: J&K Govt.)*

### Bank-wise/ Region-wise targets under Handicrafts.

The Chairman pointed out that during 70<sup>th</sup> SLBC meeting the Industries Secretary had been asked to work out targets for Handicrafts Sector for the year 2007-08 but despite three SLBC meetings passed, no action has been taken so far, which again indicated lack of involvement of Govt. Agencies.

Director Handicrafts clarifying the position raised the basic issue of having effective system of monitoring Credit Guarantee, which the Ministry of Textiles has given to J&K Bank. He also reminded the house that SIDBI had undertaken to popularize the idea of Credit Guarantee Scheme and also that a Committee had been formed by the Central Govt. which had decided to go for a cluster approach for ensuring maximum coverage of the Handicrafts. He expressed pleasure that J&K Bank, SBI and PNB have implemented this and have adopted a number of clusters in the State, where flow of credit is good. He informed that this year 1390 units had been sponsored to J&K Bank in various clusters in Srinagar and Ganderbal, which are being taken care by the J&K Bank.

Mr. M. S. Wani, Sr. Executive Manager, Convenor Bank clarified the position on Credit Guarantee and informed the

house that Ministry of Textiles had provided an incentive by way of credit guarantee cover to the artisans for which premium money was transferred to J&K Bank, which was the nodal agency for the purpose. That money is with the Bank even now and needs to be utilized for seeking the guarantee cover and achieving the desired purpose of liberalizing the credit disbursement to the sector. The Director Handicrafts also informed the house that except J&K Bank no other bank has utilized the money.

- **All the banks operating in the State including SBI and PNB were advised to take necessary measures for utilizing the money for the intended purpose.**

**(Action: all banks)**

#### **Registration of Equitable Mortgage:**

Regarding Equitable Mortgage, Mr. B. B. Vyas, Commissioner/Secretary Finance, J&K Govt., stated that they are in dialogue with the Law Department who are of the opinion that the Equitable Mortgage does not have to be registered under the Section 59 of the transfer of Property Act. He informed the house that he has held meetings with the Law Secretary & the Revenue Secretary in this regard and is waiting for the formal clearance from Revenue Secretary. In the matter Commissioner/Secretary Finance suggested formation of a small committee to draft legislation on the issue.

At this point of time the Chairman pointed out that one of the major problems the State is going to face is the contention whether SARFAESI Act does apply to the J&K State or not. He emphasized that either the State should come up with its own legislation along lines of SARFAESI or allow the Act to apply in the State because impaired assets is a concern for every bank and this uncertainty is also preventing other banks from lending here.

- **The house decided to form a small Committee under the Chairmanship of Principal Secretary, Law J&K, with Commissioner Secretary (Revenue) J&K and Mr. Ajit Singh, President / CRO, J&K Bank, as its members. The basic draft on such legislation would be prepared by the J&K Bank on the pattern of SARFAESI ACT.**

**(Action: J&K Bank)**

#### **Setting up of Credit counseling / Financial Literacy centres.**

On being asked by the Chairman to report progress, the DGM, SBI informed that the two centres started by the SBI at

Kathua and Doda are running well and people are getting advantage with 608 farmers in Kathua and 488 farmers in Doda having got counseling from such centres so far.

The Chairman, J&K Bank informed that J&K Bank has already initiated steps to set up FLCs in Anantnag, Ganderbal, and Pulwama, where the bank is looking at providing access to the people to other financial services, like credit cards, deposit accounts etc. He informed the house that the bank has also started mobile credit counseling groups in villages.

Representative of PNB informed the house that PNB has formed 31 farmers clubs in Jammu who are contributing towards increasing financial literacy to general farmers. He said that the bank intends to start the similar thing in the valley soon. Besides, PNB has already started business facilitators/ business correspondents with the objective of going into field and providing financial education to farmers.

- **After threadbare discussion on the issue it was decided that whenever any new initiatives are taken by any bank, write up thereof should be sent to SLBC so that the experience could be shared by other banks at other areas.**

*(Action: All banks)*

- *It was also decided that in view of immense utility and usefulness of the website for communication and sharing of resources a dedicated website of SLBC (J&K) shall be launched very soon in conformity with the previous decision of the house. The Chairman directed the J&K Bank to ensure the same at the earliest.*

*(Action: Concerned functionaries/ Website team of J&K Bank)*

#### **Sub-Committee of SLBC on Relaxation to Trade & Industry.**

*The Chairman informed the house that the RBI has already conveyed approval for extension in the period of relaxations to the Trade & Industry in J&K State for further one year.*

*Apart from the above, the Chairman wanted to use the forum to highlight the fact that the GOI in its notification has withdrawn the basic exemptions to industry which includes excise*

duty exemption causing huge grief, suffering and uncertainty among the SMEs sector, particularly in Jammu region, which will definitely impair the investment climate in the State and the banks will soon witness a huge number of stressful accounts in the industry as lot of these enterprises were based on the assumptions of having excise duty exemptions, income tax rebates etc. He also stated that the revision in power tariff has added to the woes of the industry.

He recommended that SLBC should set up a small group to look into the implication of withdrawal of the aforesaid exemptions and recommend some systemic restructuring in order to prevent impairment of the accounts. Reminding the house that prior to 2004 the State had its own set of exemptions for the industry, he requested the Government to have a re-look of some of those exemptions in order to minimize the stress on industry.

Commenting on the issue, Mr. B.B.Vyas, Com./Secy. Finance J&K Govt., stated that he will seek approval from the Chief Secretary for broadening the scope of the proposed Committee and expressed the need to look at the desirability of some more incentives to industry in the State.

The Chairman Convenor Bank, while volunteering himself for the group, suggested that the representatives from SBI, PNB and some relevant Government Departments should also be associated with it, who would consider all possible relaxations for the industry including the power package and drop in the interest rates by the banks and work out a package from SLBC.

(Action: Finance Department, J&K Govt.)



### ***Agenda Item No. 73.01***

#### **Credit to Priority Sector.**

The Chairman desired to know comments of the members on the figures presented by him relating to achievements under Priority Sector lending by banks, which stood at 123% of the target for the financial year 2007-08.

Reacting to this Chairman, EDB pointed out that as per Economic Survey 2007-08, 1.57 lac hectares of land is under Horticulture Sector for which the magnitude of investment required is 15700 Crores in Horticulture alone, where as the targets fixed are absolutely less when compared to the magnitude, which indicates that the finance is being sourced by money lenders. He said that RRBs need to be strengthened and requested the State Govt. to release their contribution of equity support to RRBs without which the contributions of GOI and Sponsor banks could not be passed on to the RRBs.

- **Reacting to this Mr. B. B. Vyas, Commissioner/Secretary Finance assured that 50% of the State Governments' share is likely to be released during the current month itself and the remaining 50% shall be released next year.**

**(Action: Finance Department, J&K Govt.)**

### **Agenda Item No. 73.02.**

#### **Credit under Govt. Sponsored Schemes.**

The Principal Secretary, Labour and Employment in a brief address to the house said that growing unemployment was a major problem before the Government. He said that it was not possible for the Govt. to provide jobs in Govt. sector to every one as the Govt. jobs were very limited and highly competitive and that the only recourse was in promoting Self Employment Sector. Emphasizing that SLBC can contribute a great deal to minimize and check the rising trend of unemployment, the Principal Secretary, Labour & Employment pointed out that in a last SLBC meeting a Small Committee had been set up to suggest corrective measures for effective implementation of Self Employment Scheme. The said Committee has taken a number of decisions aimed at encouraging the unemployed youth to take up self-employment income generating units. He assured that it was our moral duty to see that every young man should get some source of livelihood for his sustenance.

The Regional Director, RBI, appreciating the role of banks in having achieved 123% of target under Priority Sector advances, said that he has advised the bankers to move out from their offices to meet the people, know their difficulties at grass root level.

- **Pointing out that RRBs and Cooperative Banks being very nearer to the masses, the RRBs and Cooperative banks were advised to meet the people in villages, assess their financial requirements, and take necessary steps for financing them.**  
(Action: All RRBs/ Cooperative Banks)

#### **Agenda Item No. 73.05.**

#### **Achievements under KCC Scheme.**

The Chairman pointed out that achievement of banks under KCC Scheme was not so good and attributed the lack of performance to a number of difficulties like lack of updation in land records, lack of coordination and shrinking agricultural land in the State. He said that only JRB has issued 11000 KCCs, which is a good example.

DGM PNB said that there might be problems with the sponsoring agencies, i.e. Agriculture Department also. Citing that PNB has been sponsored only 300 applications; PNB has directly issued 3295 KCCS.

Reacting to this the Chairman again pointed out that it was again indicative of lack of involvement from the Government side.

- **The Chief Secretary was requested to have a meeting of his senior colleagues from Agriculture, Industries, Finance, Planning, and Rural Development etc.**  
(Action: J&K Govt.)
- **The Chairman advised Mr. A. M. Mir, Executive Director, J&K Bank to put a note to the Chief Secretary highlighting the points where we find that State Government is not proactive, so that the Government can look into the whole issue and issues appropriate instructions. The Chief Secretary agreed to take a meeting to look into the issue.**  
(Action: J&K Bank)

The Director Agriculture joining deliberations on the issue pointed out that **KCC applications** are sponsored to banks as per

the targets fixed at DCC/ DLRCs. He also said that there is a gap between the sponsoring, sanctioning and disbursement at bank level and requested that this missing link needs to be addressed.

Regional Director, RBI joining the discussion said that the **G.C.C. (General Purpose Credit Cards) should also be clubbed with the figures of KCCs.** In view of the fact that there are problems in issuing KCCs in absence of updation of the land records, the Regional Director, RBI suggested that format of information needs to be modified to include data in respect of both KCCs/ GCCs, which was agreed to by the members.

DGM, SBI informed the house that SBI has advised its branches that instead of depending only on the Government sponsoring agencies, they themselves should meet the farmers, assess their requirements, and sanction their cases. He, however, pointed out that the problem lies with revenue department, as the cases forwarded to Revenue Department for verification are taking months together, with the result the farmers get disillusioned.

The Chief Secretary said that all these issues could be incorporated in the proposed note. He desired to have division-wise/ Bank-wise/ State-wise position containing the details of time gaps of cases sponsored, cases finally disbursed, so that we have some kind of a feed back also.

Mr. A. K. Sharma, representative of Central Bank of India informed the house that recently during his visit to some branches of his bank in Jammu region; a number of villagers' meets were conducted with the farmers with the objective of exploring possibilities of extending as many KCCs as possible. The basic impediment that came to the surface was the cumbersome process of acquiring Revenue papers from Patwaries, who also demand sizeable amounts for the purpose. He said that this problem needs to be addressed at the respective level, to pave way for successful implementation of the KCC scheme in the State.

Chairman, reminded the house that while he was a part of the 10<sup>th</sup> Finance Commission, an amount of Rs.15.00 Crores had been earmarked then for computerizing land records in the J&K

State and since then every Finance Commission has been earmarking sizeable amounts for the purpose, but nothing has materialized so far.

Mr. M. S. Wani, Sr. Executive Manager, SLBC (J&K) pointed out that the real problem lies with the revenue records, which continue to be in the names of forefathers.

- **Appreciating the feed back from the representative of Central Bank of India and other members the Chief Secretary assured to issue suitable instructions in the matter in a general way and see what impact it has.**

**(Action: J&K Govt.)**

### **Agenda Item No.73.06.**

#### **Achievement under SHGs.**

The chairman informed the house that SBI was the only bank having disbursed Rs.7.67 Crores among 1135 SHGs in the State. On being asked to share their experience with the house, the DGM, SBI said that depending fully on NGOs will be very difficult for banks as there are no reliable NGOs in the State. Explaining the modus operandi of SBI for propagating SHG scheme, the DGM SBI said that SBI has given targets to Branch Managers who take initiatives and meet the people, interact with them with the help of farmers' clubs and encourage them to form SHGs, and it takes them 3-4 months in just convincing the farmers that the bank can extend them financial help through SHG Scheme only. He also said that SBI has adopted some villages which are called "**SBI ka Apna Gaon**", wherein the SHG Scheme is being promoted.

Further, the representative of SBI informed the house that SBI has been providing financial literacy to the people, encourage them to form SHGs and make them aware about their rights and responsibilities, which helps SBI to be a market leader in SHG programme.

The representative of Central Bank of India pointed out that in other States there are Women / Child Welfare Departments, who play constructive role in the formation of the SHGs. He said that Anganwadi workers at village level play a vital role in interacting with the women folk, counseling them in the line, making them aware of inherent advantages they can derive from the Scheme.

The representative of NABARD while presenting his viewpoint regarding the SHGs in the State said that the role of NGOs in promoting the SHGs in other states has remained outstanding particularly in Himachal Pradesh. The non-existence of well-organized and well-trained NGOs has been an impediment in the promotion of SHGs in J&K State. He however, suggested that this deficiency could be overcome by utilizing the services of Anganwadi Workers of the State who happen to be in touch with the people at the grass root level and can encourage the people to avail the advantages of the SHGs Scheme. In this connection he assured the house of all possible support from NABARD.

The Chairman said that the learning from the experiences of SBI was the Village Adoption concept for promoting SHG movement in the State and that the process could be started taking Anganwadi route or taking help from Rural Development Department and Social Welfare Department.

Summing up the discussion on the issue, the Chief Secretary said that SHGs Scheme has proved useful for the beneficiaries as well as for the banks in view of their collective strength of bargaining and excellent track record of repayments with the help of internal group pressures. He pointed out that in J&K we have departments like Social Welfare, Rural Development Deptt., Women Development Corporation (WDC) under the present M.D., Nahid Soz, (who has been playing a vital role in promoting SHGs). He said that Handicrafts department could also be utilized in the process, as there are standing instructions from the Development Commissioner Handicrafts about organizing Handicrafts Artisans into SHGs. **He suggested that the Committee under Principal Secretary, Social Welfare, Secretary Rural Development, MD, WDC and Secretary Industries & Commerce from Govt. side and SBI, PNB and J&K Bank from banker's side be constituted to work out a strategy and explore ways to promote the SHG movement in the State.**

**(Action: J&K Govt.)**

#### **Agenda Item No.73.07.**

#### **Branch Expansion/ Coverage of Districts by RRBs.**

The Chairman informed the house that there were seven uncovered districts in J&K like Leh, Kargil, Udhampur, Reasi,

Ramban, Doda and Kishtwar and 3 RRBs were already operating here.

After brief deliberations on the issue the house decided to form a group comprising the Sponsor Banks, i.e. State Bank of India and J&K Bank and the Chairmen of three RRBs, under the chairmanship of Executive Director/ CFO of J&K Bank which would meet and put up a report regarding branch expansion plan keeping in view the merger plan of RRBs that stands already cleared and approved.

**(Action: J&K Bank)**

**Agenda Item No.73.08.**

**Venture Capital Fund for Poultry and Dairy.**

The Chairman pointed out that we have seen many interesting things on papers by NABARD but have never seen it happen on ground. He further said that a lot of agricultural financing is needed in the State.

NABARD representative said that that the Venture Capital Fund for Poultry and Dairy scheme was valid upto 2008. He however, clarified that the Scheme in respect of Dairy Portion been extended for 2008-09. He also informed the house that an integrated Dairy scheme covering rearing of animals, marketing and processing is also in the pipeline.

Summing up the discussion on the issue the Chairman said that NABARD should share the experience if it has any, otherwise there was need to set up another group under NABARD to work with the Credit Heads of all principal banks here, which shall be holding quarterly meetings to sort out things. He reiterated that NABARD needed to play a pro-active role in this.

**(Action: NABARD)**

**Item No. 73.12.**

**Setting up of Training Institute-RUDSETTI.**

The Chairman pointed out that the State Government in past had agreed in principal to allot some land for setting up the Institute here. On being asked by the Chief Secretary as to whether any request had been made and whether the said land is to be paid for, the Chairman replied that SLBC could make a fresh request to the Government for allotment of land for the purpose, which would be paid for by the banks concerned.

The Regional Director, RBI joining the deliberations on the issue said that State Bank has already set up some of the RUDSETTIS and now the GOI has asked for setting up of these RUDSETTIS and State Government are willing to provide lands for this purpose. In case any bank wants to set up such an institute here and needs land, then the Government can consider the request for it.

- **The Chief Secretary said that in case any bank was desirous of setting up an institute here and was in need of land, they are most welcome to write to the Chief Secretary.**

### **Agenda Item No.73.15.**

#### **Agriculture Debt Waiver & Debt Relief Scheme-2008 (as announced in the Union Budget).**

The Chairman briefed the house regarding the Scheme and updated the house with regard to progress achieved in implementation of the Scheme in the State, so far, including deliberations in the Steering Committee of SLBC for the purpose, which met on 17.6.2008 at J&K Bank Corporate Headquarters to monitor the progress achieved in the matter.

The Commissioner Secretary Finance, Mr. B.B.Vyas invited attention of the house to the fact that the Chief Minister while speaking to the Agriculture Minister the other day had said that Horticulture would be covered under the Scheme as a part of the Agriculture lending.

Reacting to this the Chairman said that there was need to comply with the Scheme with **as-is-where-is basis** otherwise it would be difficult for the banks to get reimbursement on this account. Making it amply clear that cut off dates cannot be changed the Chairman expressed his intention that by 25<sup>th</sup> of the month the Finance Ministry shall be approached to explore possibilities of acquiring some concessions for inclusion of Horticulture under the Scheme in view of the distress found in north Kashmir because of drought etc. He assured that the members of SLBC would be kept updated regarding the further developments on the issue.

- **All the banks were advised to provide progress reports on the implementation of the Scheme to SLBC on daily basis.**

The Scheme being a time-bound affair, the Chairman said that he would be monitoring the scheme himself on daily basis with focus on critical players i.e. PNB, SBI and J&K Bank and Cooperative Banks and RRBs operating in the State.

*(Action: All Banks/ Financial Institutions)*

**Other issues discussed in the meeting:**

**J&K Development Finance Corporation:**

One of the members pointed out that in the last Empowered Committee meeting it had been decided to open an office of the J&K Development Finance Corporation in Srinagar, but nothing has happened on operational level. The amount of Rs.50.00 Crores earmarked for the purpose is lying with some bank unutilized.

The Director, Industries & Commerce informed the house that the issue has been taken up with the concerned Managing Director repeatedly requesting him to open their office in Srinagar and start operations from here.

- **The Chief Secretary informed that the Board of J&K Development Financial Corporation is headed by Secretary, DIPP and desired to have a brief on the status of the issue, so that he would be personally writing to Mr. Ajay Shanker, Secretary DIPP.**

*(Action: Director Industries & Commerce)*

- **The Chief Secretary expressed his concern that some key players were not present in the meeting and advised that whosoever was the member of this forum must be invited and it should be ensured that the key players must be present in the meeting to make the deliberations result oriented and meaningful.**

*(Action: Convenor Bank)*

**PMRY Scheme:**

The Director Employment pointed out that PMRY Scheme has been merged with some other scheme, but the department had gone ahead with the process of interviews and selection at DIC level but the cases could not be sponsored to banks in absence of the guidelines on the Scheme.

- **Reply to this, the Regional Director, RBI informed that the guidelines in the matter are yet to come and the departments had to wait till these guidelines are issued.**



