

MINUTES OF 79TH MEETING OF SLBC (J&K) HELD ON 20TH MAY 2010 AT SRINAGAR

The 79th meeting of State Level Bankers' Committee (SLBC) of J & K state to review the performance of banking sector for the previous year ended on 31.03.2010 under Annual Credit Plan (ACP) was held on 20th of May 2010 at SKICC, Srinagar. The meeting was presided over by Dr. Haseeb A. Drabu, Chairman J&K Bank and Convenor J&K SLBC. The Chief Secretary, J&K State, Mr. S. S. Kapoor was the Chief Guest. Mr. Samir K. Sinha, Director, Department of Financial Services, Government of India, Ministry of Finance, (Nodal Officer for J&K) attended the meeting on behalf of Government of India. The members who attended the meeting comprised top functionaries of the concerned wings of civil administration and major banks including Principal Secretary, Agriculture Production, Commissioner/ Secretary Industries & Commerce, Commissioner/ Secretary, Rural Development, Commissioner/ Secretary, Labour & Employment, Executive Directors of J&K Bank, Regional Director (for J&K) Reserve Bank of India, senior officials of various line departments and development agencies and senior representatives of NABARD, major banks/ financial institutions operating in the State. The list of participants is enclosed as **Annexure-A**.

The dignitaries and guests were received at the venue by the senior management team of J & K Bank (the convener). At the outset the Chairman extended a warm welcome to the Chief Secretary, GoI representative & Nodal Officer for J&K, other dignitaries and members attending the meeting. Thereafter, he gave a visual presentation before the house demonstrating a comprehensive and analytical overview of basic economic indicators and credit scenario of the State and highlighted the performance of banks operating in the State for flow of credit under Annual Credit Plan during the FY 2009-10, based on the data furnished and analysis provided under agenda items 79.01 to 79.06, for reviewing the position. The glimpses of the presentation are captured as under:

J&K Economy (Basic indicators):

Dr, Drabu briefly highlighting the basic indicators of J&K economy stated that J&K State has a total population of 1.01 Core with an area of 1,01,387 square kilometers thus having the density of 100 per square kilometer as compared to 325 at national level. The per capita income of the State stood at Rs.20,190 (as against Rs.26,000 at national level) and the BPL population of the state stood at 3.48% (as against 26.10% at national level). He stated that the literacy rate of the State stood at 55.52% (as against 64.84% at national level), un-employment rate is at 4.21 (as against 3.09 at national level), road length (per 100 sq.kms) of the State stood at 35.71 kms as compared to 104.64 kms. at national level, bank offices per 100 sq.kms are at 0.85 compared to 2.18 at national level and average population per bank office in J&K State stood at 13,000 as compared to 16,000 at national level.

J&K Economy (Structural Indicators):

Dr. Drabu stated that average land holding in J&K stood at 0.66 hectares compared to 1.41 hectares at national level. Cultivators as to total workers in the State stood at 42.40% compared to 31.65% at national level) and Agriculture Labourers as to total workers stood at 6.56% as compared to national average of 26.55%. Dr. Drabu stated that J&K has lot of cultivators with low holdings but we don't have agriculture labourers. He stated that household workers of J&K State at 6.25% are larger as compared to the national average of 4.21%, which is indicative of the fact that we have handicrafts industry. He stated that the gross irrigated area in J&K state at about 41% is comparable to at national level of 40%.

Financial Exclusion of J&K (Basic Facts):

Dr. Drabu highlighted that the incidence of financial exclusion in J&K State at 46 bank accounts per 100 adults is higher than the national average of 59 bank accounts per 100 adults. He stated that the exclusion is more pronounced in the northern districts of the State like Kupwara (having 20 bank accounts per 100).

Inter-regional variations:

Highlighting the extent of variation in banking infrastructure in the State, Dr. Drabu stated that Leh district has only 1 bank branch per 3,000 square kilometers, whereas Jammu district has 1 bank branch per 15 sq.kms. Similarly, in Kupwara district we have one bank branch per 20,000 people, whereas in Leh district we have one bank branch for 1,000 people. He stated that Srinagar district has a C. D. Ratio of 81.99% whereas Kargil district has the C. D. Ratio of only 11.41%. Highlighting the variations in the per capita income, Dr. Drabu stated that Srinagar district has the per capita income of Rs.17,896, whereas Kupwara has only Rs.9,999/-.

Credit Gap:

Dr. Drabu commented that:

- **J&K accounts for 0.70 percent of national GDP, yet it absorbs only 0.30 percent of total national credit.**
- **Productive sectors of the economy account for less than 5% of the credit disbursed in J&K as compared to the national average of 30%.**
- **J&K accounts for 1% of India's population, yet it accounts for only less than 0.2% of personal credit disbursed in India.**
- **Given the fact that per capita income is almost the same as at national level, there is huge anomaly here as a person having 1,000 rupees income in Delhi has a credit leverage of 71%, but in J&K he has a credit leverage of only 20%.**

Annual Credit Plan – performance:

Dr. Drabu stated against the financial target of Rs.2,301 Crore for 1,83,548 beneficiaries for the FY 2009-10, the total achievement of banking sector has been to the extent of Rs.2,667 Crore spread over 1,40,168 beneficiaries, which accounts for an achievement of 116% and 76% in financial and physical terms respectively, which is much better as compared to 101% and 58% for the previous year. He however, observed that we are spreading butter too thin and too far and reiterated that **the way the physical targets are set needs a re-look and stressed the need for revising the physical targets for all banks operating in the State.**

Action: LDMS

Aggregative Analysis:

Dr. Drabu stated that the total credit off-take in the State during FY 2009-10 was of the order of Rs.3,866 Crore of which non-priority sector has received Rs.1,199 Crore and Rs.2,667 Crore has gone to priority sector.

Credit to Priority Sector – off take:

Comparing the performance of credit flow to priority sector on year-on-year basis (March-2009 and March 2010) Dr. Drabu highlighted that credit disbursement to agriculture sector has gone up from Rs.392 Crore to Rs.547 Crore recording growth of 40%, Credit to SMEs has gone up from Rs.511 Crore to Rs.585 Crore (Growth 15%), Micro Credit has gone up from Rs.144 Crore to Rs.293 Crore (Growth of 103%), Retail Trade has gone down from Rs.557 Crore to Rs.429 Crore (negative growth of -23%), Education Sector has remained almost stagnant at Rs.51 Crore against Rs.52 Crore, but most noticeable was a major jump in Housing sector from Rs.282 Crore last year to Rs.762 Crore (indicating a growth of 170%). He commented that the bulk of credit has happened in Housing, SMEs, Agriculture and Retail Trade sectors. Dr. Drabu pointed out that the growth of 40% in agriculture sector was unprecedented while as SMEs sector indicated a minimal growth of 15%, which is attributable to global recession and lack of demand.

Banking Scenario:

Dr. Drabu pointed out that J&K Bank with a network of 426 branches in J&K State has got deposits of Rs.23,090 Crore and outstanding credit of Rs.12,173 Crore indicating C.D. Ratio of over 53% with credit disbursement of Rs.2,627 Crore during the FY 2009-10, while as all other banks taken together having a total branch network of 826 have deposits of Rs.15,150 Crore and a total outstanding credit of Rs.4,944 Crore showing C.D. Ratio of only 32% with credit disbursement of just Rs.1,239 Crore during FY 2009-10. He further stated that the aggregate C.D. Ratio of over 44% is largely determined by the higher C.D. Ratio of J&K Bank at over 53% as others are having it at just 32%. He remarked that **performance of other banks operating in the State being below expectations needs to be deliberated upon for improving the position.**

Credit by sectors:

Out of the priority sector achievement of Rs.2,667 Crore, Agriculture sector has received Rs.547 Crore against the ACP target of Rs.545 Crore thereby recording an achievement of 100%. Under SMEs sector the performance has been recorded at Rs.585 Crore as against target of Rs.759 Crore thereby achieving 77%. Under Micro Credit sector as against the target of Rs.350 Crore, the performance has been recorded at Rs.293 Crore thereby achieving only 84%. Under Retail Trade sector as against the target of Rs.467 Crore the banks have disbursed Rs.429 Crore thereby recording 92% achievement during the year. Under Education Sector as against the ACP target of Rs.68 Crore the banks have disbursed an amount of Rs.51 Crore thereby recording 75% achievement. Under Housing Sector as against the ACP target of Rs.112 Crore, the banks have disbursed Rs.762 Crore, which accounts for 678% achievement during the FY 2009-10. Dr. Drabu pointed out that since a large part of our Small Enterprises and Trade are in the Export Sector, which was reeling in a major slow down in demand thereby impacting the results.

Commenting on the credit composition excluding J&K Bank, Dr. Drabu stated that all other 33 banks operating in the State with their 826 branches have disbursed Rs.1,239 Crore during the year, which accounts for a per branch business of 1.5 Crore per year.

During the last 5 years the contribution in the total credit disbursement by J&K Bank has moved significantly from previous about 20% to present over 53%, while as all other banks put together have moved slowly during the said period from 19% then to 32% now. He reiterated that the **over all C.D ratio for the State is becoming respectable at over 44% by being mainly driven by J&K Bank.**

Commenting on the concentration risk in terms of geographies, Dr. Drabu emphasized that **50% of J&K Bank's portfolio is in J&K State, which leads to concerns of concentration risks and under Basel-II norms there are problems with this kind of lending.**

Intension versus reality of credit composition:

Commenting on what the intention was as per the targets and how the actual achievements have turned out during the period under review, Dr. Drabu stated that SMEs sector was intended to get 33% of credit but it has received 22% only. Housing Sector was supposed to get 5% it has got 28% of credit. Agriculture Sector was supposed to get 24%, it has got 21%.

Ticket-size:

Dr. Drabu highlighted that the targeted ticket size for Agriculture Sector was Rs.49,000 per loan, which is not viable now and we have actually disbursed Rs.1,05,000 per ticket. Small enterprises sector was having a ticket size target of Rs.4,12,000 but we have disbursed Rs.3,77,000, Micro credit sector was having ticket size target of Rs.1,70,000 whereas banks have disbursed Rs.2,03,000, Under Retail Trade sector against the ticket-size target of Rs.1,79,000 banks have disbursed Rs.1,96,000, under Education sector against the ticket size target of Rs.2,31,000, banks have disbursed about Rs.1,79,000 and under housing sector against a ticket size target of Rs.3,11,000 banks have disbursed about Rs.2,29,000. Dr. Drabu told that the **focus should be as to what should be the actual ticket size of agricultural lending in J&K State.**

Action: LDMS

Credit by regions:

Dr. Drabu stated that during FY under review Kashmir region has recorded an achievement of 125% of the priority sector target, whereas in Jammu region the performance has been lower at 110% and Ladakh region, where there are constraints of lending, has recorded an achievement of 76% of targets.

Highlighting region-wise/ sector-wise achievements, Dr. Drabu stated that in Kashmir region Agriculture sector has got Rs.344 Crore against Rs.201 Crore received by Agriculture in Jammu. Small Enterprises sector in Kashmir has received Rs.244 Crore against Rs.329 Crore by Jammu region and Rs.12 Crore received by Ladakh region.

He stated that in Kashmir region 107% of target in Agriculture sector has been achieved, in SMEs sector achievement has been 90%, in Micro credit achievement has been 58%, in Retail Trade achievement has been 86%, in Education achievement has been 91% and in Housing achievement has been 942%. Whereas in Jammu 95% of target has been achieved in Agriculture, 69% in SMEs, 95% Micro Credit, 98% in Retail Trade, 69% in Education and 375% in Housing sector. In Ladakh region achievement under Agriculture has been at 11%, Small enterprises 90%, Micro Credit at 108% - much better than what was expected, Retail Trade 124%, Education 7% and Housing 61%. **Dr. Drabu proposed setting up of a Sub-group of SLBC to discuss ways and means for enhancing flow of credit to Ladakh region.**

Action: SLBC Secretariat

Credit by institutions:

Presenting institution-wise analysis, Dr. Drabu stated that out of the total disbursements of credit in the State during FY 2009-10 under review J&K Bank alone has disbursed Rs.1,862 Crore, thereby achieving 206% of the annual ACP target of Rs.904.07 Crore, which means J&K Bank is way above the target given to it for the full year. SBI has achieved 79% of the ACP target, PNB has achieved 41% of the ACP target, other commercial banks together have achieved 42% of their annual target, Cooperative Banks 61% of the target, RRBs 64% of the target and other Financial Institutions have achieved only 10% of the target. He highlighted that J&K Bank has disbursed Rs.765 Crore, the SBI Rs.71 Crore, and PNB Rs.78 Crore under non-priority sector. Dr. Drabu remarked that while J&K Bank has achieved 206% of target during the year, yet no other bank has been able to meet their targets.

Commenting on the credit sharing in the State, Dr. Drabu stated that 68% of the credit has been disbursed by J&K Bank alone, 8% by SBI, 4% by PNB, 7% by other commercial banks and 6% by Cooperatives and 7% by RRBs as at the end of quarter/ year under review.

Performance under Government Sponsored Schemes:

While commenting on the disbursement of credit under major sponsored schemes during FY 2009-10 Dr. Drabu stated that SGSY has got Rs.33.58 Crore (achieving 56% of the target), PMEGP has got Rs.60.61 Crore (achieving 52% of target), JKSES Rs.63.44 Crore (achieving 64% of target, which indicates improvement as compared to the last year), SJSRY Rs.4.3 Crore (achieving 36% of target) and SC/ST/OBC Rs.2.42 Crore (achieving 19% of target). He **expressed his displeasure that this is the only segment where we have not been able to achieve the targets.**

Credit Scenario:

Giving a broad snap shot of the credit scenario, Dr. Drabu commented that:

- Credit Deposit Ratio of the State as on 31st March 2010 stood at 44.76%, which though satisfactory as compared to other states of the country and the position prevailing here 5 years back, needs to be further improved.
- Priority Sector credit at 52.62% is satisfactory;
- Credit to SMEs @ 18% is satisfactory;
- Credit to Agriculture Sector @ 11.59% is poor as against the benchmark of 18% of total credit.
- Advances to weaker sections of society at 14.63% is satisfactory;
- Credit under DRI at 0.01% is poor;
- Advances to women at 5.42% against the benchmark of 5% is satisfactory.

Thereafter, Dr. Drabu piloted itemized discussions on the agenda as under:

Confirmation of the minutes of 78th meeting of J&K SLBC held on 11th January 2010 at Jammu:

As no amendments were received from any members to the minutes of the 78th SLBC meeting held on 11.01.2010, circulated vide Ref. No. LBD/SLBC-78/2010-516 dated 06.02.2010 and also webcast on www.jkslbc.com were confirmed by the house.

Follow-up on the decisions taken in the earlier SLBC meetings (outstanding issues):

Allowing of Equitable Mortgage:

Dr. Drabu stated that creation of Equitable Mortgage in J&K, Registration of Equitable Mortgage on nominal stamp duty and creation of central registry are the big issue that have been on the agenda of SLBC since long and are pending decision with the Finance Department, J&K Government. He therefore, sought views of the government on the same.

Reacting to this, the Special Secretary, Finance Department stated that on the issue of Registration of Equitable Mortgage the State Law Department has already given its opinion and the Government has only to issue a notification to include the areas other than Srinagar and Jammu. He stated that the notification draft has already been prepared by Revenue Department and expressed hope that the said notification would be issued within a week's time. The Additional Secretary, Law Department, J&K

Government also confirmed that the draft notification on the issue had been received from Revenue Department the day before and the Law Department intended to send the same today positively.

Expressing displeasure that the in the last more than 5 SLBC meetings government has been sticking to the same rhetoric of “referred to law department”/ “referred to Revenue Department”, the Chairman urged the State Government to exhibit seriousness on the issue and come out clearly when the government intended to issue the requisite notification as the business of banks has been suffering on this account.

The Vice President, ZOK (South), J&K Bank suggested incorporation of a small section in the Transfer of Properties Act allowing the banks to go for sale of the mortgaged property, which he said would solve the problems of banks.

The Chief Secretary, Mr. S. S. Kapoor, taking part in the deliberations expressed displeasure that despite having dealt with the issue of Equitable Mortgage for the last almost two years nothing substantial has been done. He directed that the Law Department, J&K Government to ensure that draft SRO No. is allotted to the notification forthwith and the Revenue Department be advised to issue the SRO by tomorrow positively and compliance be submitted to him in the evening.

Action: State Govt. Law/ Revenue/ Finance Departments

Registration of Equitable Mortgage on nominal Stamp Duty:

The Special Secretary, Finance Department stated that once the notification is issued there would be no need for any stamp duty because under the State Transfer of Properties Act Equitable Mortgage is free of any stamp duty. He was **advised to understand the long outstanding issue of registration of equitable mortgage at nominal stamp duty in its proper context and thereafter, sort it out at the earliest.**

Action: State Govt. Finance Department

Creation of Central Registry:

The Special Secretary Finance stated that in the 76th SLBC meeting it was decided to have the model of Andhra Pradesh State adopted here. Since the laws of our State are different, both Stamp duty as well as registration is not applicable. He stated that in case SLBC finds it necessary to have a Central Registering Authority in the State, then the State Law may have to be amended as there is no provision in the law for that.

Reacting to it, the Sr. President, J&K Bank stated that Creation of Central Registry was necessary as it ensured avoiding multiple mortgaging of the properties by the borrowers. He clarified that two Registration Offices need to be created one in Jammu and another in Srinagar, so that all the banks/ financial institutions may come to know about the existing charges, if any, on a certain property offered as mortgage.

Summing up the discussions on the issue, **the Chief Secretary advised that Finance Secretary should take a quick view of the matter, take a meeting as early as possible involving the law ministry and a representative from the Convenor Bank.** Appreciating that banks must know before lending whether the property that is being mortgaged to them has some other charge somewhere, without which the banks may not be able to lend with comfort, **he advised to adopt a vigorous approach in the matter so that the issue is sorted out without any further loss of time.**

Action: State Govt. Finance Department

Legislating SARFAESI Act:

The Chairman, expressed concern that although the State Government has been stressing for enhancing credit flow in the State yet the non-applicability of SARFAESI Act to J&K State is coming out as one of the biggest hindrances faced by the banks. He pointed out that the issue is hanging for the last more than 3 years without being resolved. He stated that once SLBC was informed that a separate legislation is required in J&K on the lines of the Central Law and the J&K Bank was asked to prepare a draft for such legislation, which we did but the issue could not be resolved. He made it clear that banks would not be able to lend here unless the impeding issue of SARFAESI Act is resolved. He **stressed that this issue of critical importance to banks was needed to be taken seriously by the Government.**

Commenting on the draft legislation prepared by J&K Bank for a separate legislation on the lines of Central SARFAESI Act, the Special Secretary Finance, J&K Govt. clarified that the Law Department was confronted with the problem of SARFAESI Act being challenged by various borrowers in different courts and on being examined by the Law Department the Advocate General of the State opined that SARFAESI was a Central Act and only Central Government was competent to make a legislation on it, therefore the decision of SLBC to have a separate Act for J&K State on the lines of Central Act could not stand. The Special Secretary, Finance Department informed that State Law Department has already taken up the issue with the Union Finance Ministry as also with the Union Law Ministry who have through a letter indicated that they are going to make certain changes in the Act in order to bring it in tandem with the State's Transfer of Properties Act.

The Chairman remarked that GoI has no compulsion to change the law and it was the banks who are suffering as a consequence whereof ultimately the State is suffering, as credit expansion has not been happening in the State. Expressing displeasure he remarked that had this opinion come earlier the SLBC would not have wasted two years on working for a separate legislation.

Joining deliberations on the issue, Mr. Samir K. Sinha clarified that the issue was being dealt with by the legislative section of the GoI. He desired to know what exactly was expected of Government of India at this stage so that he could take up the matter with the concerned quarters in GoI for its resolution.

The Special Secretary, Finance Department clarified that since the landed property in J&K State could not be acquired by the non-State Subjects of J&K, certain relevant provisions of the Central Act need to be brought consistent with the State's Transfer of Properties Act. He provided on spot copies of the communications of Government of J&K with Union Law Ministry as well as Union Finance Ministry on the subject to Mr. Sinha for enabling him to follow up the matter with the concerned for its early resolution.

Mr. Samir K. Sinha contacted the Union Ministry of Law and obtained their response by SMS which he read as under to update the house:

“Sub-Section 2 of Section 1 of SARFAESI Act says that it extends to whole of India. Section 17 was added in 2004 to allow application by borrowers to court of District Judge against possession of secured assets by banks. This amendment was done as DRT which is the appellate body, is not existent in J&K as the Recovery of Debt due to Banks and Financial Institutions Act 1993 under which DRT is constituted, is not applicable to J&K. We have received J&K Government's letter about in-applicability of SARFAESI Act, which has been sent to Ministry of Law for advice. Simultaneously they have also referred the matter to RBI and IBA for their comments on the issue and we would respond to the State once we receive from the Ministry of Law”.

The Chief Secretary, J&K State, clarified that most of the laws enacted by the parliament are applicable to whole of India except J&K. Even the constitutional amendments like 73rd and 74th Amendments, which are so critical to the decentralization and the empowering process of the communities, do not apply to J&K State. He therefore, stated that the approach of the Govt of J&K in the past has been to make changes in the corresponding laws here and make these consistent with the central laws. However, he pointed out that in case of SARFAESI Act, the State does not have even the corresponding law. Therefore, based on the legal advice given by the Advocate General, the government has taken up the matter with the Central Government. He stated that it was imperative to have the issue settled based on the sound legal advice rather than leaving it open-ended.

As the Special Secretary Finance has provided Director, DFS, GoI, MoF with the necessary feedback on the issue, the Chief Secretary requested him to pursue the matter in the GoI for its early resolution. He also expressed his intention to write a D.O. letter to the Secretary Banking, GoI, Mr. Gopalan, emphasizing the need for an early view being taken in the matter. Stressing that it should not become an endless debate between the State and Central Government, the **Chief Secretary observed that this is the matter of great concern so far as improving the banking services in J&K are concerned and the matter shall be taken up on priority with Banking Division, MoF, GoI.**

Action: State Govt. O/O Chief Secretary / Finance Department

Setting up of Rural Self Employment Training Institutes (RSETIs) in J&K:

Mr. M. S. Wani, Vice President (LBD/SLBC) giving status on the issue stated that land has been identified in 5 districts and one proposal has gone to the Divisional Commissioner Kashmir for allotment of that land, who has reportedly advised Deputy Commissioner Pulwama to allow J&K Bank to raise construction on Kahcharai land without the land being formally allotted to the bank. At other places where the land has been identified, the District Development Commissioners have not submitted formal proposals to the government for allotment of the land to J&K Bank. He stated that government should take urgent steps for allotment of suitable land in 12 lead districts of J&K Bank and 10 lead districts of SBI as per the commitment made by the Chief Secretary in earlier SLBC meetings.

Reacting to this, the Commissioner Secretary, Rural Development stated that land has been identified at several locations. He however, desired to know how much land would be required for setting up each RSETI.

Mr. Wani, VP, J&K Bank, clarified that in terms of recent GoI, MoRD communication at least 8 kanals (one acre) of land have to be allotted for each RSETI. He however, stated that banks would be satisfied even if the Government provides only 4 kanals at prime locations for the purpose.

The Commissioner/ Secretary, Rural Development stated that the government has identified about 10 kanals of land in Srinagar district and 7-8 kanals of land could be easily given to the bank. He also stated that the government had no problems in providing land for the purpose in the districts of Udhampur, Anantnag and Samba. Regarding Pulwama, he stated that the DDC concerned will be advised to hand over the possession of land to J&K Bank immediately.

The Sr. President, J&K Bank, Mr. Ajit Singh pointed out that the land identified by the state government in Srinagar district at Zakura is reportedly under the occupation of security forces and expressed his concern that it would not be possible to construct the building for RSETI on this land unless and until it is got vacated by the army and possession is handed over to the bank.

The General Manager, SBI stated that in Samba, Udhampur and Reasi districts land has been identified which would be inspected by the SBI Screening Committee very soon. He, however,

pointed out that nothing has been heard from the Government in respect districts of Doda, Ramban, Leh, Kargil, Jammu, Kathua and Kishtwar.

Joining deliberations on the issue, **the Chief Secretary advised the Commissioner Secretary, Rural Development to submit the detailed note alongwith the status report on the issue to him after checking up with the concerned banks so that the meeting is convened in the next week and the issues are sorted out on a case-to-case basis. He reiterated that government is committed to provide land to the banks for the purpose.** He, however, stressed that allotment of land should not come in the way and even if at some places 8 kanals of land are not available, the banks should be contended with few kanals of land. He expressed his **commitment to fast track the issue and assured the house that government would take very positive and proactive action in the matter** as the government was very sensitive to the setting up of RSETIs in the State in order to be able to create entrepreneurial abilities rather than giving loans to the people who are not properly oriented. He also stated that setting up of RSETIs in every district of the State was in the interest of the government.

Action: State Govt. O/O Chief Secretary/ Rural Development Department

Report on the matters referred to various Sub-Committees of J&K SLBC:

1) Sub-Committee of J&K SLBC on Relaxations to Trade & Industry in J&K State:

The minutes of the meeting and recommendations made by the Sub-Committee of J&K SLBC on Relaxations to Trade & Industry in J&K State held on 12.01.2010 at Jammu were taken on record. **The house also noted that the package of relaxations and concessions to trade and industry in J&K State has been consequently extended by Reserve Bank of India for a further period of one year, i.e. upto March 31, 2011.**

2) Sub-group of J&K SLBC to oversee and monitor implementation of the recommendations for speedy disposal of the cases of small artisans and weavers:

The minutes of the Sub-group of J&K SLBC to oversee and monitor implementation of the recommendations for speedy disposal of the cases of small artisans and weavers held on 27th March 2010 at Srinagar were taken on record.

- **The concerned quarters were advised to take desired action on the actionable points pertaining to them and the progress be monitored.**

3) Sub-group of SLBC constituted in 78th meeting to sort out the issue of integration of DRI Scheme with other schemes of Government for housing purposes in rural areas:

Giving status on the issue the Commissioner/ Secretary, Industries & Commerce Mr. Umang Narula stated that though the Ministry of Rural Development has said that Indira Awas Yojana (IAY) is applicable to all but in the meeting of the Sub-group it was informed that IAY is applicable to SC/ST beneficiaries only.

Reacting to this the Regional Director, RBI stated that there are no specific instructions from Reserve Bank of India in this regard except that the basic requirement is that 40% of DRI should go to SC/ST beneficiaries, while as others can also be covered under the Scheme.

The Chief Secretary stated that IAY is applicable to the people belonging to the BPL category in rural areas and it would not be logical to link it to SC/ST only.

Summing up the discussion on the issue, **the Chairman advised Mr. M. S. Wani, VP (LBD/ SLBC) to clarify the issues through a general circular to all the concerned and subsequently brief the SLBC in the next meeting.**

Action: SLBC Secretariat

Address of Chief Secretary, J&K Govt.:

The Chief Secretary appreciating the performance of banks operating in the State under ACP expressed pleasure over the achievement of more than 100% of the target. Observing that the State has not been able to achieve the benchmark of 18% of total credit for credit provided to agriculture he stressed that there is scope to do more under this sector.

Regarding the suggestion of the Chairman to set up a sub-group for discussing the issue of enhancing credit flow to Ladakh, the Chief Secretary observed that though it is a matter of concern that in Ladakh division the achievement of financial targets during FY 2009-10 has been just 11%, but keeping in view the appetite for agricultural lending in Ladakh is not very high, the proposed group should reflect things in a pragmatic and realistic way.

The Chief Secretary expressed concern that while J&K Bank has been able to achieve a C.D. Ratio of above 53% during the year under report, the rest of banks operating here are still trailing at 32% C.D. Ratio, which calls for an introspection by these banks. He stated that the **performance of banks other than J&K Bank was a cause of concern and desired that the concerned banks need to divulge their plans for improving their performance in the State.**

Action: Member banks (excluding J&K Bank) operating in the State

Regarding the legislation of a separate law for J&K on the lines of Central SARFAESI Act, the Chief Secretary clarified that on being examined in detail in the cabinet the matter has been taken up with the GoI for making the law consistent with the constitutional and legal requirements of J&K State, which needs to be pursued vigorously for sorting it out properly otherwise it would create a huge road-block for the banks to operate in the State in a very efficient and proactive manner.

The Chief Secretary stated that the performance under various government-sponsored programmes has been as usual very poor, which has been discussed on several occasions in the past when the quality of sponsored cases was questioned. He stated that although the general attitude of banks has also been pointed out as one of the reasons for poor performance, yet he agreed that because of the huge NPAs under the segment, the banks do have a reluctance to lend. Recalling the observations made in the Special SLBC on Government Sponsored schemes held last year, the Chief Secretary stated that Branch Managers should be involved in the process of selection of candidates as it has been decided to give a greater role to banks in the selection process. Stressing the need for adopting a supplementary and complimentary approach under a cooperative framework, the Chief Secretary stated that the problems could be solved jointly by looking at the real impeters.

Expressing anguish on the absence of a number of key functionaries from the Government side, the Chief Secretary stated that seriousness of SLBC discussions gets badly effected and emphasized the that all the key functionaries should ensure to participate in these meetings and put forward their views in order to maximize the benefits for the people of the State.

Action: Concerned key functionaries of government who are members of SLBC

Agenda Item No.79.01 to 79.04 & 79.06

Sector-wise/ Bank-wise/ Region-wise achievement of banks under ACP 2009-10; Achievement under Government Sponsored Schemes etc.

These items stand covered under the Power Point Presentation. However, the Chairman desired to have the views of State Bank of India and Punjab National Bank as to why they have not been able to achieve the targets given under ACP as well as under the Non-priority sector.

Reacting to this, the General Manager, SBI stated that this year SBI has been able to show relatively better performance with 79% achievement of the annual ACP target in the State, thereby maintaining status quo with the achievement of 81% made by the bank during the previous year. Commenting on the sector-specific achievements, the General Manager, SBI stated that SBI has achieved 452% under Housing Sector, 112% in Education sector, 84% in Retail Trade sector and 66% under SMEs sector. He, however, agreed that Agriculture and Micro Credit sectors are the two sectors that need a focused attention and assured that SBI has taken a number of measures to improve performance under these sectors. He informed that SBI has energized its branches and 10 new branches have already been opened during the previous year and the bank has got a very large expansion programme for the current financial year with 10 licenses already acquired by the bank. He agreed that their performance under Non-priority sector is very low in the J&K State, which he attributed to the mounting NPA levels as well as to other reasons. He pointed out that since the skill level is very low in J&K, SBI is trying to do a skill building also in the State and for this purpose SBI has been getting people from other nearby parts of the country like Punjab, Haryana and place them here to build the skill here, which he said has started yielding results that will be visible in 6 months or one year down the line. He however, stated that SBI has now started lending in the State and have also conducted a study in J&K in order to ascertain the areas where there is scope for increasing penetration by SBI. He expressed optimism that with these initiatives the performance of SBI in the State is likely to improve.

Regarding providing of banking services in the un-banked villages having population of over 2000 allocated to SBI, the General Manager informed that SBI plans to adopt two channels, i.e. the BC channel and the normal branch channel.

Reacting to the comments of General Manager, SBI, the Chairman, . Dr. Drabu, offered that if SBI and PNB are interested, J&K Bank will sell about Rs.400 to Rs.500 Crore of its portfolio to them giving them some comfort, though we will not stop lending but will continue go on lending more to meet our requirements. The Chairman stated that J&K Bank has ramped up credit in J&K State from Rs.1,200 Crore to Rs.12,000 in five years, while as SBI continues to be at a stagnated level. He emphasized that if J&K State accounts for 1% of India's population; it should have equal proportion in bank credit available.

Welcoming the offer of Dr. Drabu, the General Manager, SBI agreed to work on it together.

The DGM, Punjab National Bank, Mr. R. C. Kaul, commenting on the achievement of 41% of target under ACP 2009-10, clarified that PNB has actually achieved 75% of the ACP target, but due to some MIS problems the correct figures have not been reflected in the agenda papers. He however, stated that the issue has been discussed with the Convenor Bank. In reply to the question of Dr. Drabu regarding the total credit portfolio of PNB in the State, the DGM, PNB informed that PNB has a total credit folio of Rs.800 Crore and assured that the bank is going to expand the portfolio soon. Expressing his willingness to take the portfolio from J&K Bank, the DGM, PNB stated that he had approached J&K Bank Corporate Headquarters for taking portfolio but J&K Bank has responded by saying that selling of credit portfolio would be effected on reciprocal basis.

Responding to this, Dr. Drabu offered that the J&K Bank is ready to sell the portfolio even on a non-reciprocal basis and desired that both PNB and SBI should consider this offer very seriously, which

would provide a lot of comfort to these banks. He stated that before the next SLBC meeting these banks could approach J&K Bank for the purpose so that problems, if any, could be sorted out mutually.

Action: SBI/ PNB

Agenda Item No.79.05

Achievement under Self Help Groups (SHGs) Scheme:

The position of credit delivery to rural poor through this alternative loan delivery system was reviewed.

Agenda Item No.79.07

Coverage of un-banked / under-banked areas of J&K State:

Dr. Drabu informed the house that Reserve Bank of India has now issued licenses for all the five un-banked blocks of J&K State, viz. blocks Pehloo, Wadwan, Nangseni (allocated to J&K Bank), block Duggan (allocated to J&K Grameen Bank) and block Gundana (allocated to Ellaquai Dehati Bank) for opening bank branches. He informed that EDB has opened the branch at Village Jatheli in block Gundana and enquired progress from J&K Bank and J&K Grameen Bank for opening of branches in their allocated un-banked blocks.

Responding to this, Chairman, J&K Grameen Bank pointed out that RBI has issued the license for block Duggan subject to the condition that the branch is opened with CBS from the day one. But keeping in view the topography of the block, where one has to travel on foot 7-8 kilometers of hilly terrain to reach CBS and delivery of equipment is not possible. Hence, Grameen Bank had represented to RBI for relaxation of CBS condition, which has not been agreed to so far. He also stated that Grameen Bank is trying to find out a suitable place for opening the said branch and assured that the branch would be made operational in a month.

The Sr. President, J&K Bank informed that RBI licenses for all the three allocated un-banked blocks have been issued and the bank has advertised to invite offers of acquiring accommodation for the said locations. He assured that the said three branches would be made operational shortly.

- **Decided that before the next SLBC meeting it should be ensured that all these branches are opened and the un-banked blocks covered.**

Action: J&K Bank/ J&K Grameen Bank

Agenda Item No.78.08

RBI directive for providing of banking services in all the un-banked villages having population of 2000 and above in J&K State:

The Regional Director, Reserve Bank of India desired to know whether the allocation of villages to various banks have been done by the Sub-Committees of DCCs in the districts with the consent of these banks.

Reacting to this, Mr. M. S. Wani, Vice President (LBD/SLBC) informed that the allocation of these identified un-banked villages (having population of over 2000) has been done by the Sub-Committees of DCCs in the districts according to the service area already with the banks.

The Regional Director, RBI clarified that service area approach need not be applied to the issue. However, in case the concerned banks are agreeable to this allocation, there is no issue.

The Chairman stated that J&K Bank has also submitted its Financial Inclusion Plan (FIP) to the Reserve Bank of India. He further stated that the bank is specifying now which village is to be covered with Brick & Mortar facility and which one will come under Click & Portal model. He stated that the bank has a huge advantage now with about 300 Common Service Centres (CSCs) already running and another 800 CSCs likely to be added by March 2011. He assured that J&K Bank was committed to provide banking services in the 425 un-banked villages (having population of over 2000) allocated to it by way of relying mostly on these CSCs. Dr. Drabu further stated that all the banks are required to submit their FIPs to the Reserve Bank of India and accordingly SBI, PNB and other banks too might have given their FIPs to RBI. He, however, **advised that all the banks, to whom the un-banked villages have been allocated in J&K State for providing banking services, should submit the FIPs relating to J&K State to the SLBC immediately so that aggregate State Plan could be worked out and the next SLBC could be dedicated to a thematic discussion on Financial Inclusion.**

Action: Concerned Banks

The Chief Secretary desired to know the plans formulated by the RRBs for providing banking services in the respective villages allocated to them for the purpose.

Responding to this, Chairman, J&K Grameen Bank assured that the plan in respect of the 143 villages allocated to them shall be handed over to SLBC Convenor Bank within a month.

Chairman, Ellaquai Dehati Bank stated that a number of locations have been identified for brick & mortar model while as for rest of the locations bank plans to reach out through ICT, BF and BC models. He assured that complete plan in this regard would be handed over to the Convenor Bank soon.

Stressing the need for a definite timeframe by which to complete the job of financial inclusion, Mr. Samir K. Sinha desired to know the time lines and the technology to be used by the banks for the purpose.

Responding to this, the Chairman clarified that the timelines as well as the technology to be used for providing banking services in such un-banked villages are given in the FIPs submitted by the banks to Reserve Bank of India.

Action: All member bank/ SLBC Secretariat

Agenda Item No. 79.09

Interest Subsidy Scheme for Housing Urban Poor (ISHUP):

The house was informed that J&K Government Housing & Urban Development Department has issued the Government Order No.141-HUD of 2010 dated 30.03.2010 therein nominating State Urban Development Agency (SUDA) as the State Agency for implementing the ISHUP Scheme in J&K State. All the banks/ financial institutions and the concerned implementing agencies were advised to ensure that the ISHUP scheme is implemented in the State in letter and spirit so that the benefits under the Scheme are passed on to the most needy and deserving sections of the Society in the State.

Action: Implementing agencies of ISHUP / banks

Agenda Item No. 79.10

Preparation of Annual Credit Plan (ACP):

Dr. Drabu stated the Annual Action Plan (ACP) for the FY 2010-11 has the same earlier problems of complete disregard to what is the reality on ground. Therefore, he proposed to separately discuss the setting of targets under priority sector and revise the same to be approved in the next SLBC meeting.

The Chief Secretary, J&K Government stated that it would be desirable to form a group involving some other banks, to look into the whole issue and approve it and issue it for implementation rather than waiting for the next SLBC.

- **Accordingly, it was decided to set up a Sub-group under Chairmanship of Dr. Drabu and comprising of J&K Bank, SBI, PNB, J&K Grameen Bank, Ellaquai Dehati Bank and two Cooperative Banks that will meet shortly to discuss and revise the targets for various sectors under ACP 2010-11 and Dr. Drabu was authorized to approve the same.**

Action: SLBC Secretariat

Agenda Item No. 79.11

New Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS):

The new Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) issued by the Government of India, Ministry of Social Justice and Empowerment, was adopted by the house for implementation in J&K State. It was decided that achievements under the Scheme be reviewed in all the BLBC, DCC/DLRC convened under the Lead Bank Scheme.

Action: All member bank/ LDMs

Agenda Item No. 79.12

Education Loan for Nursing Courses - Fee structure for management seats in Private Self Financing Colleges, Co-operative and Colleges run by Universities:

The recommendations of IBA Working Group and IBA Managing Committee issued vide IBA Circular No. SB/10-21/1291 dated 27th September 2008 and revised vide IBA Circular No. SB/CIR/10-21/3211 dated March 31, 2010, were placed before the house for information of the members.

Action: All member banks operating in the State to ensure implementation

Agenda Item No. 79.13

Insurance of Crop Loans in J&K State:

The Chairman stated that insurance levels on crop loans are very poor in J&K State. Referring to meeting held with the Hon'ble Agriculture Minister on 18th February 2010 regarding Agriculture Insurance of Crop Loans in J&K, the Chairman stated that he had volunteered to be the nodal agency for the Agriculture Insurance Company of India for effecting crop insurance in J&K State. He stated that Agriculture Production Department is going to hold a big Crop Loan Seminar in the State in a few days, wherein the Hon'ble Chief Minister and all the key functionaries will be participating. Pointing out the problems leading to poor insurance levels in the State, the Chairman stated that notified crops under the Scheme are Potato, wheat, and mustard, etc., which are not the main crops for J&K State and therefore, stressed the need that some of the key crops of J&K State should be included in the Agriculture Insurance Scheme, so that the levels of crop loan insurance in the State are substantially enhanced.

The Principal Secretary, Agriculture Production Department, J&K Govt. joining deliberations on the issue stated that though Paddy, one of the principal crops in J&K, is already covered under the Scheme yet the possibilities would be explored to ensure coverage of various fruits and vegetable crops under the scheme.

The Chairman, however, stated that all these issues are likely to be discussed in the said seminar and assured that the outcome of the Seminar would be reported to SLBC in the next meeting.

Action: Govt. Agriculture Production Deptt.

Agenda Item No.79.14

Credit delivery to Micro, Small and Medium Enterprises (MSMEs):

The Chairman informed the house that in compliance with GoI and RBI directives the Special Monthly SLBC meetings to monitor and review flow of credit to MSMEs sector and to oversee the resolution of credit issues are being held regularly.

However, expressing satisfaction that the package had been implemented in the State with seriousness, the Chairman stated that the things have stabilized to a large extent and since the flow of credit to MSMEs sector in the State is being monitored regularly in the quarterly SLBC meetings as well as by RBI separately in the State Level Empowered Committee meetings, the Chairman stated that the process of convening special monthly meetings of SLBC may be discontinued.

The Chief Secretary, J&K Stated that convening Special Monthly SLBC meetings on MSMEs which was initiated in a particular context of global slow down, was not needed now. He however, maintained that the main SLBC forum should continue to review the position on quarterly basis.

- **Decided to recommend to GoI that the practice of holding monthly special meetings of SLBC for reviewing the implementation of IBA package on MSMEs be discontinued henceforth. However, the position would continue to be reviewed in the main SLBC meeting on quarterly intervals.**

Action: GoI, MoF, FSD/ SLBC Secretariat

Agenda Item No.79.15

Ineffectiveness of Government Sponsored Schemes in J&K State:

The Chairman stated that ineffectiveness of government-sponsored schemes in J&K State was an issue that requires intervention of the State Government.

Referring to the deliberations of the theme based SLBC meeting on Government Sponsored Schemes held on 20.10.2010 at Srinagar under the Chairmanship of Hon'ble Chief Minister, J&K State, the Chief Secretary, J&K State stated that some concrete decisions had been taken in that meeting with a view to ensure substantial improvement in the position. He desired to have view of the Commissioner/ Secretary, Labour & Employment Department on the issue.

Responding to this, the Commissioner/ Secretary, Labour & Employment informed that in the Special SLBC meeting on Government Sponsored Schemes it was felt that the selection of candidates for taking of self-employment ventures under various Government Sponsored Schemes in J&K was being made in a very perfunctory manner and the persons selected do not have proper orientation, therefore, their enterprises fail, therefore a decision had been taken that the banks should be given a greater role in the process of selection of candidates for taking up self-employment ventures under Government Sponsored Schemes. In this backdrop a meeting was recently held with the bank authorities at Civil

Secretariat, Srinagar, wherein the issue was deliberated and it was found that the District Level Task Force (DLTF) functioning under the Chairmanship of District Development Commissioner composed of General Manager, DIC and the Dy. Director Employment from the government side and all the banks operating in the district are represented, so the banks do have already a role in the selection of candidates in the DLTF. He further stated that definitely there are candidates who are habitual of taking loans and then defaulting but there is no proper mechanism in place to weed them out. He however, stated that the problems coming in way of smooth implementation of Government Sponsored Schemes in J&K state have been identified and certain decisions have been taken. He expressed optimism that these decisions would be implemented by the banks as well as by the Government agencies in letter and spirit in order to see that quality of sponsorship is improved.

The Commissioner/Secretary Labour & Employment pointed out that after the cases are sponsored to banks, there is a system of pre-sanction survey conducted by the banks in which about 50% of the cases get rejected. He expressed concern that the banks are asking for collateral security and there are instances where banks have sought guarantees of government employees for the loans. He reminded that in the 78th SLBC meeting while deliberating on the issue the Chairman had desired that if they have any specific instances, where the cases have been rejected for want of collaterals, these should be shared with the house, so that action is initiated against the persons involved. He stated that he has a list of more than 200 people where even two guarantors have been asked for by the banks.

Reacting to this, the Chairman stated that in order to curb this practice circulars had been previously issued containing specific instructions for the Branch Heads and now copies of these circulars have been provided to the representative organizations of Trade & Industry for generating greater awareness in this regard among the clients, which, can go a long way in arresting this trend. He added that the schemes are not being highlighted in a proper manner, thereby giving the notion that these are the grants from Government. He also pointed out that there are instances where defaulters of banks loans are again being sponsored by the government sponsoring agencies.

The Chairman reminded that in the Special SLBC meeting on the theme of Govt. Sponsored Schemes held on 20.10.2009, there was a view that banks would identify and recommend beneficiaries under government sponsored schemes that would be approved by the Task Force/ Selection Committees. Maintaining it as the huge area of concern for the banks/ lending institutions, the Chairman stated that the decision of the said meeting should be implemented in its true spirit. He also stated that since the ACP for 2010-11 had not been approved yet, the issue of identification of candidates under Govt. Sponsored Schemes by banks would be further looked into while working on the ACP. He also sought views of the President (Specialized Credit), J&K Bank on the issue.

The President (Specialized Credit), J&K Bank, stated that on the basis of feedback received from the operating levels, J&K Bank has been very positive and optimistic in its lending to all the sectors of economy including under the Government Sponsored Schemes. He however, pointed out that quality of sponsorship of these cases has not been taken care by the concerned Government agencies and there is no accountability aspect, which if introduced, would definitely help to address the issue.

The Chief Secretary expressed satisfaction that the interactions on this issue have taken place by the Commissioner/ Secretary, L&E with the colleagues from the banking side and desired that these kinds of Government-Banks interactions should be made a continuous affair to ensure that process is streamlined as the mindsets are not going to change overnight. He stressed that in case the banks have any doubts about the quality of sponsored candidates coming through the DLTF, there is only one way to deal with the problem and ensure better quality of sponsored cases that banks accept the responsibility for identification/ sponsorship of candidates.

- **Decided that in the process of finalizing the Annual Credit Plan 2010-11 the Commissioner/ Secretary, Labour & Employment would also be involved while finalizing the targets for**

Priority Sector as well as for various Government Sponsored Schemes for the financial year 2010-11.

Action: Govt. L&E Dept/ SLBC Secretariat

Agenda Item No.79.16

Implementation of 100% Financial Inclusion in J&K State:

In order to ensure implementation of 100% financial inclusion programme in J&K State in letter and spirit, the following roadmap was proposed by the Chairman:

- 1) Lead District Managers/ Lead Bank Officers will obtain, collect and consolidate data about the house-holds in each district (village-wise) alongwith particulars of any existing bank accounts in the names of any member by sourcing it through various field agencies like Block Development Officers (using VLWs), Consumer Affairs and Public Distribution (CA&PD) Department (using their ration depot outlets), Assistant Development Commissioners (using Revenue field officials), etc.
- 2) LDMs/ LBOs will prepare village-wise short-lists of financially excluded households according to the service-area of the banks on analyzing the data collected by them and prepare a roadmap for banks for 100% financial inclusion based on their service area.
- 3) The responsibility for implementing the roadmap based on coverage and financial inclusion as per (1) and (2) above and adopted in the DCC/DLRC as well as BLBC meetings be assigned to the respective banks operating in the district/s based on their service area.
- 4) The position emerging for financial inclusion may be reviewed and monitored in the DCC/DLRC as well as BLBC meetings and thereafter progress report be sent to the SLBC Secretariat.
- 5) This programmed way of 100% financial inclusion and coverage should be subject to following time-lines.
 - (I) Roadmap to be ready by 30th September 2010 be submitted to SLBC;
 - (II) Coverage to be completed by 31st March 2011 and progress to be reported to SLBC for review;
 - (III) After bringing the excluded households into the banking fold the banks should liberally credit-link the households for need-based requirements.

The Regional Director, RBI, joining deliberations on the issue stressed the need that lot of emphasis should be given in utilizing Business Correspondents and other models by the banks for ensuring 100% financial inclusion in the State. He advised that all the banks operating in the State need to approach agencies like FINO and other such organizations for ensuring coverage of the financially excluded people in the State.

Action: LDMs

Agenda Item No.79.17

Budget Announcement 2010-11 – Extension of last date under OTS Scheme under Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 upto 30.06.2010:

The Chairman informed the house that in the light of the announcement made by the Hon'ble Union Finance Minister in the Budget Speech 2010-11, the Government has now decided to extend the period of payment of 75% of overdue portion by the 'other farmer' under the 'One time Settlement' Scheme under ADWDRS, 2008 for another six months, i.e. from 01.01.2010 to 30.06.2010 as conveyed vide GoI, MoF, Department of Financial Services circular letters bearing F. No. 3/9/2008-AC dated 26th March 2010 and No. F.No.3/9/2008-AC dated April 5, 2010 addressed to all Public Sector Banks.

- **Member banks/ financial institutions operating in the State were advised take note of these instructions for implementation.**

Action: All member banks

Agenda Item No.79.18

Report of the High Level Committee to Review Lead Bank Scheme – implementation of the recommendations:

Contents of the RBI Circular No. RBI/2009-10/329 dated February 26, 2010 addressed to all SLBC Convenor Banks were placed before the house for information of members.

- **Member banks/ financial institutions and Lead District Managers/Lead Bank officers were advised to report progress on implementation of the action points emanating from the said RBI circular to SLBC Secretariat regularly on quarterly basis.**

Action: LDMs/ All member banks

Review of performance of banking sector for the quarter ended December 2009:

The data pertaining to the quarter ended December 2009 has been included and integrated with the data for the year ended on 31st March 2010 placed for performance review in the 79th SLBC meeting. **The house has taken the same as reviewed and on record.**

Other issues raised in the meeting:

The Regional Director, RBI raised the issue of setting up of FLCC Centres and emphasized that now that all the banks have ambitious Financial Inclusion Plans with them, the issue of Financial Literacy and Credit Counseling Centres should also go hand in hand with these.

The meeting concluded with a vote of thanks to the Chair and the participants were requested to join for lunch hosted by the Convenor Bank.

Vice President
Lead Bank/ J&K SLBC

Annexure-A

List of participants of the 79th meeting of J&K SLBC held on 20.5.2010

<u>S.No.</u>	<u>Name of Participant</u>	<u>...</u>	<u>Designation / Organization</u>
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S/Shri/Smt:

CHAIRMAN (CONVENOR, SLBC)

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

CHIEF GUEST

2. S. S. Kapoor ... Chief Secretary

GOVERNMENT OF INDIA

3. Samir K. Sinha ... Director, DFS, Ministry of Finance (Nodal Officer-J&K)

RESERVE BANK OF INDIA

4. Arnab Roy ... Regional Director for J&K
 5. N. K. Sahu ... DGM, Reserve Bank of India
 6. M. S. Khitania ... DGM, Reserve Bank of India
 7. C. Sahoo ... AGM, Reserve Bank of India

STATE GOVERNMENT

8. M. I. Khanday ... Principal Secretary, Agriculture Prod. Deptt.
 9. Umang Narula ... Commissioner/Secretary, Industries & Comm.
 10. Yadullah ... Secretary, Rural Development
 11. Farooq Ahmad Peer ... Secretary, Labour & Employment
 12. Dr. G. R. Ghani ... Secretary, Planning & Development
 13. Raj Kumar Koul ... Additional Secy. Law
 14. Mushtaq Siddiqi ... Special Secretary, Finance Department
 15. S. Shabir Shafi ... Joint Director, Housing & Urban Dev. Deptt.
 16. Aslam-ul-Rashid ... Dy. Registrar Counsel O/O RCS J&K
 17. Radesh Kumar Sethi ... Joint Registrar Cooperatives (B&F)
 18. B.S.Dua ... Director, Industries & Commerce, Jammu
 19. Mrs. Chandra Gupta ... Director, Handlooms Dev. Deptt.
 20. Dr. M. I. Parray ... Director, J&K EDI
 21. Mohd. Yaqoob Zargar ... Director, Rural Dev. Deptt. Jammu
 22. Meraj-ud-din Kenu ... Director, Handicrafts Department
 23. M. Muazzam ... MD, SIDCO
 24. Tasadiq Jeelani ... CEO, UDAK
 25. A. K. Kakroo ... Chief Horticulture Officer, Srinagar
 26. Muzaffar Hussain ... Joint Director, Industries & Commerce (K)
 27. Ichpal Singh ... AHTO, Handicrafts Deptt.
 28. Gh. Hassan ... Dy. Director, P RD Deptt. Kashmir
 29. M. Sadique ... Asstt. Director, KVIC
 30. A. M. Zargar ... ADO, KVIC
 31. Tabassum Kanual ... District Social Welfare Officer

NABARD

32. V.V.V.Satyanarayana ... General Manager
 33. P. L. Negi ... DGM, NABARD

SIDBI

34. Neeraj Srivastav ... B/O Incharge, Jammu

J&K BANK (CONVENOR BANK)

35.	A. K. Mehta	...	Executive Director/COO,
36.	Ajit Singh	...	Sr. President/ CRO
37.	Parvez Ahmad	...	President (Specialized Credit)
38.	Ab. Rauf	...	Vice President (PS/GB)
39.	Ab. Hamid Banday	...	Vice President, ZOK (Central)
40.	N. A. Parimoo	...	Vice President, ZOK (North)
41.	B. A. Lone	...	Vice President, ZOK (South)
42.	K. A. Pandit	...	Vice President, (CCD)
43.	M. S. Wani	...	Vice President, (LBD/SLBC)
44.	Ghulam Rasool Bhat	...	Sr. Executive Manager (LBD/SLBC),
45.	V. M. Nazki	...	Cluster Head, Cluster I Kashmir Central
46.	M. A. Chullu	...	Cluster Head, Cluster II Kashmir Central
47.	Mohammad Amin Khan	...	Cluster Head, Cluster III Kashmir Central
48.	M. A. Wani	...	Cluster Head, Cluster IV Kashmir Central
49.	G. R. Hajam	...	Cluster Head, Cluster I Kashmir North
50.	Gh. Rasool Malik	...	Cluster Head, Cluster-II-Kashmir North
51.	Atta-ullah Makhdoomi	...	Cluster Head, Cluster-III Kashmir North
52.	Gh. Mohi-uddin	...	Cluster Head, Cluster-I Kashmir South
53.	Mohammad Hussain Gattu	...	Cluster Head, Cluster-II Kashmir South
54.	Abdul Rashid Hakim	...	Cluster Head, Cluster-III Kashmir South
55.	Syed Rais Maqbool	...	Private Secretary to Chairman
56.	Zamir A. Qadir	...	Executive Asstt. to Chairman

OTHER BANKS/ FINANCIAL INSTITUTIONS

57.	S. Bhaduri	...	General Manager, State Bank of India
58.	K. K. Iyer	...	DGM, State Bank of India
59.	R. C. Koul	...	DGM, Punjab National Bank
60.	Ajay K. Gupta	...	AGM (RBO-1), State Bank of India, Srinagar
61.	P. K. Abrol	...	RM, RBO-3, State Bank of India, Jammu
62.	S. K. Koul	...	Sr. Mgr., Oriental Bank of Commerce
63.	J. S. Bali	...	Sr. Manager, Bank of India
64.	A. A. Allaqaband	...	AGM, UCO Bank (J&K)
65.	Prem Malik	...	Chief Manager, Srinagar
66.	M. L. Balmal	...	BM, Central Bank of India (Srinagar)
67.	Iftikhar Ahmad	...	AVP, HDFC Bank
68.	Md. Iftikhar Hussain	...	DGM, JKDFC Ltd.
69.	Mohammad Rafique Dar	...	DGM, J&K SFC

REGIONAL RURAL BANKS

70.	Raja Abdul Latief	...	Chairman, J&K Grameen Bank
71.	A. U. Tak	...	Chairman, Ellaquai Dehati Bank

COOPERATIVE BANKS

72.	Mohammad Ashraf Bhat	...	MD, J&K State Cooperative Bank
73.	B. A. Lone	...	General Manager, Baramulla Central Coop. Bank

74. A. Qayoom ... AGM, Jammu Central Coop. Bank
 75. Atta Mohammad Nath ... Chief Executive, Anantnag Central Coop. Bank

LEAD BANK OFFICERS/ LEAD DISTRICT MANAGERS

76. Riaz Ahmad Mir ... Lead Bank Officer, J&K Bank, ZOK (North)
 77. M. A. Sherwani ... Lead Bank Office, J&K Bank, ZOK (North)
 78. Tassaduq Mohammad ... Lead Bank Officer, J&K Bank ZOK (Central)
 79. A. H. Khan ... Lead Bank Officer, Srinagar
 80. Manzoor Hussain ... Associate Lead Bank officer, ZOK (Central)
 81. G. R. Kumar ... Lead Bank Officer, Pulwama/Shopian
 82. Shadi Lal Dhar ... Lead Bank Officer, Anantnag/ Kulgam
 83. Mohammad Farooq Jallu ... Lead Bank Officer, Budgam
 84. Muzaffar Hussain ... Lead Bank Officer, Kupwara
 85. Parvez Nissar Beigh ... Lead Bank Officer, Baramulla
 86. Abdul Rashid Najar ... Lead Bank Officer, Bandipora
 87. K. C. Dogra ... Lead Bank Officer, Rajouri/Poonch
 88. S. L. Dhar ... Chief Manager, Lead Bank, SBI, (Adm. office) Jammu
 89. Parvinder Bharti ... LDM, Udhampur/Reasi, (State Bank of India)
 90. M. P. Sharma ... LDM, Kathua, (State Bank of India)

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