

## **MINUTES OF THE 85<sup>TH</sup> MEETING OF J&K STATE LEVEL BANKERS' COMMITTEE HELD ON 28<sup>TH</sup> MAY 2012 AT SRINAGAR**

The 85<sup>th</sup> meeting of J&K State Level Bankers' Committee (SLBC) to review the performance of banking sector in J&K State for the quarter/ financial year ended on 31<sup>st</sup> March 2012 was held on 28<sup>th</sup> May 2012 at SKICC, Srinagar. Hon'ble Chief Minister of J&K State, Mr. Omar Abdullah was the Chief Guest and presided over the meeting. The Hon'ble Finance Minister of J&K State, Mr. Abdul Rahim Rather also attended the meeting. The Chairman/ CEO of J&K Bank (Convenor Bank) Mr. Mushtaq Ahmad steered the proceedings. Top functionaries of the Government administration, banks and institutions attending the meeting included Chief Secretary (J&K State) Mr. Madhav Lal, Principal Secretary to the Hon'ble Chief Minister/ Planning & Dev., Principal Secretary (Finance), Commissioner/ Secretary (Agriculture Production), Commissioner/ Secretary (Industries & Commerce), Commissioner/ Secretary (Labour & Employment), Commissioner/ Secretary (Rural Development), Commissioner/ Secretary (Revenue), Director DFS (Gol MoF), Regional Director (J&K) Reserve Bank of India, Chief General Manager NABARD (J&K RO) & Executive President of J&K Bank. Other participants comprised of senior officials of Reserve Bank of India, NABARD, various line departments and development agencies, LDMs and representatives of major member banks/ financial institutions operating in the State. The list of participants is enclosed as **Annexure-A**.

Commencing the proceedings Vice President J&K Bank (Convenor SLBC/ Lead Banking) Mr. M. S. Wani extended a warm welcome to the Hon'ble Chief Minister, Hon'ble Finance Minister, Chief Secretary of J&K State, Chairman & CEO of J & K Bank, other dignitaries, members, participants and invitees. Thereafter he requested the Chairman & CEO of J&K Bank (Convenor SLBC) to deliver the keynote address and express his views and observations about the credit administration in J&K State during the period under review.

The Chairman & CEO of J&K Bank, Mr. Mushtaq Ahmad formally welcoming the distinguished guests, dignitaries and participants expressed immense pleasure to have the proud presence of the Hon'ble Chief Minister and the Hon'ble Finance Minister in the SLBC meeting, which reflected their involvement and commitment to the development of the State. He expressed gratitude to the Hon'ble Chief Minister and the Hon'ble Finance Minister for having spared time out of their busy schedule for attending the meeting.

### **Keynote address by Chairman J&K Bank (Convenor SLBC) Mr. Mushtaq Ahmad:**

Highlighting that the **Financial Inclusion programme** is the highest national priority, which is being continuously and closely monitored by the Government of India and the Reserve Bank of India, Mr. Mushtaq Ahmad expressed satisfaction over the progress made in respect of the Financial Inclusion Plan (FIP) of J&K State for providing of banking services in the 795 identified un-banked villages having population over 2000, as banking outlets have been provided in 727 villages upto the end of March, 2012. He stated that the basic aim of this programme is to extend the benefits of economic prosperity to the excluded segment, which has been neglected so far. He expressed the hope that the left over 68 villages would be covered very soon.

Mr. Mushtaq Ahmad stated that since the Gol, MoF have now announced timelines for the second phase of the programme, under which 1393 villages having population >1000 <2000

have been already identified and allocated to the same five participating banks, the process of coverage for providing banking services needs to be expedited.

He stressed that the economy of J&K State mainly comprises of tiny type of activities like handicrafts, tourism, horticulture, agriculture and micro and small enterprises and therefore, we need to do something very seriously for the inclusive growth, development and transformation of the people associated with these sectors.

Presenting an overview of the performance of banks for **credit flow to Priority Sector** during FY ended March, 2012, under Annual Credit Plan for the FY 2011-12, Mr. Mushtaq Ahmad stated that banks operating in J&K State have disbursed credit facilities aggregating to Rs.3,880.84 Crore in favour of 1,79,180 beneficiaries against target of Rs.3,619.69 Crore for 2,37,892 beneficiaries thereby registering achievement of 107% in financial terms. Highlighting the commendable performance of J&K Bank he informed that J&K Bank alone has disbursed Rs.2,738.94 Crore against the target of Rs.1,492.44 Crore, thereby achieving 184% of its annual ACP target, which accounts for a dominant share of 70% of the total priority sector credit disbursed by all banks together in the State.

While describing sector-wise performance of banks under ACP as at the end of FY 2011-12, Mr. Mushtaq Ahmad stated that under **Agriculture sector** banks have extended credit facilities aggregating Rs.929.16 Crores to 69,853 beneficiaries against a target of Rs.846.06 Crore favouring 1,38,748 beneficiaries, registering an achievement of 110% in financial terms. He informed that the outstanding credit under Agriculture sector as on 31.3.2012 constituted 12.53% of total credit and it was satisfying to note that it has improved marginally from 11.9% of previous year though it continues to lag behind as against the prescribed benchmark of 18%.

Under **Small Enterprises Sector**, banks have disbursed credit facilities aggregating Rs.1,381.81 Crore in favour of 41,996 beneficiaries against ACP target of Rs.1,725.95 Crore in favour of 59,531 beneficiaries, thus registering an achievement of 80% in financial terms.

Under **Micro Credit Sector**, banks have disbursed credit facilities aggregating Rs.350.53 Crore in favour of 19,752 beneficiaries against ACP target of Rs.476.41 for 26,005 beneficiaries, registering an achievement of 74% in financial terms.

Under **Education Sector**, banks have extended credit facilities aggregating Rs.67.69 Crore in favour of 4,096 beneficiaries against ACP target of Rs.151.36 Crores for 4,686 beneficiaries, registering an achievement of 45% in financial terms.

Under **Housing Sector**, banks have disbursed an amount of Rs.1,151.65 Crore in favour of 43,483 beneficiaries against ACP target of Rs.419.91 Crore for 8,922 beneficiaries, registering an achievement of 274% in financial terms.

Commenting on **performance under five major Government Sponsored Schemes**, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC Mr. Mushtaq Ahmad expressed satisfaction that continuous focus to improve has yielded encouraging results and 110% of the target has been achieved in financial terms and 83% in physical terms during the FY 2011-12 for the first time ever. During the period under review the credit disbursement under sponsored schemes has increased to Rs.237.36 Crore spread over 15,584 beneficiaries as on 31.03.2012 as against the Annual ACP target of 214.90 Crore for 18,788 beneficiaries. He pointed out that the belated release of the subsidy usually towards the last quarter of the

financial year is still a big handicap for improving the performance under these Government sponsored programmes, as the banks/ financial institutions remain preoccupied during this period with other priorities of business targets, profitability, NPAs management, etc. and it becomes difficult for them to devote time for the Government sponsored programmes. He therefore, pleaded that a proper mechanism be devised to regulate releasing of the subsidy component in respect of the Government sponsored schemes to the banks/ FIs on quarter-to-quarter basis. He expressed the hope that considering the seriousness of banks as well as the State Government for creation of more & more employment generation opportunities and ventures, the performance is expected to improve further in future.

**Action: Govt. Sponsoring Agencies**

Mr. Mushtaq Ahmad commented that **low C. D. Ratio of banks** in the State was discomfiture and a further dip of 1.21% from 35.57% as on 31st March 2011 to 34.36% as on 31st March 2012 was a concern. However, keeping in view that all the banks are already committed to the Governor, Reserve Bank of India, Dr. D. Subbarao to improve the Credit Deposit Ratio of the State to the minimum level of 40% by the end of March 2013 by putting in extra efforts, it is expected to achieve the desired target.

**Action: All member banks**

Regarding enforcement of **SARFAESI Act** in the State, Mr. Mushtaq Ahmad stated that certain legal hitches have to be removed at the earliest to help the banks/ financial institutions to improve their NPAs position and brighten prospects for lending. Absence of this legislation prevents proper recycling of the funds and renders further credit dispensation really difficult for banks.

**Action: Govt. of J&K**

With regard to the **recoveries under NPAs**, Mr. Mushtaq Ahmad requested the State Government Executive agencies to extend a helping hand so that the process of recycling of funds does not get stumbled anywhere and at the same time the existing NPAs do not stand in the way of sanctioning of the fresh loans.

**Action: Govt. Executive Agencies**

#### **Initial remarks by Hon'ble Finance Minister**

The Hon'ble Finance Minister, Mr. Abdul Rahim Rather expressed satisfaction that SLBC platform provides opportunities for the banks and the Government agencies to sit together, think over and take necessary coordinated measures for social and economic prosperity of the people of the State. Reminding that the last time he attended the SLBC, in October, 2010, when some bigger decisions were taken regarding increasing credit flow to some critical areas of the economy like Agriculture, SMEs and Micro credit sectors so it has to be ascertained how far those decisions had been implemented and whether we had succeeded in achieving those objectives. He expressed that though in some areas banks have moved forward, but still there are many areas leaving a lot of scope for further improvement, which need our immediate attention.

He stressed the need to focus on other national priorities like financial inclusion programme for inclusive growth.

Commenting on the figures provided under agenda papers, the Hon'ble Finance Minister expressed satisfaction that during the FY 2011-12 banks have achieved 107% of Annual ACP targets for priority sector. He remarked that this has been largely possible because of major contribution by the J&K Bank, which alone has achieved 184% of its individual target for the FY 2011-12, which accounted for about 70% of the total credit flow to priority sector by all banks together. He stated that the remaining banks put together have contributed residual share of 30% only of the target, which is a matter of concern. Hailing the efforts of

J&K Bank the Hon'ble Finance Minister stressed upon all the banks to undertake their responsibilities towards the people of the State and extend support and cooperation in the economic development of the State.

The Hon'ble Finance Minister pointed out that the overall achievement of banks under priority sector at 107% has largely been driven by the housing sector where banks have far exceeded the ACP target recording 274% achievement. Banks were already advised to revisit the entire policy of allocating targets as excessive lending to housing sector was amounting to over prioritizing the housing sector within the priority sector, which was happening at the cost of vital sectors, which appear to have taken the backseat. He emphasized that banks should direct their efforts to achieve the national benchmark in all the sectors particularly in core sectors of Agriculture and micro credit, which continue to be top priorities of government given the fact that J&K economy is predominantly agriculture-based. But these sectors do not seem to be receiving priority consideration by the banks. He stressed that SLBC needs to keep these aspects in view while formulating and implementing its credit programmes and said that Government would extend full cooperation in that endeavour.

The Hon'ble Finance Minister stated that Agriculture Sector is the backbone of the State Economy. But so far as providing credit to this sector is concerned, we are lagging behind. The national benchmark for agriculture credit is 18% of the total loan outstanding, but as revealed by the Chairman, J&K Bank, the total credit flow to agriculture sector in J&K State has increased during the last two years from 11.5% to just 12.5% as on 31.3.2012. There is of course increase, but it is not of the desired level, as in case we go by this pace of increase, it will take us so many years to reach to the 18% benchmark but our farmers cannot afford to wait so long. Therefore, he advised the banks to take some special measures to ensure that the credit flow to agriculture sector is substantially increased. He also stressed the need to focus on providing KCC so that the farmers are enabled to avail loans hassle free for enhancing productivity.

The Hon'ble Finance Minister also stated that SMEs sector was another sector where banks have lagged behind the target and have registered an overall achievement of 80% of the Annual ACP target. He advised the banks to understand the importance that SMEs sector occupies in the development process of the State. He stated that this sector has great potential to offer to the State with appreciable capabilities of providing self-employment opportunities. He observed that the under-performance in Micro Credit, Education, SMEs and some Government sponsored schemes needs attention. Similarly, though in some areas the targets have been achieved, but in financial terms while as the physical targets have not been achieved, which we need to be looked into. He stressed that the achievements reported under these sectors are not convincing and SLBC needs to work out a strategy to improve the position in future.

The Hon'ble Finance Minister acknowledged that the flow of credit in the State has indeed increased substantially but the increase has not been consistent with the increase of deposits in the State, which is evident from the fact that as on 31<sup>st</sup> March 2012 cumulative deposits of the State stood at Rs.55,144 Crore against which the total advances outstanding in the State stood at Rs.18,948 Crore, thus working out a Credit Deposit Ratio of just 34.36%, which as already revealed by the Chairman, J&K Bank, is lesser than the previous year's CD Ratio by 1.21%. He expressed concern that deposits of banking sector have recorded a faster growth of more than 20% during the FY 2011-12 while as the advances have registered a slow growth of just around 16% during the same period, as a result the Credit Deposit ratio of the State has come down, which he said is quite low and is in no way



compatible with the national benchmark of 60%. He advised the SLBC to give a serious thought to this aspect and remove the disparity.

Commenting on the achievements of banks made during the last 4-5 years, the Hon'ble Finance Minister said that the CD Ratio of the State has been continuously declining, which is a matter of grave concern for all of us. He highlighted that in an under-developed State like J&K, which has plenty of problems but limited resources, banks have an important role to play, as obviously the State Government is not in a position to solve all economic problems of the State from its own limited resources. He told that since the situation in J&K was quite peaceful during the last financial year, as such there should have been no hassles in our performance. Therefore, he stressed upon the banks the need to ponder over it seriously to improve the position.

The Hon'ble Finance Minister expressed satisfaction to note that the directive of Governor, Reserve Bank of India, Dr. D. Subbarao during his visit to the State in March this year that Credit Deposit Ratio of the J&K should be enhanced to the minimum level of 40% by March 2013, has been taken quite seriously by the banks.

Responding to the biggest concern expressed by the banking community in J&K State, i.e. the non-implementation of the SARFAESI Act in the State the Hon'ble Finance Minister made it clear that we have to respect our land laws, which is a very sensitive issue. Expressing his happiness to inform that recently a team of senior officers of the State government including Advocate General of the State, the Law Secretary and the Special Secretary (Finance) discussed the issue thoroughly with the GoI, MoF and some way out has been found. Now there is need to make some amendments in the laws without changing the spirit of the State laws to facilitate the enforcement of SARFAESI Act and to resolve matters under litigation.

He expressed the hope that the decisions taken shall be implemented soon and both the GoI and the State Government will take immediate requisite measures so that the SARFAESI Act is implemented in the State with certain conditions, which will not come in the way of securing loans and impact performance of banks.

#### **Address by Hon'ble Chief Minister**

The Hon'ble Chief Minister in his presidential address stated that bankers' concern is non-implementation of the SARFAESI Act that secures advances but the concern of the Government has been the declining Credit Deposit Ratio in the State. He stated that based on the feedback received from the concerned quarters and as stated by Hon'ble Finance Minister a way-out for implementation of SARFAESI in J&K State is in the process of being found. He stated that the issue is going to come up in the Cabinet meeting as a formal agenda point and expressed the hope that it will be resolved soon.

Expressing serious concern over the declining Credit Deposit Ratio in the State, the Hon'ble Chief Minister stated that it becomes very difficult to explain the reasons for this decline when there is a healthy growth in deposits. Terming it as the flight of capital, the Hon'ble Chief Minister observed that money deposited here is not being utilized here. Endorsing the views of Hon'ble Finance Minister regarding over-prioritizing of the Housing Sector, the Hon'ble Chief Minister stated that credit flow to the Housing Sector should not be beyond the scope of targets already set for this sector, as otherwise it would be at the cost of other vital segments of the Priority Sector.

The Hon'ble Chief Minister stated that key drivers of the economy that show results in terms of generating employment are the traditional areas of the economy of this State. Stating that

while there is a small MSME base in Jammu, it is virtually non-existent in the valley, where the drivers of economy are Agriculture and Allied Activities, Food Processing, tourism, etc. in respect of which there has been a marginal growth in advances. Highlighting that last year the valley had seen about 1,40,000 tourist arrivals, which this year has crossed 4,00,000 the Hon'ble Chief Minister pointed out that today there is shortage of good tourist vehicles that could be taken on hire thereby stressing upon the banks to focus on lending to the tourism sector, which he said will benefit both the lending institutions as well as the those who avail of the credit. Apart from this, Handicrafts and Handlooms is an area that traditionally people have been complaining of their inability to access credit. He stated that although J&K Bank has already launched some tailor-made schemes for the Dastkars and craftsmen of the state, but their reach needs to be widened and the guidelines and procedures need to be simplified a bit to make these more customer-friendly.

Regarding Agriculture Sector, the Hon'ble Chief Minister observed that ticket-size of agricultural loans is a matter of concern and desired that the banks need to take a look at it. Regarding the Kissan Credit Cards he stated that it is an area of concern not only in the State but across the whole country needing concerted efforts for distribution.

Commenting on the implementation of Electronic Benefit Transfer (EBT) Scheme in the State, the Hon'ble Chief Minister advised that necessary measures should be taken for implementing the Scheme in the State at the earliest as it stops slippage and pilferage in the payment of benefits. He informed that a beginning has been made with MGNREGA Scheme in 10 districts on a pilot basis and as the initiative succeeds; its reach and scope shall be widened for coverage.

Expressing his strong commitment to addressing the concerns of the banking industry in the state, the Hon'ble Chief Minister assured his support in all the respects to enable them to thrive and flourish so that the economy of the State is benefited. He also expressed his pleasure on J&K Bank's efforts to ensure that it hasn't been hit too hard by the uncertain business environment in terms of growth in NPAs. He stated that one of the parameters by which he would judge the success of banking industry in J&K is that he would gauge the flow of credit in the State growing substantially, so that the more and more avenues of employment are generated for the people and the economy of the State becomes strong.

The Hon'ble Chief Minister expressed the hope that when the next time he has the opportunity to chair the SLBC meeting, there will be many more positive things to talk about as a result of this meeting.

Thereafter, the Vice President (LBD/SLBC) requested the Chairman to pilot the agenda of the meeting. Accordingly the agenda was taken up for deliberation as under:

### **Confirmation of Minutes of 84<sup>th</sup> SLBC meeting held on 18.2.2012 and the Special SLBC meeting held on 21<sup>st</sup> March 2012**

As no amendments to the published minutes of both the meetings were received from any member/ any quarter, the minutes were confirmed by house.

### **Rolled over actionable points of the earlier SLBC meetings (follow-up of outstanding issues):**

#### **1) Legislating SARFAESI Act**

Resolution of the issue assured by Hon'ble Chief Minister and Hon'ble Finance Minister very soon through cabinet decision and amendment to law.

2) **Revised J&K State Self Employment Scheme – Sub-group constituted in 82<sup>nd</sup> SLBC meeting to examine the macro issues within the scheme**

The Labour & Employment department vide their letter No. L&E/Plan/Corres/SLBC/75/10 dated 24.05.2012 have informed that the matter has been examined in consultation with the Economic Advisor and the Finance Department and the response has been already conveyed for further necessary action is that “prima-facie it is the issue between the J&K Bank and Reserve Bank of India, as such any meeting at the Government level is not called for”. In view of the situation J&K Govt. (L&E) was advised to review the scheme and parameterize it properly.

3) **Disposal of the cases of Artisans forwarded by Handicrafts Deptt. to J&K Bank:**

Progress achieved by the J&K Bank in disposal of the pending cases of Artisans forwarded by the Handicrafts Department was taken on record.

4) **Implementation of Handloom package:**

The concerned departments in J&K Government and NABARD were advised to ensure that all necessary measures are taken by the Government for implementation of the Handloom Package in the State of J&K.

**Action: Commissioner/ Secretary, Ind. & Com., GoJ&K / NABARD**

5) **Selection of 6 districts in J&K State for planned credit flow to Agriculture:**

All the member banks / LDMS were directed to ensure that flow of credit to the selected 6 districts is substantially enhanced in particular and other districts in general, so that ACP targets are achieved.

**Action: All member banks**

**REPORT ON THE MATTERS REFERRED TO VARIOUS SUB-COMMITTEES OF J&K SLBC**

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

- Reserve Bank of India was reminded to expedite approval to the extension in the period of package of concessions/ relaxations to Trade and Industry in J&K State beyond 31<sup>st</sup> March 2012 pursuant to the recommendations of the Sub-Committee

**Action: Reserve Bank of India**

2) **Meeting of the Sub-group of J&K SLBC constituted to prepare a workable action plan for increasing Credit Deposit Ratio of J&K State by 31<sup>st</sup> March 2002:**

- Minutes of the meeting were taken on record. All the banks were advised to put in strenuous efforts to ensure that CD Ratio of banks in J&K State achieve 40% C.D.Ratio by March 2013 as per the commitment made to the Governor, Reserve Bank of India.

**Action: All member banks**

3) **Bi-annual Meeting of Chairman/ CMDs of SLBC Convenor Banks with LDMS of the State:**

- Minutes of the said meeting were taken on record and all the Lead District Managers and other concerned stakeholders were directed to implement the decisions/ action points emerging from the said meeting.

**Action: All LDMS in J&K State / All concerned**

**SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)****AGENDA ITEM NO: 85.01****RBI directive regarding providing of banking services in all the un-banked villages having population of 2000 and above in J&K:**

Progress achieved by the concerned participating banks in having covered 727 villages upto the end of March 2012 was taken on record. The Regional Director, RBI pointed out that the progress achieved in the State on implementation of FIP was just 94% against over 99% achieved at national level, indicating that J&K State has lagged behind the target by 68 villages.

The Director DFS, GoI, MoF, Mr. S. K. Jindal desired to know the time lines by which these left over 68 villages, which mostly fall in the valley and belong to the J&K Bank, were intended to be covered so as to achieve 100% coverage.

Responding to this, President, J&K Bank, Mr. Abdul Rashid informed that the exercise for appointing the BCs for 30 of these villages had already been completed and for rest of the 38 villages advertisements have been issued for engagement of BCs.

- **It was decided that J&K Bank will take necessary steps to complete the coverage of all these left over 68 villages by the end of June 2012.**

**Action: J&K Bank**

**AGENDA ITEM NO: 85.02****Implementation of Electronic Benefit Transfer (EBT) Scheme in J&K State:**

House was informed that the Sub-group constituted for the purpose of working out implementation of EBT Scheme in respect of all the Schemes under operation in the State has convened its first meeting on 23.5.2012 at Civil Secretariat, Srinagar.

It was also informed that the State Government has made the beginning in this regard with the MGNREGA Scheme in 10 districts of the State on a pilot basis and its coverage and scope will be widened as the initiative succeeds.

**Action: Principal Secretary (Finance)/ Com./Secretary (IT)/  
Commissioner/ Secretary (RDD) J&K Govt.**

**AGENDA ITEM: 85.03****Evolving Action plan for un-banked villages having population more than 1000 but less than 2000 in J&K State:**

- **The house approved that additional identified 120 unbanked villages in population segment of >1000 to <2000 be allocated to participating banks as per their Service Area.**

**Action: SLBC Secretariat**

- **All the concerned banks to whom these villages have been allocated were advised to ensure submission of proper Roadmap/ Plans for coverage of these villages within the prescribed timelines, viz. 31<sup>st</sup> March, 2013 on the lines of first phase of FIP regarding 795 villages having population >2000.**

**Action: J&K Bank/ SBI/ PNB/ J&K Grameen Bank/ EDB**

**AGENDA ITEM NO: 85.04****Coverage of un-banked/ under-banked areas of J&K State**

Progress achieved by the concerned banks on the Branch Expansion Plan of the State was taken on record. It was observed that the progress achieved is slow and the concerned banks were advised to take necessary measures in this regard urgently so as to ensure that



the process of opening new branches as per Branch Expansion Plan is substantially improved to achieve the time bound target.

**Action: All concerned Banks**

#### **AGENDA ITEM NO: 85.05**

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

###### **(i) Master Circular on Strategy and Guidelines on Financial Inclusion**

The Director DFS desired to know the progress achieved by the concerned banks on opening of Ultra Small Branches (USBs) in the BC villages to be operationalized by 30<sup>th</sup> June 2012.

Responding to this, the DGM, SBI, Mr. A. K. Gupta informed that 50 USBs have already been put in place by them and assured that by the end of 30<sup>th</sup> June 2012 all these Ultra Small Branches would be made functional. SBI has appointed 78 CSPs for these villages and remaining 17 are the BFs. Out of 95 villages 3 villages are such where there is no connectivity, so these will continue to rely on BFs. Regarding the requirement of providing laptops to the branches to which these CSPs are linked, the DGM, SBI stated that orders have already been placed and the laptops would become available in a week for the purpose. Regarding the requirement of weekly visit of branch officials to the BC with laptops having VPN connectivity the DGM, SBI stated that the issue is being dealt with at their Corporate Office level where the suitable mechanism for this issue is being worked out.

He further stated that the branch official's visits to the BCs are already being undertaken for which a register is maintained at the base branch for recording the movement of the official. He informed that SBI has put banners and placard about Ultra Small branches functioning from the particular villages.

President, J&K Bank, Mr. Abdul Rashid informed that J&K Bank has already declared 450 BCs as Ultra Small Branches and laptops with VPN connectivity are being provided for all these USBs.

Mr. Jindal informed the house that the next step regarding the USBs would be monitoring of data with regard to advances made and deposits gathered, etc. and advised the banks to be prepared for the said task soon.

**Action: All concerned banks**

###### **ii) Launch of campaign to ensure at least one bank account for each family in FI villages.**

All member banks were advised to observe strict compliance of the Government of India, Ministry of Finance directive conveyed vide F.No.8/11/2011-FI dated 15<sup>th</sup> May 2012 regarding launch of campaign to ensure that each family living in the service area of a branch having rural villages attached to it, has an account with the branch.

**Action: All member banks**

#### **AGENDA ITEM: 85.06**

##### **Gol, MoF directive (as a part of Financial Inclusion) to ensure 100% coverage of farmers in J&K State under Kissan Credit Card (KCC) Scheme:**

The Chief Secretary, Mr. Madhav Lal pointed out that although we were supposed to have 100% coverage of farmers under KCC Scheme by October, 2011, but looking at the achievements it is observed that upto the end of March 2012 hardly 10% of the farmers have received the KCCs. Commenting on his recent visit to Samba district in connection

with distribution of KCCs, the Chief Secretary stated that the task should be undertaken in a systematic manner, as doing it in random manner will lead us nowhere to achieve the desired objective. He stressed the need for adopting a coordinated approach among the financial institutions and the government agencies for ensuring 100% coverage of the farmers under KCC scheme.

The Com./Secretary Agriculture Production, Mr. Shaleen Kabra, referring to the decisions taken in the previous SLBC meetings that upto the limit of Rs.1.00 lakh “no collaterals would be needed for credit disbursement under the KCCs” and that “no revenue records would be needed”, pointed out that these directives have not percolated down to the operational levels of the banks, as the bank branches at various places are being found unwilling to comply with these decisions and are returning the KCC forms. He also commented that ticket size of KCC was inadequate for viable ventures as credit limits under KCC sanctioned by the banks in Samba have been just around Rs.10,000/-.

Mr. Shaleen Kabra stated that as specifically mentioned in GoI, MoF circular dated 4<sup>th</sup> April 2012, the Service Area Plans should be identified in terms of Gram Panchayat. However, the service area branches are not properly identified for guiding the farmers of the particular area for obtaining their KCC.

Reacting to these observations the Regional Director, RBI, Mr. K. K.Saraf clarified that it has been made amply clear to the branch level functionaries that upto a limit of Rs.1.00 lakh they cannot ask for collateral security. Regarding fixing of credit limits of KCCs he clarified that in absence of the land records it will be very difficult for the banks to fix the credit limits because as per the KCC scheme the credit limits have to be fixed on the basis of some scientific data for which land records would be essential.

Joining the deliberation on the issue, the Principal Secretary Planning & Development, Mr.B.B.Vyas stated that issuance of KCCs is a credit decision of the bankers that requires certain documentation and pleaded that ways and means of getting those records available need to be devised. He suggested that Panchayats should be entrusted the responsibility of facilitation. He further suggested that all renewals in agricultural loans and fresh credits should be disbursed through the KCCs.

The Vice President (SLBC), Mr. M. S. Wani clarified that for driving the national programme of issuing KCCs to all eligible farmers in the State, J&K Bank as per mandate of the SLBC has already delivered 17 lakh printed application forms to the Agriculture Production Department. The banks have been advised to issue KCCs to all eligible farmers. For small and micro limit KCCs, which may be even the technology-driven smart cards, banks have not to ask for any land records. These have to be issued collateral-free upto a limit of Rs.1.00 lakh. The marginal and small farmers have to simply make a request to the banks and obtain the KCC. As regards the high-value KCCs, the concerned farmers are required to obtain land records for higher limits.

- **Keeping in view the constraints faced and the observations of all the banks and government departments, the Hon'ble Chief Minister directed that the programme of 100% coverage of farmers under KCC should be accomplished by the end of first week of October 2012. He directed that month-wise targets should be worked out and communicated to all the stakeholders, so that the desired objective is achieved. He advised Commissioner/ Secretary APD to work with the Lead District offices, who will act as the nodal offices for accomplishing the task.**

**Action: Com./Secretary, APD./ Directorate of Agriculture/  
All member banks/ All LDMs**

The Com./ Secretary, APD stated that Patwar Halqa-wise and Panchayat-wise schedules for the purpose have been got devised through the Deputy Commissioners indicating timelines for completion of revenue records and for filling up of the forms etc. but the only thing lacking in that is the details of service area branches where the forms have to be delivered. He pointed out that there are about 1400 bank branches operating in the State with 4100 Panchayat halqas but those bank branches do not have specific instructions from the head offices regarding acceptance of these forms and issuance of the KCCs to farmers.

In this regard the Director, Agriculture (Kashmir) stated that recently in the Ganderbal District three branches of the J&K Bank, viz. B/U Wakura, B/U Kangan and B/U Kurhama have refused to directly accept the forms and instead advised that these forms be routed through their Zonal Offices.

Reacting to this, the Assistant Vice President, J&K Bank, Mr. Nazir Ahmad clarified that Cluster Heads of Ganderbal and Budgam districts of the Bank have received 1,000 KCC cases directly from the Agriculture Department some 4 or 5 days before.

After thorough deliberations on the issue it was decided that:

- **Agriculture Department shall ensure that KCC forms of 100% farmers of a particular village are completed and delivered to the concerned service area bank branches for issuance of KCCs and there should be no leftover cases.**

**Action: Agriculture Department**

- **Agriculture Department will start sending the forms to banks from 15<sup>th</sup> June 2012 onwards and ensure that delivery of 100% KCC forms to the bank branches is completed by 31<sup>st</sup> of August 2012 positively.**

**Action: Agriculture Department**

- **SLBC Secretariat will provide the detailed list of Zonal Heads and Cluster Heads to the Agriculture Production Department, so that while delivering the filled up KCC forms to the branches in their jurisdictions the Zonal heads/ Cluster heads are kept informed of the number of KCC forms delivered to the bank branches.**

**Action: SLBC Secretariat**

- **As the target of 100% coverage of farmers under KCC Scheme is to be completed within the available period of 4 months, the progress on implementation of the programme should be reviewed on monthly basis at State-level in the meetings of Steering Sub-Committee of J&K SLBC on flow of credit to Agriculture and at district-level in the quarterly DLRC meetings.**

**Action: SLBC Secretariat/All LDMs**

#### **AGENDA ITEM NO: 85.07**

##### **Opening of Financial Literacy and Credit Counseling (FLCC) Centres in J&K State:**

- **The progress achieved by SBI was taken on record. Representatives of J&K Bank and State Bank of India were advised to ensure setting up the FLCC Centres in the remaining districts of the State**

**Action: J&K Bank / State Bank of India**

**AGENDA ITEM NO: 85.08**

1. **Setting up of Rural Self-Employment Training Institutes (RSETIs) -**
2. **Allotment of land by Government of J&K for creating permanent infrastructure for these RSETIs:**

- **State Bank of India was advised to take necessary measures for setting up RSETIs in the remaining 4 districts soon.**

**Action: State Bank of India**

- **The Chief Secretary J&K assured to get the allotment of suitable land at all district locations expedited for enabling to proceed with creation of the RSETIs in all the districts of the State and advise D.C. Srinagar to make the allotment of suitable land for the purpose at the earliest.**

**Action: Commissioner/ Secretary (Rural Development), J&K Govt.**

**AGENDA ITEM: 85.09****Formation of Service Area Plans for each District:**

Progress achieved on the issue was taken on record. LDMs of those districts where the official websites are not so far available were advised to take up the issue with concerned District Development Commissioners for taking necessary measures immediately to ensure that websites are created at the earliest and the Service Area Plans are got uploaded.

**Action: Concerned LDMs**

**SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)****AGENDA ITEM: 85.10****CREDIT TO PRIORITY SECTOR:****Bank-wise/ Sector-wise, Region-wise/ Sector-wise achievements in lending to Priority Sector under Annual Credit Plan 2011-12 as at end of March 2012.**

The overall bank-wise/ Sector-wise progress achieved by the banks on the Annual Credit Plan was taken on record. The Chief Secretary pointed out that as per RBI guidelines the priority sector lending has to be 40% of the total advances outstanding and lending to Agriculture Sector has to be 18% of the total advances outstanding. But in J&K State while the priority sector advances in relation to the total advances have been achieved at 58.75%, i.e. much above the benchmark of 40%, but the lending to Agriculture Sector has been to the extent of 12.53% of total advances outstanding as at the end of March 2012, which is a matter of concern.

The Commissioner/ Secretary, Agriculture Production taking part in the deliberations stated that in order to achieve the benchmark of 18% for credit to Agriculture Sector and taking into account the expected recoveries, the banks would need to disburse Rs.2,700.00 Crore to Agriculture Sector during the CFY, which indicate that targets fixed under the ACPs for the Agriculture Sector have been much less.

Principal Secretary (Finance), Mr. M. I. Khanday, taking part in the deliberations desired to know that after making the commitment to Governor, RBI to raise the CD Ratio to 40%, whether SLBC has revised the credit plans for the current year.

Responding to this, the Chairman, J&K Bank informed that pursuant to the decision taken in the Special SLBC meeting presided over by Governor, RBI on 21<sup>st</sup> March 2012, a meeting



of the Sub-group was held on 12<sup>th</sup> April, 2012, where certain decisions were taken to achieve the desired objectives of 40% CD Ratio by March 2013 and enhanced credit flow to agriculture sector. He further informed that revised ACP targets have been already formulated for the purpose.

Responding to this, the DGM (Zonal Head), SBI admitted that the performance of SBI in lending to priority sector has remained below the desired level although the performance is better as compared to the previous year. He, however, assured the house that SBI will definitely improve the position during the current financial year.

DGM (Circle Head), PNB also assured the house that keeping in view their commitment to enhance the Credit Deposit Ratio to the minimum level of 40% by March 2013 and also by virtue of 100% coverage of farmers under KCC Scheme, he is hopeful to achieve 100% targets under ACP during the current financial year.

### **Lending to Agriculture Sector**

The Hon'ble Chief Minister desired that the forum should discuss the sector-wise achievements so that performance under various sectors is reviewed.

Chairman, J&K Bank stated that under Agriculture Sector J&K Bank has achieved 162% & PNB 152% but SBI has recorded only 39%, whereas other Commercial Banks put together have achieved 92% of the target. He stated that while RRBs have performed comparatively well, the performance of Cooperative Banks, which are mainly operating in rural areas of the state, has been only to the extent of 35%.

Upon being asked by the Hon'ble Finance Minister to give the reasons for such a low performance despite having accepted the targets, the DGM, SBI stated that although SBI has done well under KCC and Dairy Entrepreneurship Development Schemes especially in Leh district and Kashmir Valley, but admitted that percentage-wise the achievement of SBI has been definitely very less.

- **Taking a very serious notice of the low performance of SBI and other PSBs in agriculture and Small Enterprises Sectors, the Chief Secretary termed it as the failure of the people at the helm of affairs in their controlling offices and advised that the time has come that the SLBC should resolve that lack of performance of the banks be conveyed to their top managements. He emphasized upon these banks that mere assurance on their part to improve their position would not help solve the problem, instead the banks need to seriously look into the issues of low performance, diagnose the problems and then formulate proper strategies to overcome those problems to bring about visible improvement in their performance, which should be reflected in figures also.**

### **Action: State Bank of India/ Punjab National Bank**

The Regional Director, RBI emphasized that since we have committed ourselves to achievement of 40% CD Ratio by March 2013, the only way to achieve that target is that credit dispensation to both priority as well as non-priority sector is substantially increased. He stressed upon the banks to stick to their commitment so that by March 2013 not only the bank-wise/ sector-wise targets are achieved but also the commitment of achieving 40% CD Ratio is also fulfilled.

The representative of J&K State Cooperative Bank attributed the low performance of the Cooperative Bank under Agriculture Sector to the prevailing financial conditions of the Cooperative sector besides lack of agricultural potential in the districts of Srinagar, Budgam,

Leh, Kargil and Ganderbal, where the Cooperative Bank happens to be the central financing agency.

However, the Chairman, Convenor Bank remarked that all these factors have already been taken into consideration while formulating the District Credit Plans/ Annual Credit Plan. He advised that Cooperative banks should come upto the expectations of the people of the State and take necessary measures to ensure that flow of credit to agriculture sector is substantially increased and the targets fixed for the CFY are achieved.

**Action: All Cooperative Banks operating in the State**

Summing up the discussions the Hon'ble Chief Minister advised as under:

- a. **In order to ensure that the target of 40% CD Ratio by March 2013 is truly achieved, the Annual Credit Plan for the CFY (2012-13) shall need to be revisited and re-oriented otherwise the target of 40% will remain a dream.**
- b. **The targets fixed are only a meaningful consequence if there is actually an effort made to implement those targets.**
- c. **Banks operating in the State are operating under two sets of targets – one emanating from SLBC and the other one is that flows from their respective Head Offices, which seem to be more important for the banks probably for the reason that flouting the instructions from Head Office would involve serious consequences. But seemingly banks are not being penalized for not sticking to the targets allocated by the SLBC, as a result they do not take much interest in achieving priority sector and other targets allocated by the SLBCs. He desired the RBI to consider this aspect and take necessary steps in this regard.**

**Action: Reserve Bank of India**

- d. **As regards the structure of the SLBC, the body seems to be too large to meet very frequently, therefore, meetings of its Sub-Committees on various issues like Agriculture, Artisans, MSMEs and Self-employment Entrepreneurship Development, be convened more frequently and regularly, to closely monitor the achievements of targets in an aggressive way and reduce the gaps between targets and achievements.**

**AGENDA ITEM: 85.11**

**CREDIT UNDER GOVERNMENT SPONSORED SCHEMES**

**I) Region-wise / District-wise / Scheme-wise and Bank-wise / Scheme-wise performance of Banks under Govt. Sponsored Schemes upto 31st March 2012:**

The Chairman, J&K Bank (Convenor SLBC) informed the house that against the Annual ACP target of 214.90 Crore for 18,788 beneficiaries for all banks operating in the State, the achievement of banks at the end of March 2012 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC has been of the order of Rs.237.36 Crore spread over 15,584 beneficiaries in all the three regions of the State, thereby recording a performance of 110% in financial terms and 83% in physical terms against the performance of 52% and 41% achieved during the last FY (2010-11), which was encouraging.

- **All member banks operating in the State were advised to ensure that their performance under all the employment generation and poverty alleviation schemes is further improved in the State during the CFY.**

**Action: All member banks**

**AGENDA ITEM: 85.12****Performance under Handloom / Handicrafts/ Artisans Credit Card Scheme as on 31st March 2012:**

The progress achieved by the banks under Handicrafts and Handlooms was taken on record.

Responding to this the Commissioner/ Secretary Industries and Commerce informed that under ACC Scheme 350 cases have been sponsored against which 65 ACCs are ready with the J&K Bank for distribution among the artisans and the remaining ACCs would be ready within 15 days.

The Chief Secretary stated that there are many Artisans Clusters in the State, for whom access to credit is important and advised that all these Clusters should be taken up for 100% coverage under ACC Scheme on the lines of KCC Scheme. He desired to know the timelines within which the department intends to ensure 100% coverage of artisans under ACC Scheme, which besides facilitating access to credit, linkage to interest subsidy also provides for certain social security benefits like health insurance etc.

The Director Handicrafts stated that Artisans Credit Card Scheme is a State Government Scheme with loan involvement of Rs.1.00 lakh with interest subsidy of 10%. He stated that Handicrafts Department has mobilized its field agencies, the forms of the artisans who are registered with the department are filled up and the cases are forwarded to the J&K Bank with whom the department has developed a mechanism for disbursement of loans. He expressed his intention to complete the 100% coverage of Artisans' Clusters in Srinagar city under ACC Scheme by the end of June 2012. He also informed the house that there are about 3.74 lakh artisans in the State and in Srinagar city alone there are around 80000 artisans.

The Vice President (SLBC) desired that this information should be shared with the SLBC as well as with the DLRCs, so that the process of 100% coverage of artisans under ACC Scheme can be monitored.

Regional Director, RBI suggested that sponsoring of ACC cases should not be confined to J&K Bank alone, but other banks too should be involved in the job and it should be coordinated at district-level through the medium of Lead District Managers.

The Director Handicrafts pleaded that the concerned banks to whom these ACC cases shall be sponsored should be properly instructed to accept the cases sponsored by the department without having any relation to the targets. After through deliberations it was decided as under:

- **Handicrafts Department shall ensure 100% coverage of the Artisans' Clusters in Srinagar City comprising of about 70,000 artisans, by organizing workshops at the cluster level, wherein besides the functionaries of Handicrafts Department, bankers will also participate. The job shall be coordinated by the LDM, Srinagar.**

**Action: Director, Handicrafts/ All LDMs/ All member banks**

- **Out of about 70,000 cases of artisans to be sponsored to various banks on the basis of their branch-network/ presence in the district, 70% be sponsored to J&K Bank and the remaining 30% of cases be distributed among other banks operating in the district. However, in case in a particular area other banks are not present, 100% cases of that area should be sponsored to J&K Bank.**

**Action: Director, Handicrafts/ All LDMs/ All member banks**

- **The Artisans' Credit Cards should be issued to the artisans with all the social security benefits like health insurance etc. being made available to the artisans under the ACC Scheme.**

**Action: Director, Handicrafts/ All LDMS/ All member banks**

#### **AGENDA ITEM: 85.13**

##### **ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS AT END OF MARCH 2012**

The progress achieved by banks as at the end of March 2012 was taken on record. It was observed that the progress has not been satisfactory. Member banks were advised to improve the position during the FY 2012-13 and ensure submission of requisite data under SHG Scheme to SLBC Secretariat strictly as per the revised format and within the timelines as prescribed under Calendar of programmes.

**(Action: All member banks)**

#### **AGENDA ITEM NO: 85.14**

##### **Interest Subsidy Scheme for Housing the Urban Poor (ISHUP):**

Position was taken on record.

#### **AGENDA ITEM NO: 85.15**

##### **BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE)**

The Chairman, J&K Bank informed the house that the total advances of all banks operating in the State as on 31st March 2012 stood at Rs.18,948.94 Crore against Rs.16,252.04 Crore as on 31<sup>st</sup> March 2011 and the C. D. Ratio of all banks operating in the State stood at 34.36% as on 31st March 2012 against 35.57% as on 31st March 2011.

The house expressed concern over the declining Credit Deposit Ratio of the State.

- **All the member banks / financial institutions operating in the State were impressed upon to take suitable measures immediately to ensure that their individual Credit Deposit Ratio is substantially improved, so as to take the CD Ratio of the State to the desired level of 40% by the end of CFY as per the commitment made to the Governor, Reserve Bank of India.**

**Action: All member banks/ financial institutions**

#### **AGENDA ITEM NO: 85.16**

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

Progress achieved by banks under the IBA package on MSMEs was taken on record.

Chief Secretary stated that Credit Guarantee Scheme is an important Scheme so far as flow of credit to Small Enterprises Sector and non-performing assets is concerned, as the banks are under directions that upto Rs.10.00 lakh no collateral security is to be insisted upon and the bank loans for Small Enterprises Sector are fully secured upto 85% under the CGTSME Scheme. He emphasized the need to review the progress achieved by banks with regard to coverage of loans under CGTSME Scheme.

The Regional Director, RBI pointed out that with regard to grant of security-free loans upto Rs.10.00 lakh RBI has recently conducted a study, which was comprised of two parts. The first part comprised of survey of banks and the second part comprised of inputs from other stakeholders like Industrial Associations, DICs and some of the entrepreneurs. It was found that at branch-level the instructions are not being implemented in letter and spirit and keeping this situation in view a meeting of all the controlling heads of banks was convened by RBI, wherein it was advised that instructions be reiterated to all the branch level



functionaries and also that during the inspections and internal visits this aspect should form part of the exercise.

After brief deliberations it was decided that:

- **Henceforth the review of progress on Credit Guarantee Scheme should form part of the agenda of SLBC meetings. All member banks were advised to submit progress reports to SLBC Secretariat on quarterly basis regularly in the prescribed format to be circulated by SLBC Secretariat soon.**

**Action: All member banks/ SLBC Secretariat**

- **Outcomes of meetings of all other forums where issues of MSMEs and CGTSME are deliberated should be included in the agenda of SLBC meetings.**

**Action: All member banks/ SLBC Secretariat**

#### **AGENDA ITEM NO: 85.17**

##### **Flow of Credit in Minority Concentrated Districts:**

Position was taken on record.

#### **AGENDA ITEM NO: 85.18**

##### **Preparation of Annual Credit Plans (ACP) for FY 2012-13 for J&K State:**

The Vice President (SLBC) informed the house that Annual Credit Plan prepared for the CFY (2012-13) envisages a total priority sector credit flow of Rs.5,788.22 Crore for the State spread over 3,31,499 beneficiaries and aiming at 40% Credit Deposit Ratio for the State by the end of March 2013 and requested the house to approve the same for implementation. He informed that under this Credit Plan the target for flow of credit to Agriculture Sector has been doubled aiming to carry the Agriculture credit from the existing level of 12.5% of gross advances to 15% against the national benchmark of 18%, as the benchmark of 18% was not possible to be achieved during the single year.

The Chief Secretary observed that in case any particular bank fails to achieve the prescribed target of credit flow to priority sector they are under directions to contribute the amount equivalent to shortfall in the priority sector credit towards Rural Infrastructure Development Fund (RIDF) with NABARD which is utilized by the NABARD for rural infrastructure developmental activities like road network etc. However, in case any bank fails to achieve the specific target in the J&K State, no contribution goes to RIDF.

Clarifying this the Regional Director, RBI stated that the benchmark of 18% is worked out bank-wise at All India basis.

Principal Secretary (Planning) emphasized that in order to arrive at the net outstanding credit under agriculture there is need for making available the details of disbursements to be made to agriculture sector and the expected recoveries during the CFY. Similarly, in order to arrive at the total outstanding credit at the end of March 2013 there is need to make available figures of expected overall recoveries during the year. He suggested that it would be pragmatic to fix a higher target for the credit flow to non-priority sector, so as to achieve the desired level of Credit Deposit Ratio.

- **After thorough deliberations the Annual Credit Plan for CFY (2012-13) envisaging a total priority sector credit target of Rs.5,788.12 Crore spread over 3,31,499 beneficiaries was adopted by the house for implementation in the State. All member banks in general and SBI and PNB in particular were advised to make concerted efforts to achieve the prescribed targets.**

**Action: All member banks/ All LDMs**

**SEGMENT – 4 (RECENT DEVELOPMENTS)****AGENDA ITEM: 85.19****(i) “Registration Charge” and “Equitable Mortgage”:**

The house was informed that the Finance Secretary, GoI vide D.O. letter dated 13 February 2012 addressed to the Chief Secretary, GoJ&K has conveyed that the Revenue Department, J&K Government is charging a Registration Charge @ Rs.3.60 per thousand of loan from the farmers and there is also a charge of Rs.2.50 per thousand rupees of loan specifically for creating “Equitable Mortgage” of agricultural land by farmers, whereas in other States it is reported to be free of cost.

- **The Government of J&K was requested to look into the matter and facilitate “Registration Charge” and “Equitable Mortgage fee” free of charge to Agriculture landholders and farmers on the lines of many other States.**

**Action: J&K Government, Finance**

**(ii) Stamp Duty Structure in Jammu & Kashmir:**

The CGM, NABARD stated that one of the major impediments being confronted in the State in enhancing flow of credit to agriculture sector was the higher rate of stamp duty levied by the State Government on agricultural loans. He stated that although GoJ&K has already reduced the stamp duty from 0.50% to 0.25% yet with the rider of minimum ceiling of Rs.1000/-, which he said is virtually a burden on the farmer and is creating problems for them. Given that many other States of the country have not only waived this stamp duty on agriculture but have also extended some interest subvention to the farmers, he requested the State Government to waive the stamp duty levied on agricultural loans and also think of providing some interest subvention to the farmers to facilitate enhanced flow of credit to agriculture sector in J&K State where about 40% of the food grains are being imported.

**Action: J&K Government, Finance**

**AGENDA ITEM: 85.20****Implementation of Crop Insurance Scheme:**

It was pointed out by the Zonal Head (Central) of J&K Bank that two vital crops, i.e. Wheat and Fruit have not been included for coverage under the National Agricultural Insurance Scheme (NAIS), which he requested to look into.

The Principal Secretary (Planning) stated that NAIS is a nationally approved product and why the Agriculture Insurance Company is not able to cover a certain crop is the lack of actuarial capability and capacity and desired that AIC should supplement the capacity on actuarial assessments and take necessary measures for covering a certain crop under the NAIS. He stated that the Weather-based Crop Insurance Scheme (WBCIS) is a separate stand-alone insurance scheme.

Reacting to this, the Commissioner/ Secretary, Agriculture Production Department informed that Agriculture Insurance Company of India has got no presence in Kashmir Valley and the presence in Jammu too is very tenuous. He further stated that these issues have been discussed in meetings with the AIC, who have got some issues, one of them is the Weather based Crop Insurance (WBCI), under which the Company makes assessment of the sum to be insured on the basis of cost of cultivation. Since the cost of cultivation of a particular horticulture crop may not be much, the Government would prefer that the sum insured be related to value of the crops being produced. For this purpose a group was set up, wherein Agriculture Insurance Company as well as ICICI Lombard are also included and the Director Horticulture had taken a meeting on 22<sup>nd</sup> of May 2012 in this regard.

- **After brief deliberations the Pilot Weather Based Crop Insurance Scheme (WBCIS), (which has been continued by GoI, Ministry of Agriculture in 21 States including Jammu & Kashmir during 2012-13, both Kharif 2012 and Rabi 2012-13 seasons, on existing pattern, was adopted by the house for implementation.**

**Action: All member banks**

#### **Comments of CGM, NABARD**

CGM, NABARD, Mr. S. C. Rabra, stated that NABARD has introduced certain schemes, which will certainly enable the banks to perform better. He stated that revised guidelines on KCC Scheme have already been issued in March 2012 and in the coming days NABARD will be organizing 20 district-level sensitization workshops and two State-level workshops in the State for bankers as well as for the Government officials and requested all the bankers and the State government officials to participate in such workshops effectively, so that the target of achieving 100% coverage of farmers under KCC scheme is carried forward.

Keeping in view that the Hon'ble Chief Minister is very keen to encourage Panchayati Raj Institutions for participation in the developmental activities of the State, NABARD intends to organize some special workshops for the PRIs for creating awareness among them.

Besides, NABARD has opened five District Development offices in the State of J&K for which he requested all the bankers and the government officials to extend necessary cooperation to NABARD.

He stated that one of the measures for facilitating credit flow to agriculture sector is that NABARD has already set up 450 Farmers' Clubs for generating awareness, which would prove a great tool in credit dispensation and requested the bankers to make use of these Clubs.

The meeting ended with a vote of thanks to the Chair, which was presented by the Vice President, J&K Bank (LBD/SLBC). He requested all the participants to join for lunch hosted by the Convenor Bank.

**(M. S. Wani)**  
**Vice President (LBD/SLBC)**  
**Lead Bank/ J&K SLBC**

## Annexure - A

### List of Participants of 85th SLBC Meeting held on 28.05.2012 at SKICC Srinagar

<b>S. No.</b>	<b>Name of Participant</b>	<b>Designation</b>	<b>Organization</b>
<b><u>Chief Guest</u></b>			
1.	Omar Abdullah	Hon'ble Chief Minister	J&K State
<b><u>Guest of Honour</u></b>			
2.	Abdul Rahim Rather	Hon'ble Finance Minister, J&K State	
<b><u>Government of India</u></b>			
3.	S. K. Jindal	Director, DFS	Gol, MoF (N.O., J&K SLBC)
<b><u>Government of J&amp;K</u></b>			
4.	Madhav Lal	Chief Secretary J&K State	
5.	B. B. Vyas	Prpl. Secretary to Hon'ble CM / Planning Department	
6.	M. I. Khandey	Prpl. Secretary Finance Deptt.	
7.	Shantmanu	Com./ Secretary	Industries & Commerce
8.	Shaleen Kabra	Com. / Secretary	Agriculture Production Deptt.
9.	Farooq Ahmad Peer	Com. / Secretary	Rural Dev. Deptt.
10.	Yedullah	Com. / Secretary	Labour & Employment Deptt
11.	B. A. Runyal	Com. / Secretary	Revenue Deptt.
12.	Anal Gupta	Special Secretary	Tourism Deptt.
13.	D.R. Sharma	Special Secretary	Science & Tech. Deptt.
14.	Mushtaq Sidiqi	Special Secretary	Finance Deptt.
15.	G. H. Tantray	Secretary	Law, Justice & Parliamentary Affairs
16.	Meraj-ud-din Kenu	Director	Industries & Commerce Deptt.(Kashmir)
17.	Rashim Kashyap	Director, Resources	Finance Department
18.	B.S. Dua	Director	Industries & Commerce Deptt. (Jammu)
19.	Virender Sharma	Director	MSME, Jammu
20.	Ajay Khajuria	Director	Agriculture Deptt. Jammu
21.	Farooq Ahmad Lone	Director	Agriculture Deptt. Kmr.
22.	Muzaffar Hussain	Director	Handicrafts
23.	Dr. G.H. Shah	Director	Horticulture
24.	Naheed Soz	Managing Director	Social Welfare Deptt.
25.	M. Muazzam	Managing Director	SIDCO
26.	A. R. Makroo	Managing Director	State Financial Corporation
27.	Ajaz Ahmad Bhat	Joint Director	Industries & Commerce Deptt.
28.	Javaid Iqbal	Joint Director	Housing & Urban Dev. Deptt.
29.	B. L. Koul	Dy. Director	Handlooms Dev. Deptt.
30.	R. S. Sagar	State Director	KVIC, J&K Bank
31.	Ravinder Singh	Secy. CEO	KVIB
32.	Showkat Ahmad	CEO	UDAK
33.	H. K. Baro	Assistant Director	WSC (0/0 Dev. Com. Handlooms)
<b><u>Convenor Bank (J&amp;K Bank)</u></b>			
34.	Mushtaq Ahmad	Chairman & CEO	J&K Bank,
35.	G. M. Sahibzada	Executive President	J&K Bank
36.	Nayeem-ullah	President (A&AP)	J&K Bank
37.	R. K. Shah	President (T&ISD)	J&K Bank
38.	B. A. Lone	President/ ZHK (C)	J&K Bank
39.	Abdul Rashid	President (LBD)	J&K Bank
40.	Abdul Rouf	President (HRD)	J&K Bank
41.	M.S. Wani	Vice President (SLBC)	J&K Bank
42.	G. Q. Shah	Vice President/ZHK (N)	J&K Bank
43.	S. A. H. Zaidi	Vice President/ZHK (S)	J&K Bank
44.	P. K. Tickoo	Vice President (PS)	J&K Bank
45.	Nazir Ahmad Bhat	Asst. Vice President	J&K Bank
46.	G. R. Bhat	Asst. Vice President	J&K Bank
47.	Altaf Ahmad Zargar	Exe. Manager (FID)	J&K Bank



**Reserve Bank Of India**

48.	K.K Saraf	Regional Director, J&K RBI, Regional Office Jammu
49.	Ramesh Chand	DGM RBI, Regional Office Jammu
50.	Ravinder Kumar	AGM, RPCD RBI, Regional Office Jammu

**NABARD**

51.	S. C. Rabra	CGM NABARD, R. O. Jammu
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**Public Sector Banks**

52.	A. K. Gupta	DGM State Bank Of India.
53.	Ashok Gupta	DGM Punjab National Bank
54.	V.N. Dhawan	DGM Bank of Baroda
55.	Anup Sood	DGM Bank of India
56.	B. B. Rattanpaul	DGM UCO Bank
57.	A.U. Tak	Regional Manager State Bank Of India
58.	S.L. Dhar	Regional Manager State Bank of India
59.	Mir Mushtaq	AGM Punjab National Bank
60.	N. Parra	Chief Manager Canara Bank
61.	Anil Sharma	AGM Central Bank of India
62.	S.C. Sharma	Sr. Manager UCO Bank
63.	Shyama Nand Yadav	Manager/ Incharge SIDBI
64.	Harish Gupta	Branch Head IDBI

**Private Sector Banks**

65.	Iftikhar Ahmad	Cluster Head HDFC Bank
66.	Ashish Pandotra	Cluster Head ICICI Bank Ltd.

**RRBs**

67.	Raja Abdul Latief	Chairman J&K Grameen Bank
68.	A.K Razdan	Chairman Ellaquai Dehati Bank

**Cooperative Banks**

69.	F.A. Khan	General Manager J&K State Cooperative Bank
70.	R.L Chowdary	General Manager JCC Bank
71.	Mohd. Yaqoob Bhat	Manager ACC Bank
72.	Ashok Goswamy	Managing Director Citizens Cooperative Bank

**Insurance Companies**

73.	A.K. Das	DGM Oriental Insurance Co. Ltd.
74.	Amar Nath	Sr. Div. Manager Oriental Insurance Co. Ltd.

**Lead District Managers**

75.	Tassaduq Mohammad	LDM District Srinagar, J&K Bank
76.	Masood Ahmad Khan	LDM District Ganderbal, J&K Bank
77.	Mohd. Yaqoob	LDM District Budgam, J&K Bank
78.	Mohd. Shafi	LDM District Baramulla, J&K Bank
79.	Farooq Ahmad Gojwari	LDM District Bandipora, J&K Bank
80.	Ghulam Hassan Wani	LDM District Kupwara, J&K Bank
81.	G. R. Kumar	LDM District Pulwama, J&K Bank
82.	Mohd. Saleem wani	LDM District Shopian, J&K Bank
83.	Mufti Ghulam Mohd.	LDM District Anantnag, J&K Bank
84.	G. M. Dar	LDM District Kulgam, J&K Bank
85.	Gulzar Ahmad Zargar	LDM District Poonch, J&K Bank
86.	Arvind Kapoor	LDM District Rajouri, J&K Bank
87.	R. C. Sharma	LDM District Jammu, SBI
88.	Harcharan Singh	LDM District Samba, SBI
89.	Nirmal Singh	LDO District Ramban, SBI
90.	Vijay Kumar Wali	LDM District Kathua, SBI
91.	Kishore Sadhatra	LDM District Udhampur, SBI
92.	R.L Lochan	LDM District Reasi, SBI
93.	I. B. Sharma	LDM District Doda & Kishtwar, SBI
94.	Nawang Tsering	LDM District Kargil, SBI

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