

## **Sub-Committee of State Level Bankers' Committee constituted in the special meeting held on 23<sup>rd</sup> September 2014**

A special meeting of J&K State Level Bankers' Committee for taking stock of the situation in aftermath of natural calamity (Floods) in J&K State especially in the Valley of Kashmir was conducted on 23<sup>rd</sup> September 2014 at J&K Bank Zonal Office Jammu. A Special package of relief, rehabilitation and restructuring of various types of credit facilities in affected areas was discussed, formulated and approved by J&K SLBC.

The minutes of the said meeting stand circulated to State Government, DFS, MoF, Gol, RBI, NABARD, IBA and member banks vide SLBC office reference No. LBD/SLBC-SPL/2014-211 dated September 25, 2014.

### **Follow-up of the Action on above**

A team of officers from SLBC Convenor Bank comprising Executive President Mr. A. H. Banday, President J&K SLBC Mr. S. K. Bhat visited IBA and met Chairman/ CEO and Advisor of IBA on 25<sup>th</sup>/ 26<sup>th</sup> September 2014 and briefed them about the situation prevailing in the State and the havoc and devastation caused by the natural calamity to the businesses across the board viz-a-viz all commercial banks operating in the State. It needs a special mention that IBA's response was completely professional, humane and positive. On the request of the J&K SLBC, IBA convened a special meeting of its managing committee on 26<sup>th</sup> September 2014 and deliberated at length over the situation in J&K State. IBA noted with satisfaction the efforts made/ being made by bankers' in restarting banking operations which were halted by the floods and also helping borrowers to restart their economic activities. The Managing committee endorsed the assessment made and decisions taken by J&K SLBC and on 30<sup>th</sup> September 2014 submitted a note to Chief General Manager, RPCD, RBI central office Mumbai for considering the following special relaxations recommended by J&K SLBC in favour of the banks viz-a-viz borrowers.

- I. Relaxations/ concessions and reliefs under package may not be treated as restructuring for the purpose of provisioning including DIFV and disclosure as required under Master Circular of RBI on Prudential Norms on IRAC and Provisioning pertaining to IRAC.
- II. Asset Classification status obtaining as on 30.06.2014 to be retained till implementation of the package in respect of loan accounts of affected borrowers.
- III. As onset of winter is approaching implementation of package will get adversely affected, as such, implementation period to be extended upto 31.03.2015 as against 90 days prescribed by RBI.

- IV. Moratorium period of 24 months w.e.f 01.09.2014 in respect of repayment of principal and interest dues on all kinds of loans (outstanding as on 01.09.2014) of affected borrowers.

On 26<sup>th</sup> of September 2014 the team of SLBC also met with two General Managers of Reserve Bank of India Mumbai, Mr. Moolchandani (RPCD) and Mr. Chowdhary (DBOD) and briefed and discussed the type of package formulated for flood affected people.

The team also discussed and pleaded with RBI officials about the special relaxations and Concessions sought by J&K SLBC for the banks operating in the State of J&K as mentioned herein above at I to IV. The SLBC team was assured by the said General Managers of RBI about taking a positive and immediate action in the matter.

The SLBC Convenor Bank's Mumbai (PRO) office has been instructed to follow up with RBI and the latest developments are also being monitored and pursued from SLBC Secretariat of Convenor Bank at Srinagar.

**The above is for the information of the Sub- Committee and for any other instructions that are considered necessary.**

### **Agenda Item No. 1**

During the deliberations of the meeting of special SLBC at Jammu on 23<sup>rd</sup> September 2014 the representative of DFS, MoF, Gol advised for organizing mega Credit/ relief camps for all flood affected districts of the State from 29<sup>th</sup> September 2014 onwards and all the banks operating in the State were required to participate in the said camps with the slogan "**Hum Hain Saath**" and for considering granting the following facilities:

- Consumption Loan upto ₹10,000/-
- Loan for economic activity upto ₹10.00 lacs
- House reconstruction loan upto ₹5.00 lacs

**The above said facilities have the following features:**

- Elongated repayment schedule
- Moratorium of 2 years for repayment of loan
- No Margin required
- Concessional Rate of Interest
- No Collateral security required

J&K SLBC felt that given the present situation of poor connectivity, breakup of infrastructure, water logging at various places the holding of mega credit/ relief camps

may not be immediately feasible and it was decided that the same can be deferred and extended for a future convenient date.

MoF, Gol has again taken up the matter with Chairman/ CEO, J&K Bank (Convenor J&K SLBC) and accordingly Sub-Committee of SLBC needs to discuss and evolve a strategy for implementation of the programme “**Hum Hain Saath**” announced by Department of Financial Services, MoF so that necessary directions are issued to the member banks of J&K SLBC.

**The Sub-Committee is requested to deliberate the issue and evolve a strategy and line of action for implementing the above programme of MoF, Gol.**

**Agenda Item No. 2**

Lead District Managers will convene special DCC meeting immediately for facilitating coordination and expeditious action by each of the stake holders.

The State Government is requested to issue special instructions to District Development Commissioners, Tehsildars, and BDOs and all other line departments for ensuring guidance, support and implementation of the decisions which are taken in DCC meetings for the benefit of the affected people/ borrowers.

**The sub-Committee may deliberate the issue so that suitable instructions are issued.**

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