

**Minutes of the meeting of Sub-Committee of J&K SLBC held on 4<sup>th</sup> October 2014 at Corporate Headquarters, J&K Bank, Srinagar at 11.30 AM.**

A meeting of Sub-Committee of J&K State Level Bankers' Committee, which was constituted by J&K SLBC in its Special meeting held on 23<sup>rd</sup> September 2014 at Jammu for taking stock of the devastation caused by floods in J&K State, was convened on 4<sup>th</sup> October 2014 at Corporate Headquarters of J&K Bank Srinagar at 11.30 AM.

The meeting was presided over by Chairman/ CEO J&K Bank (Convenor J&K SLBC) Mr. Mushtaq Ahmad and was attended by Mr. B. B. Vyas, Principal Secretary, Finance Department, J&K Government, top management of J&K Bank, DGM NABARD, representatives of SBI & PNB and Chief Coordinator, Finance Department, J&K Government.

**The list of participants is enclosed as annexure "A"**

At the outset Mr. Mushtaq Ahmad, Chairman & CEO, J&K Bank (Convenor of J&K SLBC) welcomed the participants and initiated the proceedings and discussions on the agenda. He stated that the recommendations of the previous marathon SLBC meeting held in aftermath of the floods that shook the entire J&K State especially the Kashmir Valley were forwarded by Indian Banks Association (IBA) to Reserve Bank of India for approval and requested Principal Secretary, Finance, Mr. B. B. Vyas for the intervention of State Government. The Chairman/ CEO, J&K Bank also mentioned about the part of package relating to debt relief upto ₹3.00 lacs and interest component to be borne by the Gol where J&K Government has to pursue. He expressed optimism that the package as formulated by J&K SLBC in its special meeting for rehabilitation and restructuring of various types of credit facilities in the affected areas shall provide huge relief to the eligible borrowers/ flood victims viz-a-viz the Banks.

He stated that J&K Bank has issued instructions to all its operational levels to provide immediate relief to the borrowers by granting adhoc credit facilities and emphasized that other banks especially two major banks State Bank of India and Punjab National Bank, who have a sizable network, to devise a mechanism of granting ad-hoc credit facilities

to the borrowers affected by the natural calamity in the State of J&K for restarting the economic activities.

On the packages formulated by J&K SLBC for providing relief to the flood victims Chairman J&K Bank (Convenor, J&K SLBC) stated that the purpose of conducting Special Meeting of J&K SLBC was to seek special concessions/ relaxations from RBI outside the purview of extant guidelines of RBI and the board approved policies of individual banks and expressed hope that same shall be approved by the regulator at an earliest.

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

#### **Holding of Mega Credit/ relief Camps for flood affected districts of the State from 29<sup>th</sup> September 2014 onwards**

During the deliberations of the meeting of Special SLBC at Jammu on 23<sup>rd</sup> September 2014 the representative of DFS, MoF, GoI 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

However, in view of poor connectivity, breakup of infrastructure, water logging etc. at various places, J&K SLBC in the said meeting reached a consensus that holding of mega camps from 29<sup>th</sup> September 2014 as advised by Department of Financial Services, MoF, GoI, be deferred to some suitable date.

After threadbare discussions, the forum decided that member banks may take the call by holding branch level camps in all the branches from 10<sup>th</sup> October 2014 for one week and thereafter for 2 days a week for 1 month, in affected districts, by keeping Special Credit Counseling & Facilitation Counters and offer the above packages to the eligible borrowers/ flood victims on merits with minimum reasonable credit appraisals.

Mr. B. B. Vyas, Principal Secretary Finance, J&K Government informed the forum that State Government has consolidated the District-wise tentative list of Houses which have been fully or partially damaged by the flash floods and all the District Development Commissioners have been advised to constitute a team of 5 to 6 members comprising Revenue officials, PWD Engineers and officials from other relevant Departments to scrutinize whether the house is actually damaged after making on-spot inspection of the sites. He stated that an interim relief of ₹75,000/- shall be released by State Government immediately from State Disaster Relief Fund (SDRF) to the victims whose houses have been damaged completely so that the work on the damaged houses could be started. For considering housing loan facility under relaxed norms to such victims, State Government can share the District-wise list of the damaged houses for the convenience of the bankers he stated.

**Mr. Vyas suggested that:**

- **the present situation demands that District Level Consultative Committee (DLCC) meetings be held at least once a week on Crisis Management Basis to discuss and monitor the implementation of various relief measures for flood affected victims.**

- **if banks are not finding it feasible to hold joint mega credit/ relief camps they can go for counseling by keeping separate credit counseling & facilitation counters at their branches for flood victims. To make the process more successful banks can start a campaign so that people know about credit counseling being offered by the banks to the flood victims at their branches.**
- **The third and last important thing is that banks should ensure immediate functioning of all their branches which have been affected by the floods.**

The forum noted that while J&K Bank and PNB have made all their branches functional which were affected by the natural calamity. The representative of State Bank of India informed that only four branches (i. e Jawaharnagar, Rajbagh, B. B. Cant and Budshah Chowk) are to be made functional. Mr. Vyas suggested that SBI should explore the possibility of carrying out the functions of their affected branches by tying-up with J&K Bank. He stated that the data on the number of bank branches which are yet to be made functional be prepared so that the higher authorities of these banks are pursued for action and the matter id monitored.

DGM, NABARD Mr. D. K. Kapila suggested that exemption in stamp duty and registration fee on loans to the flood victims be granted by State Government on the pattern of Utrakhand to which Principal Secretary, Finance agreed that the matter will be immediately examined by the State Government to provide every possible comfort to the flood victims.

During the course of deliberations, the members strongly recommended that the interest subvention of 5% upto loans of ₹5.00 lacs under Gol, Housing Loan Scheme “Rajiv Rinn Yojana” be extended to the house reconstruction loan package announced by DFS, MoF, Gol for the flood victims of J&K State. It was decided that J&K State Government shall take up the matter with Gol.

After threadbare discussions the house decided that:

- Banks shall hold branch level camps in all the branches in affected districts and open special Credit Counseling & facilitation counters for flood victims.

**(Action: All Member Banks of J&K SLBC)**

- Camps shall commence from 10<sup>th</sup> October 2014 initially for one week and thereafter for 2 days a week for 1 month. To begin with, banks to select 2-3 branches for such camps and later on extend the same to all branches in flood affected areas.

**(Action: All Member Banks of J&K SLBC)**

- On the implementation of packages announced by DFS, MoF, Gol the individual banks shall frame the guidelines and disseminate the same to their operational levels on urgent basis.

**(Action: All Member Banks of J&K SLBC)**

- J&K State Government to approach Gol for extending interest subvention of 5% upto loans of ₹5.00 lacs for the flood victims of J&K State under House Reconstruction Loan Package on the pattern of Gol, Housing Loan Scheme “Rajiv Rinn Yojana”.

**(Action: J&K State Government)**

- J&K State Government to approach Gol for waiver of debts upto ₹3.00 lacs in respect of the borrowers affected by the floods.

**(Action: J&K State Government)**

- Chief Minister, J&K State be requested to take up with RBI/Gol for according immediate approval of the relief packages as formulated by J&K SLBC for J&K flood victims in its special meeting held on 23<sup>rd</sup> September 2014.

**(Action: Finance Deptt. J&K State Government)**

- J&K Government to examine the issue of exemption in stamp duty and registration fee on loans for a period of at least one year to the flood

**victims in all the 20 affected districts of J&K State on the pattern of Utrakhand.**

**(Action: Finance Deptt. J&K State Government)**

## **Agenda Item No. 2**

### **Convening of Special District consultative Committee meetings**

Principal Secretary Finance, Mr. B. B. Vyas informed the forum that advisories shall be issued to District Development Commissioners in all the 20 flood affected districts of the State to call special District Consultative Committee Meetings for their respective districts to discuss and monitor the implementation of various relief measures for flood affected victims which interalia includes providing fresh loans for restructuring, revival and relief to the flood victims.

The forum decided that Lead District Managers of the affected districts shall approach the respective District Development Commissioners for convening DCC meetings to take expeditious measures and devise strategies for providing relief to the victims.

### **Base Rate issue of RRBs & Co-operative Banks**

The issue was discussed as an additional agenda item.

Since RRBs and Co-operative Banks do not have the Base rate Interest System for interest related aspects of loaning, the forum decided that for implementation of the aforementioned package of DFS, MoF, GoI, RRBs should approach their respective Sponsor Banks/ NABARD and Cooperative banks to NABARD for seeking guidance in the matter at an earliest

The meeting ended with the vote of thanks presented by President, J&K SLBC, Mr. S. K. Bhat

**Assistant Vice President  
(Lead Bank/J&K SLBC)**

## Annexure-A

### List of Participants of the Sub- Committee Meeting of J&K SLBC held on 4<sup>th</sup> October, 2014 at J&K Bank, Srinagar

<u>S. No.</u>	<u>Name of the Participant</u>	<u>Designation / Department/ Organization</u>
1.	Mushtaq Ahmad	... Chairman & CEO, J&K Bank (Convenor J&K SLBC)
2.	Bharat Bhushan Vyas	... Principal Secretary, Finance Deptt. J&K Govt.
3.	Rashim Kashyap	... Chief Coordinator, Finance Deptt. J&K Govt.
4.	Parvez Ahmad	... Executive President, J&K Bank.
5.	Abdul Hamid Banday	... Executive President, J&K Bank.
6.	S.K.Bhat	... President, (Finance/SLBC), J&K Bank.
7.	Mohammad Amin	... President (A&AP), J&K Bank
8.	DInesh K. Kapila	... DGM, NABARD
9.	M.L. Mir	... DGM, Punjab National Bank.
10.	B. M. Fazili	... AGM, Punjab National Bank.
11.	D. N. Bhat	... Regional Manager, State Bank of India.
12.	Ajay K. Gupta	... Regional manager, State Bank of India.
13.	Gulzar Ahmad	... Assistant Vice President, SLBC/LBD.

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