

Minutes of meeting of the Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture held on 25th August 2012 at Srinagar on sidelines of 86th SLBC meeting

Pursuant to the decision taken in the 86th SLBC meeting held on 25th August 2012, a meeting of the Steering Sub-Committee of J&K State Level Bankers' Committee to monitor flow of credit to Agriculture was convened at a short notice, immediately after the SLBC meeting on the same day at SKICC, Srinagar, to thoroughly review the progress of 100% coverage of farmers under KCC Scheme in compliance to GoI, MoF directive and hold deliberations for working out solutions to remove the impeding constraints that have been conveyed by the Commissioner/ Secretary to Govt. Agriculture Production department and are forming supplementary to Agenda Item No.86.06.

The meeting was chaired by the Commissioner/ Secretary to Govt. Agriculture Production Department, Mr. Shaleen Kabra and was attended by representatives of other members of the Steering Sub-Committee including Executive President J&K Bank, Mr. G. M. Sahibzada, CGM NABARD, Mr. S. C. Rabra, President J&K Bank, Mr. Nayeem-ullah, DGM State Bank of India, Mr. A. K. Jain, DGM Punjab National Bank, Mr. Ashok Gupta, Vice President (LBD/SLBC) J&K Bank, Vice President (GSS) A&AP Division J&K Bank, Chairman EDB and General Manager J&K Grameen Bank, both the Directors of Agriculture (Jammu / Kashmir) and some Lead District Managers. The list of participants is enclosed as **Annexure-A**.

At the outset the Vice President (LB/SLBC), J&K Bank, Mr. M. S. Wani extended a warm welcome to all the participants of the meeting and briefed them about the objective of convening the meeting to remove the hurdles in the way of accomplishing the target of 100% coverage of eligible farmer households under KCC Scheme at the earliest. Thereafter, he requested the Chairman to take up the agenda for deliberation.

The Com./Secretary, Agriculture (Chairman), Mr. Shaleen Kabra formally welcomed the participants and highlighted the need for finding proper resolution of the problems which are being experienced in the field. Elaborating the ground realities he pointed out the constraints and impeding factors giving instances of cases included in the Supplementary to Agenda Item No. 86.06 that have been derailing the process of issuing KCC in a mission mode.

While deliberating upon the specific cases it was observed that RBI have since issued the revised KCC Scheme in May 2012 making it simple and easily accessible by liberalizing the eligibility criteria for farmers to have the KCCs, requirements of producing revenue records and collateral security in cases involving amount upto the limit of Rs.1.00 lakh, loan processing charges, etc. But bank branches were not strictly following these guidelines.

Regarding the issue of Stamp Duty applicable on the loans to be availed of by KCC holders, it was observed that under SRO 289 dated 3.6.1980, no stamp duty is applicable upto a limit of Rs.25,000/-, which need to be brought into the notice of the Branch Managers for compliance.

The Vice President (GSS) of J&K Bank suggested that instead of forwarding the KCCs to bank branches in bulk, Agriculture Department should sponsor the cases in batches so that a proper flow is maintained for processing.

After thorough deliberations in the meeting, the Sub-Committee recommended that in order to ensure that implementation of the programme of 100% coverage of farmers under KCC is carried forward smoothly and all the impediments so far experienced in this process are removed, SLBC may issue a Circular advising the Controlling Offices of the banks operating in J&K State that their branches should ensure strict compliance to the revised KCC Scheme issued by Reserve Bank of India and guidelines issued by NABARD with regard to KCCs. Moreover, the following instructions be reiterated and emphasized in the said circular:

- Branch Managers will ensure that no completed application forms of eligible farmers in their Service Area duly authenticated by the concerned designate functionaries and delivered to

the branches by the Agriculture Department is refused or returned to the farmers/ line departments without bringing the matter to the notice of their controlling offices;

- The eligibility criteria prescribed under the revised KCC Scheme issued by RBI & relative guidelines of NABARD shall be complied with in letter and spirit and no bank will refuse to issue KCC to any eligible beneficiary.
- Branch Managers will ensure that no processing fee is charged for issuance of KCC cards involving credit facilities upto Rs.3.00 lakh;
- Branch Managers will ensure that no stamp duty is charged on sanctioning of loan under KCC upto a limit of Rs.25,000/- in terms of the SRO 289 dated 3.6.1980;
- No Collateral Security in terms of mortgage or 3rd party guarantees shall be insisted upon by the banks for issuance of KCCs upto a limit of Rs.1.00 Lacs;
- No KCC forms should be refused on account of distance of the eligible farmers in their Service Area from the branch.
- Besides the mandatory crop insurance, the KCC holder should have the option to take benefit of Assets Insurance, Personal Accident Insurance Scheme (PAIS), and Health Insurance (wherever product is available) and have premium paid through his KCC account. Necessary premium will have to be paid on the basis of agreed ratio between bank and farmer to the insurance companies from KCC accounts. Farmer beneficiaries should be made aware of the insurance cover available and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself.
- No bank will prescribe any limit for the number of KCCs to be issued by its branch and the target of all Bank branches will be 100% coverage of eligible farmer families in their respective service areas.
- The banks will ensure 100% coverage of eligible farmer families by their branches in the respective service area as per envisaged target.
- The banks will ensure that these instructions and guidelines are percolated down to the operating levels and branches for observing compliance and also suitably sensitize the concerned officials handling the job to ensure timely achievement of the envisaged targets.

In addition to above, the forum also suggested that:

- The controlling offices of banks shall explore possibilities of inviting Director of Agriculture Department in the meetings of Branch Heads who could be given 10-20 minutes to explain the problems and impediments faced in implementation of the programme.
- Nodal Officers shall be appointed by the concerned banks whose e-mail ids be communicated to the Agriculture Production Department for ensuring quick dissemination of instructions and compliance thereto;
- Henceforth meetings of the Steering Sub-Committee should be convened regularly on monthly basis to monitor progress achieved in implementation of the 100% coverage of farmers under KCC scheme;
- In case of the landless farmers NABARD shall explore the possibility of fixing a minimal threshold credit limit to be sanctioned by the banks under the KCC Scheme;

The meeting ended with the vote of thanks to the chair.

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

Annexure-A

**List of participants of the meeting of
Steering Sub-Committee of SLBC on Agriculture held on 25th August 2012**

<u>S. No.</u>	<u>Name of the participant</u>	<u>...</u>	<u>Designation / Organization</u>
<u>Chairman</u>			
1.	Mr. Shaleen Kabra	...	Commissioner/ Secretary, Agriculture Production J&K Government
<u>SLBC Convenor (J&K Bank)</u>			
2.	Mr. G. M. Sahibzada	...	Executive President
3.	Mr. M. S. Wani	...	Vice President (LBD/SLBC)
<u>Agriculture Department, J&K Govt.</u>			
4.	Mr. F. A. Lone	...	Director Agriculture (Kashmir)
5.	Mr. Ajay Khajuria	...	Director Agriculture (Jammu)
<u>NABARD</u>			
6.	Mr. S. C. Rabra	...	Chief General Manager
<u>Banks/ Financial Institutes</u>			
7.	Mr. Nayeem-ullah	...	President, A&AP, J&K Bank
8.	Mr. N. A. Bhat	...	Vice President (GSS), A&AP, J&K Bank
9.	Mr. A. K. Pandita	...	Vice President (PS), A&AP, J&K Bank
10.	Mr. A. K. Jain	...	DGM (ZO J&K), State Bank of India
11.	Mr. Ashok Gupta	...	DGM (CO J&K), Punjab National Bank
12.	Mr. S. L. Dhar	...	AGM, State Bank of India
13.	Mr. C. J. Tiku	...	AGM Srinagar, State Bank of India
14.	Mir Mushtaq Ahmad	...	AGM Srinagar, Punjab National Bank;
15.	Mr. A. R. Sofi	...	DCO, State Bank of India, Srinagar
16.	Mr. A. K. Razdan	...	Chairman, Ellaquai Dehati Bank
17.	Mr. Aftab Qazi	...	General Manager, J&K Grameen Bank
<u>Lead District Managers</u>			
18.	Mr. V. K. Wali	...	LDM, Kathua, State Bank of India
19.	Mr. Nirmal Singh	...	LDM Ramban, State Bank of India
20.	Mr. R. L. Lochan	...	LDM Reasi; State Bank of India
21.	Mr. I. B. Sharma	...	LDM Doda, Kishtwar, State Bank of India
22.	Mr. R. C. Sharma	...	LDM, State Bank of India
23.	Mr. K. K. Sharma	...	LBM, State Bank of India

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