

## **Minutes of meeting of the Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture held on 28<sup>th</sup> March 2013 at Jammu**

A meeting of the Steering Sub-Committee of J&K State Level Bankers' Committee to monitor flow of credit to Agriculture was convened on 28<sup>th</sup> March 2013 at Civil Secretariat, Jammu, to review the progress achieved in campaign of 100% coverage of farmers in J&K State under KCC Scheme. The meeting was chaired by the Commissioner/ Secretary to Govt. Agriculture Production Department, Dr. Asgar Hassan Samoon, (I.A.S.) and was attended by representatives of other members of the Steering Sub-Committee including Director, Agriculture Deptt. (Kashmir), Director, Agriculture Department (Jammu), Additional Secretary, Revenue, J&K Govt., Vice President (LBD/SLBC), J&K Bank, Vice President (PS), J&K Bank, DGM NABARD, AGM Reserve Bank of India, and other senior officers representing major banks operating in the State, viz. State Bank of India, Punjab National Bank, EDB and J&K Grameen Bank. The list of participants is enclosed as **Annexure-A**.

At the outset the Vice President (LB/SLBC), J&K Bank, Mr. Gurcharan Singh extended a warm welcome to all the participants of the meeting and briefed them about the objective of convening the meeting. Thereafter, he requested the Chairman to take up the agenda for deliberation.

The Com./Secretary, Agriculture (Chairman), Dr. Asgar Hassan Samoon, formally welcomed the participants and highlighted the need for covering all the farmers of the State under KCC Scheme to enable them to avail of hassle free loans from the banks. Reminding that J&K State was an agrarian economy, Dr. Samoon emphasized that in order to see a flourishing agriculture sector in J&K State it was imperative to increase the purchasing power of the farmers, for which he stressed upon the banks and financial institutions to come forward and extend their cooperation. He stated that since KCC facilitates providing of hassle free credit to the farmers, therefore, the campaign of 100% coverage of farmers under KCC Scheme launched by the Government of India needs to be implemented in a mission mode.

### **Agenda Item No: 01**

#### **Progress regarding 100% coverage of farmers under KCC Scheme as on 28.02.2013:**

In the meeting, it was noted that upto 25<sup>th</sup> March, 2013 (5.75 lakh KCCs have been sanctioned by banks operating in the State to the farmers, which included 0.97 lakh KCCs issued to the farmers upto March, 2012 i.e. prior to launch of the campaign of 100% coverage of farmers under KCC scheme, whereas 4.07 lakh KCCs have been issued by the banks as a result of the campaign of 100% coverage under KCC. However, as on date 2.93 lakh KCC cards are pending with the banks. As such, immediate steps need to be taken by the banks to ensure 100% coverage of KCC scheme. The Commissioner/ Secretary, Agriculture Production Department observed that although the launch of the campaign had yielded good results, yet the progress was not enough as the banks had failed to accomplish the target of 100% coverage of farmers under KCC by 30<sup>th</sup> September, 2012, i.e. the timelines prescribed by the Hon'ble Chief Minister, J&K State in the 85<sup>th</sup> SLBC meeting. Maintaining that mere sanctioning of the KCC applications will not suffice the purpose Dr. Samoon made it clear that only those cases where credit disbursement has taken place would be considered as actual progress achieved by the banks. Emphasizing that the huge gap between the cases sanctioned by the banks and the cases actually disbursed was a matter of concern, Dr. Samoon advised the banks to look into it and take immediate steps to clear the pendency forthwith and in any case not later than 30.04.2013.

Taking note of the figures given in the agenda, which indicate that a large number of KCC application forms processed by the Agriculture Department, J&K Government, are held up with the Revenue Department for want of verification of land records, Dr. Samoon desired to know the reasons for involving Revenue Department in the process of KCC applications, to which the representatives of banks informed that authentication of land was imperative for the banks to workout the quantum of loan.

The Committee observed that all the functionaries including Agriculture Department, Revenue Authorities and banks need to work in a coordinated manner, streamline the process and ensure quick disposal of the cases so that all the applications are handed over to banks for issuance of KCCs to the farmers.

Highlighting that timely delivery of credit to the farmer was essential, Dr. Samoon stated that delivery of credit after expiry of the Kharif season would serve no purpose to the farmers. He expressed concern that a good number of cases have been rejected by the banks and desired to know the reasons for such rejection of the KCC applications. Reacting to this, the representatives of banks attributed the rejection of cases to various factors including farmers being already defaulters of bank dues, non-availability of land records or the details of land are not properly authenticated, etc. The Chairman advised the banks to ensure that rejection of KCC applications is minimized as far as possible so that all the farmers are able to get the KCCs. He reminded that J&K State has been observed to be lagging far behind in issuance of KCCs to the farmers as compared to other States and SLBC, as such, has to be proactive in pushing banks operating in the State to ensure strict implementation of the campaign of 100% coverage of farmers under KCC.

The DGM, NABARD, informed that NABARD has already conducted a study to find out reasons for rejection of KCC cases by the banks and stated that findings of the said study would be shared with the forum in its next meeting.

The Chairman stated that as per RBI revised guidelines banks were required to ensure issuance of IT-enabled Smart Cards and desired that the banks should take all possible measures to switch over to the technology-driven Cards so as to facilitate the farmers to avail of the benefits of technological upgradation. The representative of PNB informed that they have already initiated the process of issuing Smart Card to the farmers. But representatives of other banks present in the meeting informed that they are in the process of taking technological initiatives.

In order to ensure that implementation of the programme of 100% coverage of farmers under KCC is carried forward smoothly and all the impediments in this process are removed, the Steering Sub-Committee recommended as under:

- **Banks will ensure that all the sanctioned KCC cases, which are pending disbursement so far, are cleared by 30<sup>th</sup> of April, 2013;**  
(Action: All Member Banks)
- **Banks will work pro-actively for quick coverage of all the farmers in J&K State under KCC Scheme by taking all possible help from the Agriculture Department. Revenue Department was also advised to extend all help to the banks in this endeavour.**  
(Action: All Member Banks/Agriculture Deptt./ Revenue Deptt.)
- **Agriculture Department and the banks will reconcile the number of KCC forms sponsored and KCC forms actually received by the banks at district-level as well as at the State-level within 15 days to clear out difference in claims made by different agencies;**  
(Action: All Member Banks/Agriculture Deptt.)
- **All leading banks in collaboration with Agriculture Department will organize KCC camps at least twice a month at the block-level, for making the farmers aware about the KCCs, filling-up the KCC forms and on-the spot issuance of KCCs adopting single-window approach, so as to expedite 100% coverage of farmers under KCC Scheme in the State.**  
(Action: All Member Banks/Agriculture Deptt.)

- Regarding authentication of revenue records as sought by various financing institutions, it was made clear that KCC forms duly filled in and authenticated by the officials not below the rank of Agriculture Assistant and Patwari, would be taken as sufficient and acceptable to banks.  
(Action: All Member Banks/Agriculture Deptt.)
- Banks will take necessary measures immediately to reiterate the instructions to their business units to the effect that no processing fee is charged for issuance of KCC cards and no Collateral Security by way of mortgage or 3<sup>rd</sup> party guarantees shall be insisted upon by the banks for issuance of KCCs upto credit limit of Rs.1.00 lakh in accordance with the RBI guidelines;  
(Action: All Member Banks)
- Banks will ensure 100% coverage of eligible farmer families by their branches in the respective service area within the timelines of 30<sup>th</sup> June 2013 as fixed by the Union Finance Minister.  
(Action: All Member Banks)
- 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 and all the concerned banks should be invited to participate in the said meetings.  
(Action: SLBC Secretariat/ Agri. Production Department)
- Banks will take all necessary measures to substantially enhance credit disbursement to Agriculture Sector, particularly through the KCC medium, as per the targets envisaged under the Annual Credit Plan, taking care that the credit delivery is commensurate with grower's season, to give much needed fillip to the investment in Agriculture.  
(Action: All Member Banks)

Apart from above, the Commissioner/ Secretary, Agriculture production Department emphasized that Revenue Department should ensure to issue Revenue Passbooks to all the farmers in J&K State, indicating therein correctly all the requisite revenue details, like Shajra Kaat, parentage and address etc., so that the farmers are not subjected to any problems on this account.

(Action: Revenue Department, J&K Government)

**Agenda Item No: 02**

**Reimbursement of the cost of printing of KCC forms by other banks to J&K Bank:**

The issue could not be discussed.

The meeting ended with the vote of thanks to the chair, which was presented by DGM, NABARD, Mr. Rambir Singh, who expressed optimism that all the banks and Government Departments involved in the process shall work in a coordinated manner to ensure that the target of 100% coverage of farmers under KCC Scheme in the State is accomplished within the prescribed timelines.

Executive Manager  
Lead Bank/ J&K SLBC

**Annexure-A**

**List of participants of the meeting of  
Steering Sub-Committee of SLBC on Agriculture held on 28.3.2013**

<b><u>S. No.</u></b>	<b><u>Name of the participant</u></b>	<b><u>...</u></b>	<b><u>Designation / Organization</u></b>
<b><u>Chairman</u></b>			
1.	Dr. Asgar Hassan Samoon	...	Commissioner/ Secretary, to Govt. Agriculture Production Department
<b><u>Convenor, J&amp;K SLBC (J&amp;K Bank)</u></b>			
2.	Mr. Gurcharan Singh	...	Vice President (LBD/SLBC), J&K Bank
<b><u>J&amp;K Government</u></b>			
3.	Mr. Kumar MK,	...	Additional Secretary, Agriculture Production
4.	Mr. Mushtaq Peerzada	...	Director Agriculture (Kashmir)
5.	Mr. Ajay Khajuria	...	Director Agriculture (Jammu)
6.	Mr. Ghulam Rasool	...	Dy. Secretary, Revenue Department
7.	Mr. N. K. Sharma	...	FA/ CAO, Agriculture Production Deptt.
<b><u>RESERVE BANK OF INDIA</u></b>			
8.	Mr. Gopal Dass	...	Assistant General Manager
<b><u>NABARD</u></b>			
9.	Mr. Rambir Singh	...	Deputy General Manager
10.	Mr. Sanjeev Dhaneja	...	Assistant General Manager
<b><u>Banks/ Financial Institutes</u></b>			
11.	Mr. A. K. Pandita	...	Vice President (PS), A&AP, J&K Bank
12.	Mr. K. K. Sharma	...	Chief Manager, State Bank of India
13.	Mr. A. K. Mota	...	Chief Manager, Punjab National Bank
14.	Mr. R. S. Chib	...	Chief Manager, Punjab National Bank
15.	Mr. S. S. Billowria	...	General Manager, J&K Grameen Bank
16.	Mr. B. L. Bhat	...	Chairman, Ellaquai Dehati Bank

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