

# 71<sup>st</sup> Meeting of State Level Bankers' Committee

Convenor:



**J&K** Bank

# CONVENOR'S ADDRESS



# INTROSPECTION

- SLBC delayed by four months
- Out of 35 banks, 15 banks don't submit information
- Out of 21 districts, for 6 districts ACP 07-08 not ready (SBI is the lead bank in all)

# How serious are we?

- 68<sup>th</sup> SLBC decides on contribution of banks towards EDI
  - 11 out of 35 banks don't comply
- 70<sup>th</sup> SLBC forms group on bundling of subsidies
  - No meeting convened
- Sub-group on credit for handicrafts
  - No progress

# How committed are we?

- Agricultural credit target of 63<sup>rd</sup> SLBC:  
Rs 320.84 crore in 2006-2007
  - Rs 225.72 crore achieved.
  - Rs 95 crore or 60 per cent shortfall
- Kissan credit cards: March 07 target is 66,799
  - 4,599 done
  - 6.88 per cent achievement

# Basic Problems

- SLBC lacks :
  - stakeholder ownership
  - enforceability
- SLBC design:
  - too large and unwieldy
  - Too dispersed
- SLBC mandate:
  - Pre-reform
  - Too peripheral

# TIME TO CHANGE

- STRUCTURAL CHANGES
- ORGANISATIONAL CHANGES
- CHANGES IN ITS APPROACH
- CHANGES IN METHODOLOGY

# Vision

- To be the banker's conscience keeper in the region



# Mission

- To be the forum for devising, designing, and delivering the concept of financial inclusion in J&K

# Possible Changes

- In format :
  - Thematic SLBC
  - Background researched papers
  - Collaborative workshops
- In organisation
  - Break up into smaller groups and sub-groups
  - One group, one focus
  - Terminal responsibility

# Cascading committee concept

- Top level Apex Committee
- This committee works on agenda and issues raised and filtered by:
  - Credit Committee
  - Monitoring and Implementing Committee
  - Administrative and regulatory Committee

# APEX COMMITTEE

- Representatives of:
  - Convenor bank (1)
  - Public sector bank (2)
  - Private sector Banks (1)
  - RRBs (1)
  - Institutions (2)
  - Cooperative Banks (1)
  - Regulator (1)
  - Government (1)

# Role of Apex committee

- To work out a comprehensive three year program for financial inclusion with annual and half yearly benchmarks
- To review and ratify the targets set by CC
- To assess the performance
- To escalate non-compliance
- To integrate all programs

# Credit Committee

- Focus on priority sector credit
- To have six sub-committees, each responsible for detailing one sector
- Lay down sectoral targets
- Lay down bank-wise targets
- Lay down regional targets

# Composition

- Convenor bank
- Pub sector banks (3)
- Private Sector Banks (1)
- RRB (2)
- Cooperative banks ( 3)
- Institutions (4)
- Government (3)

# M&I committee

- Convenor bank
- Top 5 banks in terms of share of business
- Government



# A&R Committee

- Regulator (3)
- Convenor (3)
- Government (4)

# Meetings

- SLBC Convention of all stakeholders in January. APEX Committee meets half yearly to take stock and suggest course correction
- Credit Committee meets every Quarter
- Administrative Committee meets every Quarter
- Monitoring Committee meets every month
- SLBC summer workshops in Srinagar and Winter workshops in Jammu to work on special focus areas and decide on theme.

# Be a model

- J&K doesn't compare well with other states in financial infrastructure and intermediation.
- Role of SLBC even more critical
- Let us resurrect, revive, and reform the SLBC
- Try and be a model SLBC for other states