



Lead Bank/ SLBC (J&K)

Ref. No. LBD/Spl.SLBC/2016- 162

All Members of the
State Level Bankers' Committee (J&K)

December 14, 2016

Sub: **Minutes of the Special Meeting of J&K SLBC held on Dec.,13, 2016 at Jammu**

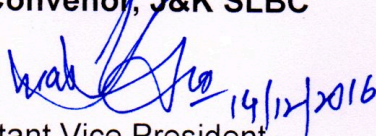
Sir,

We forward herewith a copy of minutes of the Special Meeting of J&K State Level Bankers' Committee (SLBC) held on December 13, 2016 at Hotel Fortune Inn, Riviera, Jammu for your information.

A copy of the RBI, R.O. Jammu letter bearing FIDD (JMU) No. 392/03.01.17/2016-17 dated December 13, 2016 containing clarifications regarding relief measures in areas affected by riots/disturbances in J&K, is also attached for your information and necessary action.

You are requested to go through the same and take necessary action on the relevant actionable points and desired compliance/ progress may be reported to this office over email-convenorbank@jkbmail.com / Fax 0194-2502639.

Yours Faithfully
For Convenor, J&K SLBC


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

Encls: **Minutes of Special SLBC Meeting dated 13.12.2016**

Minutes of the Special Meeting of J&K State Level Bankers' Committee held on 13.12.2016 at Jammu

A Special Meeting of J&K State Level Bankers' Committee (SLBC) to discuss the relief measures for the borrowal accounts affected by the continued disturbances/ turmoil that hit J&K State since July 8, 2016 was held on December 13, 2016 at Hotel Fortune Inn, Riviera, Jammu. The meeting was presided over by Mr. B. R. Sharma, Chief Secretary, J&K Government and the proceedings were steered by Mr. Parvez Ahmad, Chairman & CEO, J&K Bank (Convenor, J&K SLBC). The meeting inter-alia was attended by Mr. Pramod Jain, Financial Commissioner, Agriculture Production Department, Mr. B. B. Vyas, Financial Commissioner, Planning & Development, Mr. Navin Kumar Chowdhary, Commissioner/ Secretary Finance, Mr. N. K. Sahu, Regional Director, Reserve Bank of India, Mr. Vijay Kumar, Chief General Manager, NABARD and other senior functionaries of banks and financial institutions operating in the State. List of participants is enclosed as **Annexure-A**.

At the outset, Mr. S. S. Sehgal, Executive President (Lead Bank/J&K SLBC) of the Convenor Bank extended a warm welcome to Mr. B. R. Sharma, Chief Secretary, J&K Government and to all other dignitaries and guests and highlighted that the objective of the meeting is to decide the relief measures for the borrowal accounts that have been affected by the continued disturbances in the State. He briefed the house about the events leading to the issuance of sanction letter by RBI on December 8, 2016.

Mr. Parvez Ahmad, Chairman & CEO, J&K Bank (Convenor, J&K SLBC) steering the proceedings of the agenda stated that the meeting has been convened in terms of directions of Reserve Bank of India conveyed vide letter dated December 8, 2016 to decide on the relief package to be provided to the affected borrowal accounts adhering to the Master Directions of Reserve Bank of India dated July 1, 2016 on Natural Calamities.

He stated that since the State Government has already declared entire State as disturbance hit, hence, the banks can frame their individual packages to consider restructuring of affected eligible borrowal accounts in line with the extant Master Directions of Reserve Bank of India regarding Relief Measures by banks in areas affected by natural calamities read with RBI letter dated

December 8, 2016. However, in case the banks have any issues or need any clarifications regarding the terms and conditions stipulated in the RBI letter or the Master Directions, they should put forth the same for the house to deliberate upon, otherwise the package has to be adopted by the house.

Mr. S.K.Bhat, Sr. President, J&K Bank sought clarification on “overdue accounts” as mentioned in Para 1 of the RBI letter dated December 8, 2016.

Mr. N.K.Sahu, Regional Director, RBI made it clear that as per letter all borrowal accounts as on July 7, 2016, except those which are overdue, should be considered eligible for restructuring. However, clarification on this issue shall be communicated to Convenor SLBC.

Regarding Identification of the borrowers, Mr. N. K. Sahu, Regional Director, RBI stated that only the genuine borrowers, duly identified by the State Government, shall be eligible for restructuring, as described under Para 7.1 of Master Directions of Reserve Bank of India.

Mr. Navin Kumar Chowdhary, Commissioner/ Secretary Finance, stated that since the State Government has already declared the entire State as disturbance hit, as such, the identification of genuine borrowers has to be left to the individual banks, who will be the better judges of their accounts and they are having much more knowledge of their accounts than the officers of the State Government. He stated that bringing in each and every thing for the State Government will delay the implementation of the relief measures.

Commenting on the issue, Mr. B. R. Sharma, Chief Secretary, J&K Government stated that as the State Government has declared the whole State as disturbance hit, and for economic point of view, it will not be possible for the State Government to identify/ declare the individual borrowal accounts as eligible for restructuring and hence the borrowers, as identified by the respective banks should be considered as genuine borrowers eligible for restructuring.

Responding on the matter Mr. N.K.Sahu, Regional Director, RBI stated that clarification in the matter shall be sought from RBI, Central Office and conveyed to Convenor Bank.

(Action: **RBI, R.O.Jammu**)

Mr. R. K. Chibber, Chairman, J&K Grameen Bank, putting up the concern on Regional Rural Banks stated that RRBs are not covered under the RBI Master Directions and requested the house to consider RRBs also for the rehabilitation package as has been done in the case of affected borrowers during 2014 floods. Similar request was made by the representatives of Cooperative Banks operating in the State.

After thorough deliberations, the house endorsed that Regional Rural Bank and Cooperative Bank operating in the State should also provide relief by way of restructuring to their affected borrowers in terms of the relative Master Directions of Reserve Bank of India. However, RRBs and Cooperative Banks were advised to send a formal request in this regard to NABARD, Regional Office, Jammu.

(Action: **All RRBs and Coop.Banks in J&K State**)

As regards restructuring of Agricultural loans the house decided that the relief measures shall be provided strictly as per RBI Master Directions and only if the extent of loss / damage caused by the disturbances is 33% or more, which shall be established by the concerned District Development Commissioners.

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

As the State Government has declared the calamity in November 2016, banks have to complete the restructuring of accounts within a period of three months from the date of natural calamity i.e. upto February 2017 as per the Directions.

(Action: **All member banks of J&K SLBC**)

Chairman & CEO, J&K Bank stated that banks need to decide appropriate moratorium period on case-to-case basis depending upon viability of the accounts, with a maximum cap and also the interest rate applicable for such accounts.

Putting up the point of view from J&K Bank, Mr. S. K. Bhat, Senior President, J&K Bank stated that as far as the period of moratorium on the converted term loan is concerned, J&K Bank has proposed to fix the moratorium on merits of individual cases, subject to maximum period of 18 months. And as regards the interest rate he stated that since the interest rate on WCTLs is exempted from

the MCLR regulations, J&K Bank has pegged an interest rate of 9.50%. He also stated that other banks operating in the State are welcome to adopt the package framed by J&K Bank or can frame their own individual packages.

Regional Director, Reserve Bank of India advised that moratorium and rate of interest should be left to the individual banks to decide on these aspects with reference to the RBI Master Directions.

After thorough deliberation on the issue, the package as conveyed by Reserve Bank of India vide their letter dated December 8, 2016, was adopted by the house for implementation by banks in consonance with the RBI Master Directions on Natural Calamity.

(Action: **All member banks of J&K SLBC**)

Other issues deliberated in the meeting:

Chief General Manager, NABARD stated that Government of India has initiated various measures to incentivize digital banking plans in the country. Among the measures is the provision of two POS machines each in one lakh villages having population less than 10000 (tier 5 and tier 6 villages). For which funding pattern is also available from NABARD, wherein 60% cost of the machines to be installed by the banks shall be provided by NABARD subject to the cap of Rs.6000/- per machine. Villages have to be identified by banks by the end of December 2016. A proposal for sanction of these POS machines should be received by NABARD by 31st of March 2017 and POS machines in the villages should be workable by 30th June, 2017. Where bank has already placed the POS machines, the funding for additional machines shall be to the tune of 40%. These machines shall be given on first-come first-serve basis. Central Government through NABARD shall support RRBs and Cooperative banks to issue RuPay KCCs to 4.32 Crore KCC holders for enabling them to make digital transactions.

(Action: **All member banks of J&K SLBC**)

Mr. N. K. Chowdhary, Commissioner/ Secretary Finance, J&K Government stated that State Government is also attaching a lot of importance to the digital banking plan and wants banks to adopt the same in J&K State also. In this regard a Special Meeting of J&K SLBC is likely to be held on December 21,

2016 and presided over by the Hon'ble Finance Minister, J&K State. Individual banks are required to work out details for this programme and put up the same for deliberations. He further stated that the State Government is planning further incentives for promoting the digital banking in the State.

(Action: **All member banks of J&K SLBC**)

The meeting ended with a vote of thanks, which was presented by Mr. S. S. Sehgal, Executive President (Lead Bank/ J&K SLBC), J&K Bank.

Assistant Vice President
Lead Bank/ J&K SLBC

Annexure-A

List of Participants Special meeting of J&K SLBC held on 13.12.2016 at Jammu

<u>S. No.</u>	<u>Name of Participant</u>	<u>...</u>	<u>Designation</u>	<u>Organization / Department</u>
<u>Chief Guest</u>				
1)	Mr. B. R. Sharma	...	Chief Secretary	Jammu & Kashmir
<u>Convenor, J&K SLBC</u>				
2)	Parvez Ahmad	...	Chairman & CEO	J&K Bank
<u>J&K Government</u>				
3)	Pramod Jain	...	Financial Commissioner,	Agriculture Production
4)	B. B. Vyas	...	Financial Commissioner,	Planning & Development
5)	N. K. Chowdhary	...	Commissioner/ Secretary,	Finance Department
<u>Reserve Bank of India</u>				
6)	N.K. Sahu	...	Regional Director	Reserve Bank of India
7)	Satya Narain	...	Dy. General Manager	Reserve Bank of India
8)	R. B. Gupta	...	Asstt. General Manager	Reserve Bank of India
<u>NABARD</u>				
9)	Vijay Kumar	...	Chief General Manager,	NABARD
10)	B. R. Pattanaik	...	General Manager	NABARD
11)	K. Bijutkar	...	Dy. General Manager	NABARD
<u>J&K Bank (Convenor Bank)</u>				
12)	S. S. Sehgal	...	Executive President	(LBD/SLBC)
13)	S. K. Bhat	...	Sr. President	(A&AP)
14)	Arun Gandotra	...	Vice President	(A&AP)
15)	Manzoor Hussian	...	Vice President	(A&AP)
16)	Narjay Gupta	...	Vice President	(LBD/SLBC)
17)	Gulzar Ahmad	...	Asstt. Vice President	(LBD/SLBC)
<u>Public Sector Banks</u>				
18)	A.K. Singh	...	Dy. General Manager,	State Bank of India
19)	B. S. Raina	...	Circle Head,	Punjab National Bank
20)	Vinay Kapoor	...	Asstt. General Manager,	Canara Bank
21)	Ashutosh Singh	...	Asstt. General Manager,	IDBI Bank
22)	Harminder Singh	...	Asstt. General Manager,	UCO Bank
23)	M. K. Bhat	...	Chief Manager Lead Bank	State Bank of India
24)	R. K. Bhat	...	Chief Manager,	Union Bank of India
25)	Puneet Gupta	...	Chief Manager,	Bank of India
26)	Satish Tagra	...	Chief Manager,	Central Bank of India
27)	Govardhan Singh	...	Sr. Branch Manager	Oriental Bank of Comm.
28)	A. S. Pathania	...	Sr. Branch Manager,	State Bank of Patiala
29)	Baldev Raj	...	Senior Manager,	Bank of Baroda
30)	S. L. Kuday	...	Senior Manager,	Punjab & Sind Bank
31)	R. K Sarin	...	Senior Manager,	Allahabad Bank

Private Sector Banks

32)	Vivek Gupta	...	C.B.M,	ICICI Bank
33)	Surinder Mattoo	...	A. C. M,	HDFC Bank
34)	Shakti Sharma	...	C. M,	HDFC Bank
35)	Pankaj Sharma	...	C.S.D.L	Yes Bank
36)	Vikas Gupta	...	A. V. P	Axis Bank

Cooperative Banks

37)	Mohammad Mushtaq	...	C.E.O	Jammu Central Coop.Bank
38)	Atta Mohammad Nath	...	Managing Director	Anantnag C. Coop. Bank
39)	M. Latief Dar	...	Dy. General Manager	J&K State Coop. Bank
40)	Mohammad Suliaman	...	Dy. General Manager	Baramulla C. Coop. Bank

Regional Rural Banks

41)	R. K. Chhibber	...	Chairman,	J&K Grameen Bank
42)	Parvinder Bharti	...	Chairman,	Ellaquai Dehati Bank

State Financial Corporation

43)	Showkat Ahmad	...	Dy. General Manager,	J&K SFC
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Lead District Managers

44)	Mohammad Afzal Shah	...	LDM, Srinagar	J&K Bank
45)	Javid Ahmad Qureshi	...	LDM, Ganderbal	J&K Bank
46)	Murtaza Ahmad Zargar	...	LDM, Budgam	J&K Bank
47)	Altaf Ahmad Wani	...	LDM, Baramulla	J&K Bank
48)	Imtiyaz Ahmad Khan	...	LDM, Bandipora	J&K Bank
49)	Imtiyaz Ahmad	...	LDM, Kupwara	J&K Bank
50)	Mufti Ghulam Mohammad	...	LDM, Anantnag	J&K Bank
51)	Ghulam Nabi Dar	...	LDM, Kulgam	J&K Bank
52)	Ghulam Jeelani Shah	...	LDM, Shopian	J&K Bank
53)	Rakesh Sudan	...	LDM, Poonch,	J&K Bank
54)	Anoop Bhat	...	LDM, Rajouri	J&K Bank
55)	Rashid-ud-din Ahangar	...	LDM, Pulwama	J&K Bank
56)	Veer Ji Koul	...	LDM, Samba	State Bank of India
57)	Shiv Kumar Pangotra	...	LDM, Kathua	State Bank of India
58)	Ashok Kumar Bhat	...	LDM, Kishtwar	State Bank of India
59)	Sanjeev Mahajan	...	LDM, Doda	State Bank of India
60)	Rakesh Kumar	...	Faculty (RSETI), Ramban	State Bank of India
61)	Mohammad Shafi Khanday	...	LDM Leh	State Bank of India



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

FIDD (JMU) No. 392 /03.01.17/2016-17

December 13, 2016

The Convener
J & K State Level Bankers' Committee
The Jammu & Kashmir Bank Ltd.
Corporate Headquarters
M.A.Road,
Srinagar-190 001


Dear Sir,

**Relief Measures in the Areas affected by Riots/ Disturbances in J&K State -
Special Meeting of J&K State Level Bankers' Committee**

Please refer to the discussions held in the Special SLBC meeting today regarding overdue and identification of genuine persons affected by the disturbances. In this connection we advise/clarify as under:

- (i) The term **overdue** has been defined in para 2.3 of Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 01, 2016, as **"any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank"**. Therefore, any amount which is overdue even for a day is not covered for restructuring.
- (ii) As regards identification of **genuine persons**, banks may be allowed to identify the genuine persons for grant of assistance.

Yours faithfully


(Satya Narain)
Deputy General Manager

वित्तीय समावेशन और विकास विभाग, भारतीय रिज़र्व बैंक, रेलहैड कॉम्प्लेक्स, जम्मू-180012

फोन नं (0191)2470852 फैक्स नं (0191)2470646 ई.मेल: rpcdjammu@rbi.org.in

Financial Inclusion & Development Department, Reserve Bank of India, Rail Head Complex, Jammu 180012

Tel: (0191)2470852 Fax: (0191)2470646 email: rpcdjammu@rbi.org.in

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