



Tell me what you  
want to be when  
you grow up



Tell me about  
your leaky boat



Tell me about your  
plans and your pains

Tell me what I can  
do for you

# I am listening



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# I am listening...

Over the last seventy years the people of Jammu and Kashmir have invested their emotions in J&K Bank. While we have never faltered in giving them outstanding returns on equity, we may not have done quite as well on the emotional coefficient.

Besides doing ethical and socially relevant business and making profits for them, and ourselves, we are moving towards being an institution that feels for its stakeholders.

We have so far communicated with our constituents. Now we want to have a dialogue; a conversation with our customers. Listen to them. Not just about banking but about them and their concerns. Real people, real day-to-day issues. People are to be at the centre of the new improved J&K Bank.

Today, we see a flicker of hope in the state. We want to play a role in converting it into fulfilment; the new optimism has to be converted into an opportunity; promises have to become performance and cynicism has to give way to confidence. Only then the issues confronting society and our economy will get addressed.

Before we aspire, as an institution, to lead, we have to learn to serve. We have to listen, in order to be heard. We have to understand, before we can act. We have to empathise, before we suggest

In all this, symbolism is the substance. J&K Bank seeks to symbolise a wider and deeper change in our attitude to our work, to our fellow citizens and to our state and the nation. We have to collectively change lives and individually change society.



## Productisation of Financial Services

Capitalizing on the momentum generated by renewed business strategy adopted by our bank, we have moved far ahead of showcasing only the vanilla product offerings. An institutional process for productisation of all our financial services has been initiated. Customising every financial product in accordance with the business scope, market needs while keeping in view the mindset of our customer base; we are trying to place the productisation process in the larger socio-economic context of diverse economy like that of ours.

Agriculture, horticulture (especially apple), handicrafts, tourism, saffron etc. are the forte of J&K economy. Keeping this in view, we have, so far designed a specialized offerings bouquet that contains economy-specific products like All Purpose Agri-term Loan, Apple Advance Scheme, Dastakar Finance, Craft Development Finance, Saffron scheme and Giri Finance etc.

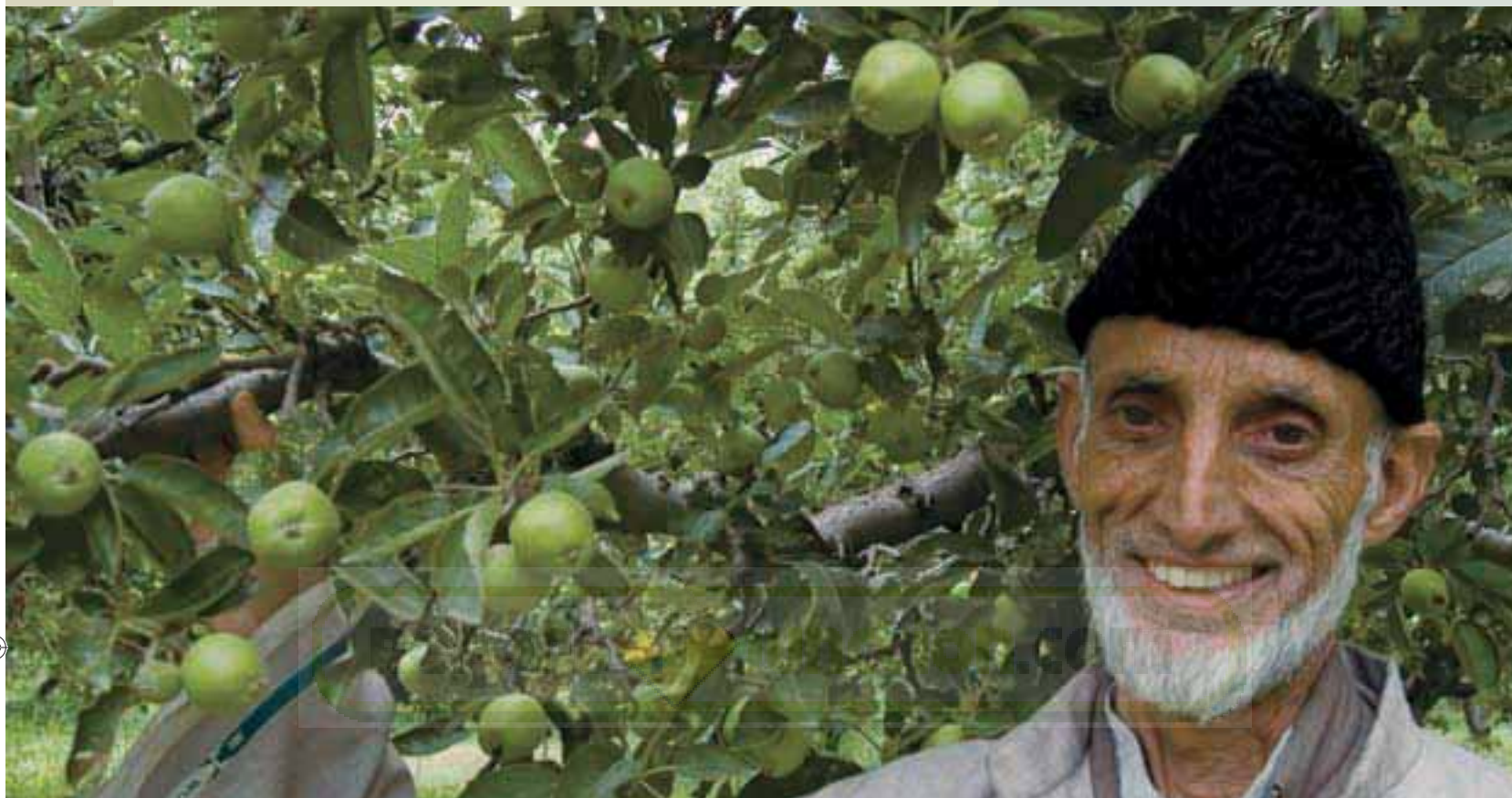
Given the extent of peoples' involvement in various sectors of economy and the volume of business in monetary terms, J&K Bank has all along been alive to the needs and the requirements of the grass root level growers, artisans, craftsmen etc. With a strong commitment towards the empowerment of J&K people the bank is making efforts to broaden and deepen its financial servicing areas through its customized product process, whereof everyone can participate in the development of J&K economy besides feeling empowered and becoming self-reliant.





# Apple

Apple Advance Scheme



## POSITION

Apple, the king of Kashmir fruit, lies at the heart of horticultural economy of J&K state. Every year hundreds of truckloads of apple reach the markets of Delhi, Punjab, Jaipur, Bangalore, Chennai and Ahmedabad. The potential yearly returns on the fruit, as per some of the findings, stand at somewhere between Rs 2000 to 2500 crores. Almost 2.5 million people of the state are directly or indirectly associated with the apple business.

## PROBLEM

It is a matter of fact that the horticulture especially apple business has a great potential. The enormous potential of this sector has not been leveraged due to the gross under-financing by the banks. This had provided the space for the middlemen, locally known as Aritees, to create a vicious system of exploiting the needs of small and medium sized fruit growers.

These Aritees charge hefty rates of return plus commission against the money provided in advance to the small fruit growers. The growers, being indebted, are forced to sell their produce through these Aritees only thereby reducing their bargaining power and ultimately their profits. This halts the trickledown effect of the fruit economy. In absence of any financial backing these farmers used to get their input materials like fertilizers and fungicides on credit that raised the costs and squeeze their margins further.

## PRODUCT

J&K Bank's specially designed product named as Apple Advance has struck at the root of this exploitative system that thrived on scant or untimely fund availability and at times even lack of finance through formal channels.

Last year, after a detailed study of the apple economy, a need-based, time-specific product was introduced. The product incorporated all the critical inputs necessary to make our financial intervention effective and grower-friendly.

Apple Advance was introduced to meet the comprehensive requirements of the apple growers with distinctive features like reduced margins, higher scale of finance that includes production and post harvest maintenance, auto renewal of limits and most importantly very easy and hassle free documentation. With an effective product monitoring mechanism in place, the scale of finance was increased from Rs 1.50 lacs per acre from Rs 40,000 per acre. Regular revision of scales of finance is carried out to match the rising production and marketing costs.

## PROCESS

The objectives that guided the customization of the product included the easy access, simplified documentation, 'avoiding redundancies, shortened process time and flexible fund limit. Even for the growers who have just leased orchards can avail finance under the scheme.

With hypothecation of fruit crop and Third Party Guarantee of 2 persons as security and no emphasis on collaterals, the borrower is also allowed drawals up to 50% of the previous years limit till the bank renews the sanction for the next year.

The process has been made extremely easy and hassle free to ensure that comprehensive requirements of Apple growers to take care of Production & Marketing Costs are fulfilled adequately and in time. Simplified legal documentation has been made to expedite the loan processing.

## PERSON

Nazir Ahmed Dar, 42, of Seer Jageer Sopore a small apple grower, whose annual fruit returns would just suffice for his basic needs is a beneficiary of this grower-friendly product of the bank. Just few years back he couldn't think of owning a vehicle to carry fruits to outside markets but now he not only saves money but also has created many assets of his own.

"We have become self-reliant in just one year. We are no more anxious about the market prices in Delhi or any other fruit Mandi (market) outside because we are not their debtors this time. Now, we sell our produce once we get convinced about the rates", says Nazir Ahmed Dar, 42 of Seer Jageer, Sopore. J&K Bank has freed us from the financial bondage that had restricted not only our growth but also the development of fruit industry of our state, he adds.

Mohammad Ramzan Mir, 47 of Sopore says that his profits have almost doubled in just one year after availing the Apple Advance loan from the bank. "Those exploiter Aritees would charge us 20% as their commission which we have saved, thanks to bank's effective intervention. Even in purchase of fertilizers, fungicides and other pesticides we have been able to save 10 to 20% due to cash payments. We feel confident enough now to grow and dream further," he said.

## PERFORMANCE

Just a year after the product was introduced and marketed in the apple growing belts across J&K the results have been encouraging so far. Thousands of loan cases have been processed and the funds disbursed across J&K.

The streaks of confidence galore on faces of the beneficiaries are representative of the growers' satisfaction and bring alive the bank's motto of serving-to-empower. This very well sums up the response to our product so far.

The objectives of the product were realized as it had been tailored to empower and then to emancipate every small and big apple grower from the vicious network of non-banking intermediaries by reaching out to them with affordable, easy and really fruitful product. And the goal of such a socio-economic revolution that is silent but spread across the state is certainly the apple of our organizational-eye.





# Dastakar

J&K Bank Dastakar Finance

## POSITION

The handicrafts of Kashmir have always been a source of pride for its people. These famed works of art have throughout history surpassed the barriers imposed by geography.

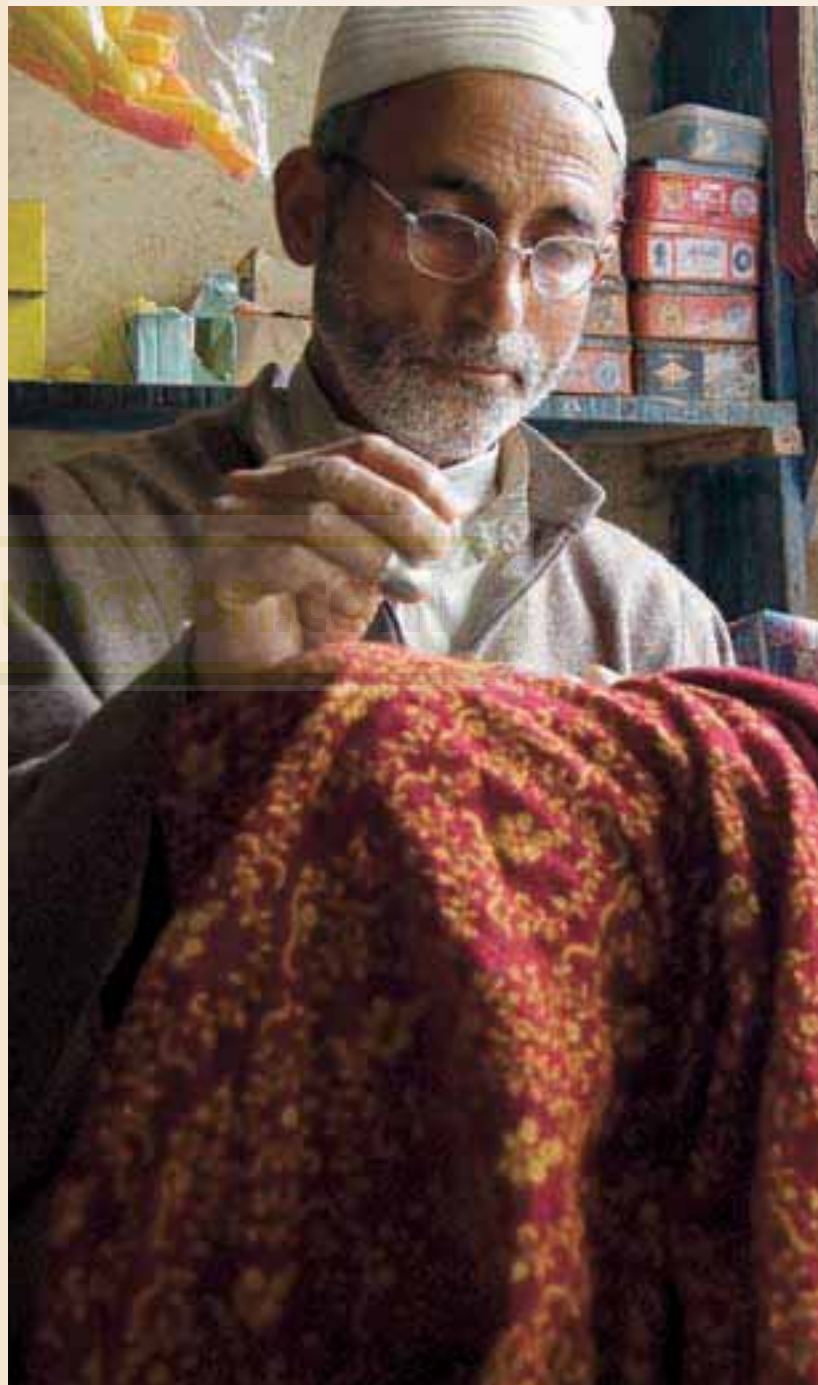
Among all these versatile crafts, carpet weaving and shawl-making stand distinctively out both in terms of exquisite craftsmanship and business volume.

Handicraft and handloom sectors comprise a major industrial activity in the state. Among the oldest industries of Kashmir, they support more than five lac people with an annual turnover of Rs. 2,000 crores.

## PROBLEM

However, artisans, craftsmen, and weavers have never been the real beneficiaries of the trade. Lack of capital and their weak socio-economic condition makes them vulnerable to exploitation by traders and middlemen or simply a moneylender, putting them at the mercy of these informal channels of finance. The cost of finance, in essence, far outweighs the gains accrued. The artisans are bound by the harsh terms and conditions of the middlemen and end up bowing to their demands.

With the result, a large number of these craftsmen have shifted to unskilled labour bringing this traditional industry to a decline.





## PRODUCT

J&K Bank in its endeavour to promote trade, industry and to preserve the traditional arts and crafts of the state devised a scheme aimed at the financial needs of the artisan community aptly called 'JK Bank Dastkaar Finance'. The scheme provides easy and soft credit to craftsmen engaged in the trade and helps them to set up their own ventures, weeding out the middlemen responsible for their exploitation. Keeping in view the specific production cycle associated with this trade the loan comprises of a term loan and working capital components.

## PROCESS

The disbursement is phased in quarterly installments and aligned to the status of WIP (work in Progress). This ensures proper end use, quality control and timely completion of work. The weavers/artisans are allowed a reasonable time for the repayment of the bank finance.

To make the credit hassle free, no collateral/third party guarantee is required. The product has been designed on the bank's philosophy of confidence-based lending as opposed to collateral-based lending. There is no requirement of any collateral security under this product. The legal documentation has been kept at bare minimum with only two documents to be executed for disbursement of the loan.

In order to increase the reach of this product the database of the weavers/artisans available with various trade associations is being utilized besides identification of people by concerned branches of the bank.

## PERSON

Abdul Qayoom Mir of Hamichi, Saidpora is a happy man these days. Smiling he says "Free from the clutches of the middlemen I no longer work for anyone but myself. It is all because of the finance I took from J&K Bank, as hassle free and timely finance helped me save time and earn better margins." Qayoom says he earns more now because of the Dastakar scheme. With a glint in his eyes he dreams loudly about giving his children a better education and life.

A fellow artisan Manzoor Ahmad Mir says that earlier he couldn't negotiate the price of a shawl he had prepared. "As I had already borrowed from the middleman, he would find faults to lower the price further besides the agreed commission. I had no option but either to compromise on price or go for a distress sale. Either way I would lose."

After availing the finance he proudly says that he can sell his product to the highest bidder thus earning maximum profits.

The artisans are happy as they see an end to the exploitation, which was gradually forcing them out of the trade itself.

## PERFORMANCE

Hamichi, Saidpora is a village comprising of more than 200 families, all of whom are engaged in Sozni embroidery. They were completely unbanked until almost all of them availed the loans under Dastkaar Finance. The Zakura branch of J&K Bank in the city suburbs has disbursed 108 cases of Dastakar Finance in one go while 80 cases are under process.

The people of this small village are talking about saving, getting a loan, installments, interest, profits- terms unknown to them earlier. The awareness has also resulted to an awakening of a kind. They are waking up to their needs to make a collaborative effort for common benefits. Like sensing a need for a market the artisans of the village have made a joint effort to form a group to market their finished goods.

The change does not only reflect in their tone but in their lives as well, as they are all set to move towards an empowered and bright future that awaits them.



# Agriculture

J&K Bank All-Purpose Agri Term Loan



## POSITION

Agriculture not only gives riches to a nation, but the only riches she can call her own. Rightly said. Agrarian economy is also the most important component of J&K's financial system. Thus, agricultural farming including the lucrative horticulture sector and the related business practices, engage 65% to 70% of the state population. Considerably large workforce, both semi-skilled and un-skilled gets employment in this growing sector.

## PROBLEM

The small farmers, who constitute the backbone of this agro-based economy, have had many problems because of being marginalised. Although, this group plays major role in the productivity but has all along been suffering due to lack of finances for the cultivation, harvesting and marketing of their crop. It may be said that the institutional mechanism of credit in rural areas had not been able to deliver.