

Confirmation of the minutes of 65th SLBC meeting held on 12th May 2005.

The minutes of the 65th SLBC meeting held on 12th May 2005 were circulated among the members vide our letter No. JKB/LB/65-SLBC/2005-114 dated: 01-06-2005

The House is requested to confirm the minutes.

Follow up Action on the Decisions taken in the 65th SLBC meeting.

i) Fixation of Targets under various Schemes of technology Mission.

In the 65th SLBC meeting various Schemes under technology Mission were adopted for implementation in the state and it was decided that Bank-wise targets would be fixed in the Sub-Committee of SLBC. Although, two meetings of said Committee were held on 18.6.2005 and 18.07.2005, the Horticulture Department failed to place the District-wise targets, thus resulting in non-fixation of Bank-wise targets under various Schemes of technology mission for the current financial year as decided in the SLBC meeting.

The representative of Horticulture Department is requested to comment on the issue.

ii) Creation of Fund for the revival of the sick Industrial units in the State.

The suggestion of Mr. Sahasaramanan, Principal Secretary Industries & Commerce Department (J&K Government), given in the 65th SLBC meeting to three major Banks in the state i. e. J&K Bank, SBI and PNB to create a fund of Rs.3.00 to Rs.5.00 Crore for the revival of sick industrial units in the state was referred to the sub-Committee of SLBC for discussion.

The issue was deliberated in the meeting of Sub-Committee of SLBC held on 18th June 2005 and bankers were of the opinion that there is no

need to create a corpus as Banks have sufficient funds and are ready to finance all sick units in the state subject to their being viable. Regarding the margin money, Bankers were of the view that it should come either from the State Government or SIDBI.

iii) J&K Entrepreneurship Development Institute-Contribution from Banks.

The issue of setting up of Training Institute for SSI/PMRY entrepreneurs in the State was deliberated upon in the 60th and 61st SLBC meetings on the advice of Reserve bank of India and the house had strongly suggested for setting up of an Institute in the State of J&K for imparting Entrepreneurship Development programmes(EDPs). However, in the 63rd SLBC meeting, the representative of State Government had informed the House that an Entrepreneurship Development Institute has already been set up at Srinagar and since the said Institute has finalized plan for construction of its own building, the Hon'ble Chief Secretary had, in this context, sought suitable contribution from Banks/Financial Institutions. Accordingly the house resolved that percentage of contributions from the Banks/Financial Institutions towards the corpus of the said institute be decided upon in the meeting of Sub-Committee of SLBC.

The issue came up for deliberations in various meetings of Sub-Committee of SLBC, the last being in the meeting held on 18th June 2005, wherein the representatives of some Banks sought some additional information from Director EDI, like financial Statements, composition of the Governing Board of EDI for submission to their Head Offices where the matter is under consideration.

The requisite information stands forwarded to the concerned banks vide this office letter No. JKB/LB/289/2005-252 dated 13th August 2005. The representatives of the concerned Banks i. e. SBI, PNB and UCO Bank are requested to apprise the House about the progress in the matter, so as to enable the House to decide the percentage of contributions from Banks/Financial Institutions towards the corpus of the said Institute.

iv) Recovery under Handicrafts.

In the 65th SLBC meeting, it was decided that the Handicrafts Department and the Bankers should evolve a mechanism so that the Handicrafts Sector gets adequate credit but at the same time, it is ensured that loans provided do not become Non-performing assets.

The issue was deliberated upon in the meeting of sub-Committee of SLBC held on 18th June 2005, wherein it was decided that banks shall provide adequate credit to the Handicrafts sector and the Handicrafts Department shall extend all help and cooperation to the banks in recovery of loans under this sector. It was also decided that Handicrafts Department would make advertisements in local dailies of the State highlighting therein benefits of various schemes under Handicrafts sector and simultaneously advising the loanees/ defaulters, to repay the loans taken under these schemes.

The representative of Handicrafts Department is requested to inform the House about the action taken in the matter.

V) Increase in Remuneration of the Ex- Servicemen employed by various Banks

In the 65th SLBC, Director, Sainik Welfare Department J&K Govt. had requested the concerned banks to increase the remuneration of those Ex-servicemen who have been re-employed by them from Rs. 2000/- Per month to at least Rs. 2500/- to Rs. 3000/- Per Month.

The representatives of concerned Banks are requested to apprise the house about the action taken in the matter.

VI) Providing List of un-disbursed loan cases by Bank .

In the 65th SLBC meeting, it was decided that Directorate of Employment (J&K Govt.) shall provide to the Convenor SLBC (by ending 31st March of every year) the list of all such cases where margin money has been provided but the cases continue to be un-disbursed by Banks. Till date the Convenor Bank has not received such list as at ending March 2005.

The representative of the Employment Department is requested to comment on the issue.

VII) Under financing of Industrial Units.

During deliberations in the 65th SLBC meeting on "Establishment of SSI Branches at District Level", agreeing with the suggestion of Chairman J&K Bank, the Director, Industries & Commerce Department, J&K Government, was to forward the details of specific cases to the

Convenor SLBC, where under- financing had taken place, so that the matter is got looked into, but till date this office has not received any such information.

The representative of the Industries & Commerce Department is requested to comment on the issue.

Agenda Item No: 66.01

Bank-wise/Region-wise/Sector-wise achievements under Annual Credit Plan 2005-2006 as on June 2005.

(1) **BANK-WISE ANALYSIS:**

The Bank-wise/ Sector-wise and District-wise/Sector-wise achievements as on June 2005, vis-à-vis commitments under Annual Credit Plan 2005-06 are given under **Annexure-"A" & "B"**. The achievement vis-à-vis commitment in respect of Crop Loan out of Agriculture Sector has been incorporated separately in the statement. From the figures, it is observed that Banks have provided total credit of Rs.293.81 Crore in favour of 23,559 beneficiaries against a target of Rs.1076.33 Core for 2,31,283 beneficiaries under Annual Action Plan 2005-06, thus, registering an overall achievement of 27% of the target in financial terms during first quarter of the current financial year.

The achievement of three major Banks in the State i. e. J&K Bank, State Bank of India and Punjab National Bank, viz-a-viz their respective targets under Annual Credit Plan 2005-2006 is of the order of 32%, 28% and 25% respectively.

Out of total achievements of all Banks at Rs.293.81 Crore under Annual Action Plan 2005-2006, the contribution of Public Sector, Private Sector, Cooperative Banks, Regional Rural Banks and State Financial Corporation at a glance, is as under:

		<u>%age of Total achievement.</u>
iii)	Private Sector Banks (J&K Bank, Bank of Punjab& HDFC Bank)	161.63 Crore 55.01
ii)	Public Sector Banks:	83.26 Crore 28.34
iii)	Cooperative Banks:	29.57 Crore 10.06
iv)	Regional Rural Banks:	19.00 Crore 6.47

v)	State Financial Corporation	<u>0.35 Crore</u>	0.12
	TOTAL:	<u>293.81 Crore</u>	

2) SECTOR-WISE ANALYSIS:

I) Agriculture Sector:

Against the Annual Target of Rs.352.42 Crore for 1,70,736 beneficiaries, Banks have disbursed a total amount of Rs.118.02 Crore in favour of 13,293 beneficiaries under this sector, thus, registering an achievement of 33% in financial terms. Out of this, an amount of Rs.70.87 Crore against a target of Rs.118.92 Crore has been disbursed under Crop Loan in favour of 9,861 agriculturists. The achievement of Banks under this segment is of the order of 60% of the target.

While analyzing the Bank-wise achievements under this sector, it will be observed that leading performers have been Union Bank of India, Bank of Baroda, Corporation Bank, Kamraz Rural Bank and J&K Bank, who have achieved 105%, 90%, 69%, 52% and 48% respectively, of their respective individual targets. While analyzing the quantum-wise disbursement, the major contributors have been the Jammu & Kashmir Bank Ltd. (Rs.81.99 Crore), Kamraz Rural Bank (Rs.9.92 Crore), Baramulla Central Cooperative Bank (Rs.6.54 Crore), Punjab National Bank (Rs.4.56 Crore), State Bank of India (Rs.4.42 Crore), Jammu Central Cooperative Bank (Rs.3.66 Crore), Anantnag Central Cooperative Bank (Rs.2.68 Crore) and Jammu Rural Bank (Rs.2.26 Crore).

II) Industries Sector:

As against the target of Rs.232.84 Crore for 22,632 beneficiaries, Banks have disbursed an amount of Rs.37.87 Crore in favour of 858

beneficiaries as on 30th June 2005, thereby registering 16% of the target in financial terms. While analyzing Bank-wise achievements (quantum-wise), the major contributors have been, J&K Bank (Rs.14.09 Crore), State Bank of India (Rs.8.18 Crore), Punjab National Bank (Rs.4.53 Crore), Vijaya Bank (Rs.3.87 Crore) and Bank of India (Rs.3.86 Crore).

III) Services Sector:

As against a target of Rs.491.07 Crore in favour of 37,915 beneficiaries, Banks have disbursed a total amount of Rs.137.92 Crore in favour of 9,408 beneficiaries. This works out to 28% achievement in financial terms.

The forum is requested to discuss the issue in the light of the data furnished.

Encls: (4).

Agenda Item No: 66.02

Region-wise /District-wise/ Bank-wise / Scheme-wise performance of various Banks under Government Sponsored Schemes upto June 2005.

Against the Annual Action Plan 2005-06 for all Banks in the State at Rs.238.68 Crore the achievement of Banks upto 30th June 2005, under six major Government Sponsored Schemes, viz. SGSY, PMRY, JKSES, SJSRY, SC/ST/OBC and KVIC/B is of the order of Rs.21.47 Crore in all the three

regions of the State thereby registering a performance of 9% of the target against disbursement of Rs.15.74 Crore during the corresponding period of the previous year.

1) **Region-wise Achievements.**

i) **Kashmir Region:** As against 5% achievement of Banks at Rs.7.94 Crore as on 30th June 2004, Banks have disbursed a total amount of Rs.13.38 Crore as on 30th June 2005 under these six major Government Sponsored Schemes, thereby achieving 10% of the target of Rs.131.00 Crore.

ii) **Jammu Region:** As against 7% achievement of Banks at Rs.6.58 Crore as on 30th June 2004, Banks have disbursed an amount of Rs.7.47 Crore as on 30th June 2005, under these schemes, which accounts for 8% achievement of the target of Rs.96.93 Crore.

iii) **Ladakh Region:** As against 12% achievement of Banks at Rs.1.23 Crore as on 30th June 2004, Banks have disbursed a total amount of Rs.0.62 Crore as on 30th June 2005, under these six major Government Sponsored Schemes, which works out to 6% achievement of the annual target of Rs.10.75 Crore.

The statement of Region-wise/District-wise/Scheme-wise achievement, vis-à-vis commitments of all banks under Govt. Sponsored Schemes as on 30th June 2005, is attached as [Annexure-“C”](#).

2) **Bank-wise/Scheme-wise achievements.**

The Bank-wise achievements under Six major Central/ State Government Sponsored Schemes as on 30th June 2005 are discussed below in light of the figures annexed Scheme-wise as [Annexure D, D1, D2, D3, D4, D5](#).

SGSY: Under SGSY against a target of Rs.49.76 Crore, Banks have disbursed an amount of Rs.5.16 Crore to 1,152 beneficiaries during the period under review, which works out to achievement of 10% in financial terms. Out of the total achievement of Rs.5.16 Crore the major contributors are J&K Bank (Rs.1.89 Crore), State Bank of India (Rs.1.10 Crore), Jammu Central Cooperative Bank (Rs.0.56Crore), Baramulla Central Cooperative Bank (Rs.0.39 Crore), Jammu Rural Bank(Rs.0.36 Crore and Punjab National Bank(Rs.0.29 Crore).

PMRY: Under PMRY Scheme against the physical target of 3,227 units for the financial year 2005-06, Banks have disbursed an amount of Rs.2.83 Crore to 307 beneficiaries as on ending June 2005 for setting up of employment generating units thereby achieving 10% of the physical target. Out of the total achievement (physical targets) of all Banks operating in J&K State at 307 units the major contributors are J&K Bank(173 units), SBI(80 units) & PNB(29 units).

JKSES: Under JKSES, Banks have disbursed an amount of Rs.8.08 Crore to 522 beneficiaries against the annual target of Rs.79.23 Crore for 6,006 beneficiaries, thus registering an achievement of 10% in financial terms and 8.69% of the physical target. Out of the total achievement of all Banks operating in J&K State at Rs.8.08 Crore the contribution of J&K

Bank, SBI & PNB, viz a viz their respective financial targets is of the order of 10.24%, 5.96% and 16.76% respectively.

SJSRY: Under SJSRY, Banks have disbursed an amount of Rs.1.26 Crore to 291 beneficiaries against the target of Rs.16.38 Crore for 3,232 beneficiaries, thus registering an achievement of 7.69%. Out of the total achievement of Rs.1.26 Crore the performance of three major Banks i. e., J&K Bank, SBI and PNB vis-à-vis their respective targets is of the order of 9.76%, 3.63% and 9.45% respectively.

SC/ST/OBC: Under SC/ST/OBC Banks have disbursed an amount of Rs.0.34 Crore to 121 beneficiaries against the target of Rs.7.25 Crore for 2,483 beneficiaries thereby registering an achievement of 5%.

KVIC/B: Under KVIC/B, Banks have disbursed an amount of Rs.3.80 Crore to 254 beneficiaries against the target of Rs.48.08 Crore for 2,493 beneficiaries thereby registering an achievement of 8%.

The house is requested to discuss the issue in light of the figures submitted as per Annexures mentioned above.

Encls: (8).

Agenda Item No: 66.03

Performance under Handicrafts / Handloom / Credit-cum-Subsidy Scheme for Rural Housing Schemes as on 30th June 2005.

The Bank-wise achievement as on 30.06.2005 under these Schemes is discussed below in light of the figures given in the [Annexures-E, F & G.](#)

a) **Handicrafts:**

A target of Rs.26.85 Crore for 7,206 beneficiaries had been set for Banks under this sector for the financial year 2005-06. During the period under review Banks have disbursed a total amount of Rs.44 lacs to 105 beneficiaries, which includes 79 sanctioned cases of previous year

b) **Handlooms:**

Under this sector a target of Rs.10.12 Crore for 1,515 beneficiaries had been set for the Banks for the financial year 2005-06. During the period under review Banks have disbursed a total amount of Rs.16 lacs to 31 beneficiaries, which include 15 sanctioned cases of previous year.

c) **Credit-cum-Subsidy Scheme for Rural Housing.**

Under this Sector against a target of Rs.2.01 Crore to 481 beneficiaries has been set for the banks for the current financial year. During the period under review Banks have disbursed an amount of Rs.35 lacs to 80 beneficiaries.

The house is requested to deliberate upon the issue in light of the above.

Encls: (3)

Agenda Item No: 66.04

Kissan Credit Card Scheme.

Government of India/Reserve Bank of India attaches great importance to implementation of Kissan Credit Card scheme. The performance of Banks under KCC scheme as at the end of June 2005 is furnished as [Annexure-H.](#)

The House is requested to deliberate upon the issue in light of the annexure enclosed

Encl: 1

Agenda Item No: 66.05

Statistical data of various Banks in J&K State as of June 2005.

The statistical data of various banks functioning in the J&K State is provided for the perusal of the house as under:

1. Comparative statement of Bank-wise deposits and advances With Credit Deposit Ratio and Credit + Investment to Deposit Ratio as on June 2004 & June 2005. [Annexure-"I"](#)
2. Comparative statement of Bank-wise /Sector-wise advances Outstanding against priority sector/ weaker sections of Society as on June 2004 & June 2005. [Annexure-"J"](#)

From the Annexure, it will be observed that while the J&K Bank alone has made total advances of Rs.4,898.39 Crore in J&K State as on 30.06.2005 as against its total deposits of Rs.9,853.38 Crore, thereby achieving a C. D. Ratio of 49.71%, the other major Public Sector Banks, viz. SBI & PNB have made total advances of Rs.668.87 Crore and Rs.390.15 Crore only as against their total deposits of Rs.2,933.70 Crore and Rs.1403.73 Crore, thereby achieving C.D. Ratio of 22.80% and 27.79%, respectively, as on 30th June 2005. The remaining 17 Public Sector Banks put together have advanced Rs.425.38 Crore as against their total

deposits of Rs.1,361.10 Crore, which works out a C. D. Ratio of 31.25% as on that date. In other words, the total advances outstanding as on 30.06.2005 of all the 18 Public Sector Banks & SBI together stood at Rs.1,484.40 Crore only as against their total deposits of Rs.5,698.53 Crore, which works out C. D. Ratio of 26.05%.

Encls: (3).

Agenda item No.66.06

Self Help Group (SHG)

Reserve Bank of India has desired to have a proper review of disbursement of Credit through Self Help Groups (SHGs), as it is an effective toll for delivering Credit to Rural poor for their economic empowerment and social development.

The performance of Banks under Self Help Group Scheme as at the end of June 2005 is furnished as [Annexure " K "](#)

Encl: 1

Agenda item No.66.07

Setting up of office of District Development Manager-NABARD

District Development Commissioner, Pulwama, vide letter No. DDCP/NABARD/05/638 dated 03.05.2005 has informed that NABARD should have established an office of District Development Manager in District Pulwama in pursuance of a policy decision taken in 1989 whereby NABARD was supposed to set up the Institution of District Development Manager in each District of the Country. The said Institution is envisaged not only to monitor the credit flow for Rural Development and promotion of sustainable and equitable agriculture, but also to provide technical inputs for financial Institutions and other

departments involved in Rural Development about the potential areas to be focused in the Credit planning.

Keeping in view that NABARD has already established offices of DDM's in some Districts of the State, the District Development Commissioner Pulwama has desired that the authorities in NABARD be impressed to establish the office of District Development Manager in District Pulwama.

The house is requested to deliberate upon the issue.

Agenda item No.66.08

Scheme for Rehabilitation of Drivers and Cleaners

Proposal of Rehabilitation of drivers and Cleaners by providing financial assistance Managing Director, J&K SC/ST/BC Development Corporation Ltd., vide letter No. SCBC/Corp/Acctts/05/1001-03 dated 21.05.2005 have informed that a proposal for rehabilitation of militancy affected Drivers and Cleaners have been approved for 110 units under transport sector having a total financial outlay of Rs.452 lacs. The pattern

of funding under “**Margin Money Loan Scheme**” of National Minority Development Finance Corporation (NMDFC) is as under:

- | | | |
|--|-----|------|
| A) Apex Corporation Share (NMDFC) | 40% | of |
| the project | | |
| B) Bank Loan | 40% | -do- |
| C) SC/ST/BC Corporation Share/Promoters Contribution | 20% | - |
| do- | | |

On the basis of funding pattern cited above 40% share of NMDFC comes to Rs.181 lacs and an equivalent amount as bank loan.

The Managing Director J&K SC/ST/BC Development Corporation Ltd. has requested for examining the following aspects of the proposal, so that a procedure for implementation of the project can be laid down:

- A) Documents/type of security required to be furnished for availing the loan to finance the project.
- B) The period for repayment of loans.
- C) The differential rate of interest to be charged for funding the project as corporation is advancing loan to the target groups of Notified National Minorities at concessional rates of simple interest of 7%

In the light of above, the House is requested to deliberate upon the issue.

Agenda item No.66.09

Providing of financial assistance at softer rates for Deaf and Dumb.

Under Secretary to Government, Social Welfare Department (J&K) had forwarded a copy of letter from All Jammu & Kashmir Sports Council of the Deaf, wherein it had been requested for providing of financial assistance at softer interest rates to deaf and dumb persons, so as to enable them to earn their livelihood.

The issue was placed as an Agenda item in the meeting of Sub-Committee of SLBC held on 18th June 2005, wherein it was decided that Banks will provide loan facility upto a maximum limit of Rs.50, 000/- to the physically handicapped people of the State including Deaf, Dumb, Blind and the lame at a softer rate of interest of 7% per annum and each bank will finance a minimum of 5 cases per year. However, for smooth implementation of this decision, it was decided that the matter would be placed in the ensuing meeting of State Level Banker's Committee for ratification.

In light of above, the House is requested to deliberate upon the issue/ratify the decision.

Agenda item No.66.10

Swarozgar Credit Card(SCC) Scheme

Swarozgar Credit Card Scheme aims at providing adequate and timely Credit i. e. Working Capital or Block Capital or both to small artisans, Handloom weavers, Service Sector, fisherman, self employed persons, rickshaw owners and other micro entrepreneurs etc. from the Banking system in a flexible, hassle free and cost effective manner. The Scheme has been implemented in the J&K State in pursuance of the then Hon'ble Prime Minister's address to the Nation on Independence Day.

NABARD has informed that targets have been reduced from 2000 SCC's for the year 2004-05 to 1000 SCC's for the current financial year, keeping in view the "nil" progress.

In light of above the house is requested to deliberate upon the issue so that corrective measures are taken for achieving the target for the current financial year.

Agenda item No.66.11

Referring of cases by Branch Managers under various Government Sponsored Schemes.

Lead District Manager Baramulla has informed that in order to give boost to disbursement of loans by Banks under employment generating programmes the District Consultative Committee/ District Level Review Committee in its meeting held on 28-02-2005 decided that Branch Managers can also identify the candidates for different Govt. Sponsored Schemes provided that the person concerned qualifies under norms of that particular scheme and shall forward these cases to the concerned sponsoring agency for registering them so as to pass on the incentives as per the scheme to the beneficiaries through the concerned branch. This decision was taken in view of RBI guidelines for PMRY Scheme that Bank Branches shall also identify the candidates for benefits under the Scheme and shall refer their applications to the District Task Force Committee for their inclusion in the selection list provided they qualify under norms for the Scheme. Besides, it automatically becomes a pre-sanction commitment of the Branch Manager and has thus resulted in higher achievement under Annual Credit Plan under all the schemes in the district. This could also save time for processing of the case by department and then selection through selection committee.

Lead District Manager Baramulla has desired that the issue be discussed in the SLBC meeting so as to implement the same throughout the State keeping in view the progress achieved by District Baramulla by its implementation.

Agenda item No.66.12

Reserve Bank of India, Jammu, vide its communication No. RPCD(JMU)No. 246/03.01.17/ 2005-06 dated 26th August 2005 have forwarded some points for inclusion as agenda item for discussion/information, which are enumerated below.

1) Standing forum to review credit and other related issues to Industrial Development in the State of Jammu & Kashmir.

In the 65th meeting, the Chairman had mentioned that Governor RBI would be setting up a task force to monitor improvement in credit flow, re-habilitization of sick Industrial units etc. RBI has informed that a task force has been constituted under the name of "Standing Forum to Review credit and other related Issues to Industrial Development in J&K". The term of reference and the constitution of the Forum are enclosed. The Forum has held two meetings so far and has already formed sub-

groups to study the terms of reference in detail and suggest for effective deliberations.

Encl: 1

2) unbanked Areas

The information on the unbanked areas in the State was included as a supplementary agenda item in the previous SLBC meeting and it was decided that the Lead District Managers in collaboration with the District Development Commissioners in each district will ascertain the position and apprise RBI.

The Lead District Managers are requested to apprise the house about the unbanked areas in their districts.

3) Implementation of JKSES Scheme by Banks as per revised parameters.

The implementation of the Jammu & Kashmir State Self Employment Scheme by Banks has been extended by Government of India for a further period of two years i. e. upto March 31, 2007. A copy of RBI letter RPCD (JMU) No. 197/03.06.01/2005-06 dated August 22, 2005 is enclosed for information of the members.

Encl: 1

4) Personal Accident Insurance Scheme(PAIS) for KCC holders.

RBI, Mumbai vide circular letter No. RPCD.PLFS. BC. NO.8/05.05.09(PAIS)/2005-06 dated 5th July 2005 addressed to the Chairmen and Managing Directors/CEOs of all scheduled Commercial Banks have informed that in order to safeguard the interests of KCC holders by providing personal accident insurance coverage on an ongoing basis at competitive rates/terms, It has been decided that banks may be allowed the discretion to approach either any GIPSA member General Insurance Company or any private sector General Insurance Company to take advantage of the competitive offers.

A copy of the aforesaid RBI Circular is enclosed for information of the members.

Encl:1

5) High Level participation in SLBC meetings.

RBI has informed that Additional Secretary, DEA (Bkg. Div.), MOF has advised all chief Secretaries to ensure high level participation in SLBC meetings keeping in view its importance. Even it has been suggested that Chief Ministers may chair the meetings, if possible.

RBI has desired that there should be high level participation from Government as well as Banks.