

**CONFIRMATION OF THE MINUTES OF 77<sup>TH</sup> MEETING OF J&K SLBC  
HELD ON 20<sup>TH</sup> October, 2009 AT SRINAGAR**

The minutes of 77<sup>th</sup> meeting of J&K SLBC held on 20<sup>th</sup> October 2009 at Srinagar to review the performance / achievements of the banks / financial institutions operating in the State for the quarter ended June 2009 were uploaded on the website of J&K SLBC [www.jkslbc.com](http://www.jkslbc.com) and were also circulated among the members vide J&K SLBC office letter No. JKB/SLBC-76/2009-375 dated 16.11.2009. The action points were indicated to the concerned quarters for taking desired action.

No amendments to the published minutes have been received from the members.

**The house is requested to confirm the said minutes.**

## **FOLLOWUP ACTION ON THE DECISIONS TAKEN IN THE EARLIER SLBC MEETINGS (OUTSTANDING ISSUES)**

### **Registration of Equitable Mortgage:**

The issue of Equitable Mortgage and registration of charge therefor with a view to prevent frauds was initially deliberated in the 70<sup>th</sup> SLBC meeting at the behest of Indian Banks Association (IBA) and the Commissioner Secretary, Finance, J&K Govt. had stated that the Government had realized in principle that equitable mortgage is a better route to follow as far as securitization of debt is concerned. He had assured that the suggestion of making it obligatory to register equitable mortgage at a nominal stamp duty amount was being examined by the Law and Revenue Departments.

The issue was again deliberated in 73<sup>rd</sup> SLBC meeting in the context of further communication of IBA suggesting that arrangements for registering of equitable mortgage transactions with nominal charges can be the most effective measure to prevent frauds of multiple loans against a property.

In the 74<sup>th</sup> SLBC meeting the Commissioner/Secretary Finance informed the house that he had held two meetings with the Revenue authorities on the issue and that the next such meeting was slated in the month of January 2009 where-after progress will be submitted to the house.

In the 76<sup>th</sup> SLBC meeting the Commissioner/ Secretary Finance, informed that the issue was referred to the Law Department who have examined the same and recommended that the Act can be extended to all other areas of the J&K State. He further stated that necessary amendment in the Transfer of property Act had already been made and simply issuance of notification in the matter was required. Accordingly, the Chief Secretary, J&K Government had assured the house that the necessary action in the matter will be got done soon.

Moreover, further guidelines issued by RBI on 4.5.2009 for implementation of the recommendations of Dr. K. C. Chakrabarty Working Group on Credit delivery to MSMEs relating to creation of Central Registry for registration of charges of banks by the State Government was also deliberated in the said SLBC meeting vide Agenda Item No.76.08.

No progress was reported to the house in the 77<sup>th</sup> meeting held on 20.10.2009 at Srinagar.

**The Government may kindly inform the progress in the matter.**

## **Setting up of Rural Self Employment Training Institutes- R-SETIs:**

In the 76<sup>th</sup> SLBC meeting all the 22 districts of J&K State were allocated between the J&K Bank and State Bank of India in accordance with the lead bank responsibilities assigned to them, viz. 12 districts to J&K Bank and 10 districts to SBI. It was decided that in the first phase J&K Bank will establish five RSETIs at Srinagar, Anantnag, Baramulla, Pulwama and Poonch districts and the State Bank of India will establish two such institutes in Udhampur and Samba districts.

Subsequently in the 77<sup>th</sup> SLBC meeting the house was assured that at least 4 RSETIs would be made operational by the end of CFY 2009-10, i.e. two RSETIs by J&K Bank in **Srinagar and Anantnag districts** and two RSETIs by State Bank of India in **Samba and Udhampur districts**. Both the banks were impressed upon to respect the deadline and complete all other necessary requirements at the earliest.

### **Progress in respect of JKBRSETIs:**

- To own, establish and run the JKBRSETIs in the State a Society under the name and style of "J&K Bank Rural Self Employment Training Institutes Society" (shortly "JKBRSETIs Society") has been formed. The said Society has been registered with the Registrar of Firms & Societies, (Directorate of Industries & Commerce-Kashmir).
- J&K Bank has finalized the draft MOU to be executed and signed by various stakeholders of the JKBRSETIs in conformity with the GoI guidelines.
- Government of J&K, Secretary, Revenue Department has been approached vide letter No.LBD/SLBC/RSETIs/2009-421 dated 08.12.2009 for allotment of suitable land at the earliest for establishing the JKBRSETIs in the 12 lead districts of the State, particularly in view of the deadline of 31<sup>st</sup> December 2009 set by GoI, MoRD, for allotment of land by the States failing which the States/Districts would not be able to avail of the funding assistance for establishment of RSETIs.
- J&K Bank has advised the concerned Vice Presidents (Territorial) and Lead Bank Officers to follow up the matter of identification of land with the concerned District Development Commissioners and secure its earliest allotment for enabling to proceed ahead.
- Government of J&K, Commissioner/ Secretary, Rural Development has once again advised all the District Development Commissioners for identification of the land on priority basis in consultation with the lead banks while respecting the deadline.
- In the meantime, J&K Bank has received offers for leased premises for two JKBRSETIs at Anantnag and Srinagar which are being evaluated for suitability and possession for making them functional before the end of CFY as per the commitment to the house. The residual 3 JKBRSETIs at Baramulla, Pulwama and Poonch shall be started in the rented premises thereafter.

**Progress in respect of SBIRSETIs in J&K State:**

Deputy General Manager, State Bank of India, LHO Chandigarh has informed us that they are in the process of identifying and finalizing rented premises for their two RSETIs in the State to be set up at Udhampur and Samba and has assured that the same shall be started by them as per their commitment by the end of CFY.

**Government may expedite allotment of suitable land at the district locations for enabling to proceed for creation of the RSETIs in the State.**

**House is requested to deliberate upon the issue**

**Earmarking of targets for 2009-10 under schemes of various ministries / Departments included in the Prime Minister's New 15 Point Programme for the Welfare of Minorities:**

In the 77<sup>th</sup> SLBC meeting, the Chairman, Convenor Bank pointed out that we have been facing a peculiar problem in J&K so far as the schemes for minorities are concerned. He further stated that what ever banks lend in Kashmir which should have been considered as lending to minorities in the national perspective, but it is not being considered so in view that it being a majority in J&K. Similarly bank lending in Jammu too is not being considered as lending to minority in view of it being a national majority there. Hence, only Ladakhis practically seem to count as minorities in the J&K State and lending in Kashmir as well as in Jammu are not counted anywhere for the purpose of minorities.

**The Chairman stressed that this ambiguity needs to be removed and the matter clarified for guidance of all the banks/ financial institutions operating in the State, so that all the Schemes aimed at minorities are implemented in J&K State as well.**

**Reserve Bank of India / Government of India may please apprise the house in the matter**

## **REPORT ON THE MATTERS REFERRED TO VARIOUS SUB-COMMITTEES OF J&K SLBC**

### **Legislating SARFASEI Act:**

The Sub-group under the chairmanship of Principal Secretary Law with Commissioner Secretary (Revenue) and President / CRO, J&K Bank as its members was formed in 73<sup>rd</sup> SLBC meeting to examine and suggest if the State should come up with its own legislation along the lines of SARFASEI Act or allow the Act to apply in the State, because impaired assets is a concern for every bank and that uncertainty in this regard is also preventing other banks from lending. The basic draft on such legislation was to be prepared and provided by the J&K Bank on the pattern of SARFASEI Act.

In the 74<sup>th</sup> meeting of J&K SLBC the Commissioner Secretary Finance, J&K Government had assured that soon after the new legislature is constituted, the Government will make a request to the new house to take a position on the issue.

In the 75<sup>th</sup> SLBC meeting the Commissioner/ Secretary Finance Department, J&K Government informed that the draft legislation prepared by J&K Bank has been examined and certain suggestions have been made for improvement. He assured the house that Government would introduce the bill in the State legislature in the next session.

In the 76<sup>th</sup> SLBC meeting the Commissioner/ Secretary Finance assured that the issue would be discussed with the Hon'ble Law Minister soon and expressed his optimism that the requisite legislation would be worked out during the ensuing session of the State Legislature.

In the 77<sup>th</sup> SLBC meeting the Commissioner/ Secretary Finance informed the house that State Law Department has cleared the issue and is now with the Cabinet. He expressed hope that cabinet will clear the issue within a week and the Act would either come through the normal process or an ordinance would be issued for the purpose.

In the meantime, we have learnt that the matter of applicability of SARFASEI Act to J&K State was listed for final hearing in the Hon'ble High Court of J&K.

**Government may report progress in the matter.**

**The house may advise further course of action.**

**Chalking out the modalities for speedy disposal of the cases of small artisans and weavers:**

During the 77<sup>th</sup> SLBC meeting it was decided to set up a small group to be headed by Mr. Parvez Ahmad, President (Assets & Asset Planning), J&K Bank to look into the issues of small artisans and weavers (including review of rate of interest, restructuring of accounts, pendency of loan cases etc. and workout and recommend modalities in this regard. The other members of the group are Director Handicrafts, J&K Government, Representatives from NABARD, State Bank of India, Punjab National Bank, a representative from the Information Technology Department, J&K Bank and the concerned Cluster Head of the area. The group was advised to hold just two meetings in the same week and submit its report to SLBC at the earliest.

Accordingly, the Sub-group has held a meeting on 2<sup>nd</sup> January 2010 at J&K Bank, Corporate Headquarters, Srinagar to consider and deliberate on the following issues.

1. Revisit & reviewing the loaning scheme to small artisans/ weavers including Rate of Interest;
2. Promotion of Artisans Credit Card (ACC) Scheme;
3. Improve performance under Handicrafts/ Handloom Schemes including Speedy disposal of loan cases of artisans/ weavers.

A copy of the modalities/ recommendations made by the Sub-group is enclosed for ready reference and information of the house.

**The House is requested to consider the recommendations for implementation by the banks / concerned agencies.**

**Encls: 02**

**AGENDA ITEM: 78.01****CREDIT TO PRIORITY SECTOR:****Bank-wise/Sector-wise, Region-wise/Sector-wise achievements in lending to Priority Sector under Annual Credit Plan 2009-10 as at end of September 2009****(1) BANK-WISE / SECTOR-WISE POSITION:**

The Bank-wise/ Sector-wise achievements as at the end of September 2009 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2009-10 are given as [Annexures-A & B](#).

It is manifest from the figures as shown in the Annexures that banks by the end of September 2009 have provided total credit of Rs.1148.46 Crore in favour of 68,589 beneficiaries against a target of Rs.2299.61 Crore for 1,82,854 beneficiaries to the Priority Sector under Annual Action Plan 2009-10, thereby registering achievement of 50% in financial terms and 38% in physical terms of the annual target during H1 of the financial year 2009-10.

The comparison of the achievement of banks under Priority Sector vis-à-vis their respective annual targets at the end of Q2 of FY 2009-10 with Q2 of PY 2008-09 (YoY) is given hereunder:

**(Amount In Crores of Rs.)**

Name of Bank	FY 2008-09			CFY 2009-10		
	Target	Achievement (30.9.2008)	%age of Achiev.	Target	Achievement (30.09.2009)	%age of Achiev
<b>J&amp;K Bank</b>	835.41	493.28	59	902.39	774.81	86
<b>SBI</b>	274.45	106.00	39	303.84	103.30	34
<b>PNB</b>	174.41	85.44	49	194.29	51.21	26
<b>Other Comm. Bks.</b>	164.46	31.77	19	364.71	62.61	17
<b>Coop. Bks.</b>	225.19	63.46	28	258.93	83.89	32
<b>RRBs</b>	230.45	49.50	21	271.25	72.20	27
<b>Other FIs</b>	5.48	1.49	27	4.20	0.44	10
<b>TOTAL</b>	<b>1909.85</b>	<b>830.94</b>	<b>44</b>	<b>2299.61</b>	<b>1148.46</b>	<b>50</b>

## **(2) BANK-WISE / SECTOR-WISE ANALYSIS:**

### **I) AGRICULTURE SECTOR:**

Against the annual target of Rs.542.03 Crore for 1,11,102 beneficiaries, banks have disbursed a total amount of Rs.254.63 Crore in favour of 26,953 beneficiaries under this sector by the end of September 2009 thereby registering an achievement of 47% and 24% in financial and physical terms respectively.

Out of this, an amount of Rs.65.79 Crore against a target of Rs.236.58 Crore has been disbursed under Crop Loan in favour of 10439 agriculturists. The achievement of banks under this segment is of the order of 28% of the target.

The achievement vis-à-vis commitment in respect of Crop Loan out of Agriculture Sector has been incorporated separately in the Bank-wise/ Sector-wise and District-wise/ Sector-wise statements as given in [Annexures-B & C](#).

While analyzing the quantum-wise disbursement based on absolute terms, the major contributors have been the J&K Bank (Rs.181.34 Crore), J&K Grameen Bank (Rs.23.10 Crore), PNB (Rs.15.24 Crore), SBI (9.50 Crore) and JCC Bank (Rs.7.30 Crore), thereby achieving 76%, 28%, 48%, 14% and 23%, respectively. Although some other banks like BOB, United Bank, UBI, Vijaya Bank, have registered achievement of 744%, 321%, 149%, 83%, respectively, of their individual targets but this high percentage of achievement by these banks is driven by small allocation of targets.

### **(II) SMALL ENTERPRISES SECTOR:**

As against the annual target of Rs.759.30 Crore for 18,426 beneficiaries, banks have disbursed an amount of Rs.234.17 Crore in favour of 7330 beneficiaries by the end of September 2009, thereby registering 31% and 40% of the target in financial and physical terms respectively.

While analyzing Bank-wise achievements (quantum-wise), the major contributors have been JKBL (Rs.153.34 Crore), State Bank of India (Rs.16.78 Crore), Punjab National Bank (Rs.15.76 Crore) and JCC Bank (9.76 Crore).

### **(III) MICRO CREDIT:**

As against the annual target of Rs.350.73 Crore in favour of 20,635 beneficiaries banks have disbursed total amount of Rs.96.17 Crore in favour of 6652 beneficiaries by the end of September 2009. This works out to 27% and 32% achievement in financial and physical terms respectively.



**(IV) RETAIL TRADE:**

As against the annual target of Rs.467.07 Crore in favour of 26,136 beneficiaries banks have disbursed total amount of Rs.210.63 Crore in favour of 10418 beneficiaries by the end of September 2009. This works out to 45% and 40% achievement in financial and physical terms respectively.

**(V) EDUCATION:**

As against the annual target of Rs.68.12 Crore in favour of 2,948 beneficiaries banks have disbursed total amount of Rs.31.20 Crore in favour of 1,798 beneficiaries by the end of September 2009. This works out to 46% and 61% achievement in financial and physical terms respectively.

**(VI) HOUSING:**

As against the annual target of Rs.112.35 Crore in favour of 3,607 beneficiaries banks have disbursed total amount of Rs.321.65 Crore in favour of 15,438 beneficiaries by the end of September 2009. This works out to over achievement of 286% and 428% in financial and physical terms.

**(3) REGION-WISE / SECTOR-WISE POSITION:**

The Region-wise/ District-wise/ Sector-wise achievements as at the end of September 2009 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2009-10 are given as **Annexure-C**.

(Amount in Crores of Rupees)

Region	Targets	Achievements	Achievement %
Kashmir	1021.49	582.78	57
Jammu	1223.10	542.27	44
Ladakh	55.02	23.41	43
<b>TOTAL</b>	<b>2299.61</b>	<b>1148.46</b>	<b>50</b>

**I) KASHMIR REGION:**

In the Kashmir region an amount of Rs.582.78 Crore against the target of Rs.1021.49 Crores (57% achievement) has been disbursed by the end of September 2009 with a distribution of Rs.160.34 Crore for the Agriculture Sector, Rs.104.20 Crore in the Retail Trade, in the Small Enterprises Rs.92.52 Crore in the Housing Rs.167.65 Crore, in the Micro Credit Rs.42.97 Crore and Education Sector Rs. 15.10.

The sector-wise credit flow-sharing pattern has been Housing 412%, Education 54%, Agriculture 50%, Retail Trade 41%, Micro Credit 39% and Small Enterprises 34%.

**II) JAMMU REGION:**

In the Jammu region an amount of Rs.542.27 Crore has been disbursed by the end of September, 2009 against the target of Rs.1223.10 Crore (44% achievement) with a distribution of Rs.153.22 Crore in Housing sector, Rs.135.03 Crore in Small Enterprises, Rs.100.48 Crore for the Retail Trade, Rs.93.42 Crore for Agriculture Sector, Rs.44.21 Crore in the Micro Credit and Rs.15.90 Crore in Education Sector.

The sector-wise credit flow-sharing pattern has been Housing 230%, Retail Trade 49%, Agriculture 44%, Education 43%, Small Enterprises 29% and Micro Credit 19%.

**III) LADAKH REGION:**

In the Ladakh region an amount of Rs.23.41 Crore has been disbursed by the end of September 2009 against the target of Rs.55.02 Crore (43%) with a distribution of Micro Credit Rs.9.00 Crore, Small Enterprises Rs.6.61 Crore, Retail Trade Rs.5.95 Crore, Rs.0.86 Crore in Agriculture Sector, Rs.0.79 Crore for Housing sector and Rs.0.20 Crore in Education Sector.

The sector-wise credit flow-sharing pattern has been Micro Credit 87%, Retail Trade 54%, Small Enterprises 48%, Housing 16%, Agriculture 7% and Education 7%.

**(4) CREDIT TO NON-PRIORITY SECTOR:**

Under non-priority sector the banks have disbursed an amount of Rs.525.65 Crore to 42,060 beneficiaries by the end of September 2009.

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

**Encls-07**

**AGENDA ITEM: 78.02****CREDIT UNDER GOVERNMENT SPONSORED SCHEMES:****Region-wise / District-wise / Scheme-wise and Bank-wise / Scheme-wise performance of various Banks under Government Sponsored Schemes upto 30<sup>th</sup> September 2009:**

Against the Annual Action Plan 2009-10 for all banks operating in the State of Rs.303.34 Crore for 27,422 beneficiaries the achievement of banks at the end of September 2009 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.50.52 Crore spread over 4,786 beneficiaries in all the three regions of the State thereby registering a performance of 17% of the target in financial as well as physical terms. The position is almost identical to credit delivery to GSS during the corresponding period of the previous year with disbursement of Rs.51.64 Crore to 4,794 beneficiaries. The performance details under GSS are given in [Annexures D & D1](#).

**1) REGION-WISE ANALYSIS OF ACHIEVEMENTS:****i) KASHMIR REGION:**

Banks have disbursed a total amount of Rs.30.40 Crore to 2,898 beneficiaries by the end of H1 of FY 2009-10 under these five major Government Sponsored Schemes against the target of Rs.193.50 Crore for 16,043 beneficiaries, thereby achieving 16% in financial and 18% in physical terms as against the achievement at Rs.28.95 Crore to 2,998 beneficiaries (16% in financial and 17% physical terms) for the corresponding period of the previous year.

**ii) JAMMU REGION:**

Banks have disbursed an amount of Rs.18.11 Crore in favour of 1821 beneficiaries by the end of H1 of FY 2009-10 against the target of Rs.101.18 Crore to 10,587 beneficiaries under these schemes, which accounts for 18% achievement of the target as against 13% achievement of banks at Rs.16.88 Crore as on 30<sup>th</sup> September 2008.

**iii) LADAKH REGION:**

Banks have disbursed a total amount of Rs.2.01 Crore by the end of H1 of FY 2009-10 under these five major Government Sponsored Schemes, which works out to 23% achievement of the annual target of Rs.8.66 Crore as against 26% achievement of banks at Rs.5.81 Crore for the corresponding period of the last year.

**2) BANK-WISE/ SCHEME-WISE ANALYSIS OF ACHIEVEMENTS:**

The Bank-wise achievements under five major Central/ State Government Sponsored Schemes as on 30<sup>th</sup> September 2009 are discussed below in light of the figures annexed Scheme-wise as [Annexure E, E1, E2, E3 and E4](#).

**SGSY:** Under SGSY against a target of Rs.59.74 Crore for 10,992 beneficiaries, banks have disbursed an amount of Rs.12.46 Crore to 2,637 beneficiaries by the end of H1 of FY 2009-10, which works out to achievement of 21% and 24% in financial and physical terms respectively. Out of the total achievement of Rs.12.46 Crore the major contributors are J&K Bank (Rs.5.40 Crore), J&K Grameen bank (Rs.1.89 Crore), State Bank of India (Rs.1.27 Crore), Jammu Central Cooperative Bank (Rs.1.15 Crore), Baramulla Central Cooperative Bank (Rs.1.32 Crore) and Punjab National Bank (Rs.0.49 Crore). From the data available it is been observed that 6,839 cases were sponsored to banks against the target of 10,992 cases out of which 2,937 cases were sanctioned, 724 cases were rejected/ returned and 3178 Cases are pending for sanction with banks.

**PMEGP:** Under PMEGP Scheme against the target of Rs.119.87 Crore for 5,135 beneficiaries for the FY 2009-10, banks have disbursed an amount of Rs.21.42 Crore to 931 beneficiaries at the end of September 2009 for setting up of employment generating units thereby achieving 18% in physical as well as financial terms. Out of the total achievement (physical targets) of all banks operating in J&K State at 931 units the major contributors are J&K Bank (657 units), SBI (82 units), J&K Grameen Bank (50 units). Baramulla Central Coop. Bank (48 units) & PNB (40 units). From the data available it is been observed that only 1697 cases were sponsored to banks against the target of 5,135 cases out of which 665 cases were sanctioned, 252 cases were rejected/ returned and 780 cases are pending for sanction with banks.

**JKSES:** Under JKSES, banks have disbursed an amount of Rs.14.21 Crore to 710 beneficiaries by the end of H1 of FY 2009-10 against the annual target of Rs.99.09 Crore for 5,861 beneficiaries, thus registering an achievement of 14% in financial

terms and 12% of the physical target. Out of the total achievement of all banks operating in J&K State at Rs.14.21 Crore the contribution of J&K Bank, SBI & PNB is of the order of Rs.9.19 Crore, Rs.1.98 Crore and 1.68 Crore, respectively. Similarly, out of the total achievement (physical targets) of all banks operating in J&K State at 710 units the major contributors are J&K Bank (440 units), SBI (115 units) & PNB (97 units). From the data available it is been observed that 3,336 cases were sponsored to banks against the target of 5,861 cases out of which 1323 cases were sanctioned, 533 cases were rejected/ returned and 1480 Cases are pending for sanction with banks.

**SJSRY:** Under SJSRY, banks have disbursed an amount of Rs.1.55 Crore to 294 beneficiaries by the end of H1 of FY 2009-10 against the target of Rs.12.09 Crore for 2,331 beneficiaries, thus registering an achievement of 13% in financial terms as well as physical terms. Out of the total achievement of Rs.1.55 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.0.98 Crore (196 units), Rs.0.19 Crore (35 units) and Rs.0.11 Crore (22 units) respectively. From the data available it is been observed that only 746 cases were sponsored to banks against the target of 2,331 cases out of which 275 cases were sanctioned, 123 cases were rejected/ returned and 348 Cases are pending for sanction with banks.

**SC/ST/OBC:** Under SC/ST/OBC banks have disbursed an amount of Rs.0.88 Crore to 214 beneficiaries by the end of H1 of FY 2009-10 against the target of Rs.12.54 Crore for 3,103 beneficiaries thereby registering an achievement of 7% in financial as well as in physical terms. Against the physical target of 3,103 units, only 827 cases have been sponsored, out of which 387 cases were sanctioned by Banks, 108 cases were rejected and 332 cases are pending for sanction with the banks.

It is thus seen that the achievement under Government Sponsored Schemes continues to remain discouraging and rejection level also continues to be comparatively higher for which matter of concern previously suggested measures require to be implemented with sincerity and seriousness.

**In light of above and the figures submitted as per the Annexures, the house is requested to deliberate upon the issue.**

**Encls-08**

**AGENDA ITEM: 78.03**

**Performance under Handicrafts / Handloom / Credit-cum-Subsidy Scheme for Rural Housing Schemes as at the end of September 2009:**

The Bank-wise achievement as on 30.09.2009 under these Schemes is discussed below in light of the figures given in the [Annexures-F, G, H, &I](#).

**A) Handicrafts/ ACC:**

A target of Rs.20.11 Crore for 3,294 beneficiaries had been set for banks under this sector for the FY 2009-10. Banks have disbursed a total amount of Rs.1.47 Crore to 295 beneficiaries by the end of H1 of FY 2009-10, which includes 61 sanctioned cases of previous year. Against the physical target of 3,294 cases 1,392 cases have been sponsored to various Banks, out of which 351 cases were sanctioned, 191 cases were rejected and 850 cases are lying pending with the banks for sanction.

**B) Handlooms:**

Under this sector a target of Rs.10.67 Crore for 1,362 beneficiaries had been set for the banks for the FY 2009-10. Banks have disbursed a total amount of Rs.0.42 Crore to 69 beneficiaries by the end of H1 of FY 2009-10, which include 14 sanctioned cases of previous year. Against the physical target of 1,362 cases 307 cases have been sponsored to various Banks, out of which the banks have sanctioned only 99 cases with 154 cases pending for sanction and 54 cases rejected/ returned due to various reasons.

**C) Credit-cum-Subsidy Scheme for Rural Housing:**

Under this Sector against the target of Rs.52.80 Lacs to 113 beneficiaries, banks have disbursed Rs.6.77 Lacs to 15 beneficiaries by the end of H1 of financial year 2009-10. Against the target of 113 cases, 15 cases have been sponsored to various banks, all those 15 cases have been sanctioned, no case has been rejected/ returned by the banks and nothing is lying pending with the banks.

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

**Encls-04**

**AGENDA ITEM: 78.04****A) BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE):****Statistical data of various Banks in J&K State at the end of September 2009:**

Although SLBC is primarily assigned the role of facilitating and monitoring smooth flow of credit to priority sector yet the overall credit scenario in J&K State is revealing some interesting and peculiar behavioural aspects attracting attention like low CDR, low credit appetite, lack of entrepreneurship, etc. Precisely for the purpose of having some idea and understanding of and also to address and resolve such peculiar issues, 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 and NPAs outstanding as on September 2008 and September 2009.
2. Statement of Bank-wise /Sector-wise advances Outstanding against Priority Sector/ Weaker Sections of the society at the end of September 2009.

[Annexure-J](#)

[Annexure-K](#)

**CREDIT SHARING OF MAJOR PLAYERS IN J&K STATE:**

As is manifest from the Comparative Statement of Bank-wise Deposits and Advances (**Annexure-J**) J&K Bank has the largest share of Rs.11,062 Crore comprising 70% in the aggregate outstanding credit of banking sector of Rs.15,893.32 Crore in the State at the end of September 2009. The share of SBI is Rs.1,425.76 Crore comprising 9% and that of PNB is Rs.794.86 Crore comprising 5%.

The NPAs position of the major banks as reflected in [Annexure-J](#) reveals that in the total NPAs of Rs.716.25 Crore in the State at the end of September 2009 the share of J&K Bank is to the tune of Rs.274.89 Crore, that of SBI Rs.134.43 Crore and PNB Rs.80.00 Crore.

It is also evident from the [Annexure-K](#) that J&K Bank has the largest share of Rs.4,693.82 Crore aggregate outstanding credit under Priority Sector comprising 59% at the end of September 2009 out of the total Priority Sector Bank Credit of

Rs.7,916.48 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1016.28 Crore (13%) and Rs.521.31 Crore (7%) respectively.

From the Annexure, it will be observed that while the J&K Bank alone has made total advances of Rs.11,062 Crore in J&K State as on 30.09.2009 as against its total deposits of Rs.19,595 Crore, thereby achieving a C. D. Ratio of 56.45%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1, 425.76 Crore and Rs.794.86 Crore respectively as against their deposits of Rs.5, 629.48 Crore and Rs.2,346.51 Crore, achieving a C.D. Ratio of 25% and 34%, respectively, as on 30<sup>th</sup> September 2009. The remaining 18 Public Sector Banks put together have advanced Rs.1,139.20 Crore as against their total deposits of Rs.2,432.87 Crore, which works out to a C. D. Ratio of 47%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.538.47 Crore against their total deposits of Rs.1, 585.50 Crore, which works out to a C.D.Ratio of 34% as on 30<sup>th</sup> September, 2009.

The seven Cooperative Banks i.e. JCC Bank, BCC Bank, ACC Bank, Citizen's Coop. Bank, JKSC Bank, DUCO Bank and BMC Bank together have advanced Rs.748.11 Crore as against their total deposits of Rs.1,836.57 Crore, thereby achieving C. D. Ratio of 41% as on 30<sup>th</sup> September 2009.

Out of the aggregate advances of Rs.15,893.32 Crore outstanding as on 30<sup>th</sup> September 2009 an amount of Rs.7,916.48 Crore has gone to Priority Sector and Rs.2,212.49 Crore out of the priority sector has gone to weaker sections of the society. While analyzing the Priority Sector advances it has been observed that the Small Enterprises sector dominates other sectors by absorbing major share of Rs.2,426.00 Crore followed by Agriculture, Retail Trade, Housing and Micro Credit sector with an amount of Rs.1,831 Crore, Rs.1,741 Crore, Rs.1,481 Crore and Rs.265 Crore respectively and the lowest share of Rs.174 Crore has gone to Education Sector.

**In light of the figures provided in the Annexures, the glimpse of credit scenario is presented before the house for deliberation upon the issue.**



## B) SPECIAL SEGMENT

### HIGHLIGHTING THE DOMINATING PERFORMANCE OF J&K BANK AS AT THE HALF YEAR ENDED SEPTEMBER 2009

In the State of Jammu and Kashmir, J&K Bank is having a major presence through its branch network of 422 branches against total number of 1241 bank branches of banks operating in the State as on 30.09.2009, which constitutes 34% of total bank branches network in the State.

Analysis of the comparative position of key business indicators and credit component of all banks together ([Annexure-J-1](#)) as compared to the performance of J&K Bank (exclusively) as on 30.09.2009 reveals following facts:

- Deposits of J&K Bank at Rs.19,595.00 Crore constitutes **57.58%** of total bank deposits Rs.34,032.37 Crore in the State;
- Advances of J&K Bank at Rs.11,062.00 Crore constitutes **69.60%** of total bank advances of Rs.15,893.32 Crore in the State;
- CD Ratio of J&K Bank stood at **56.45%** against the total CD Ratio of all banks in J&K State at 46.70%.
- Business per branch at Rs.**73.65 Crore** of J&K Bank being the highest as against the average of Rs.40.23 Crore of all banks in the State.
- Priority Sector Advances of J&K Bank at Rs.4,693.82 Crore constitutes **59.29%** of Priority Sector advances of Rs.7,916.48 Crore extended by all banks in the State.
- Advances to Agriculture sector of J&K Bank at Rs.1,263.66 Crores constituted **69.03%** of total advances to agriculture sector of Rs.1,830.55 Crore extended by all banks in the State.
- Advances to MSME sector of J&K Bank at Rs.1,277.98 Crores constitutes **47.50%** of total advances to MSME sector of Rs.2,690.48 Crore extended by all banks in the State.
- Advances to Retail Trade sector of J&K Bank at Rs.1,081.29 Crores constitutes **62.10%** of total advances to Retail Trade sector of Rs.1,741.08 Crore extended by all banks in the State.

- Advances to Education sector of J&K Bank at Rs.76.86 Crore constitutes **44.22%** of total advances to Education sector of Rs.173.81 Crore extended by all banks in the State.
- Advances to Housing sector of J&K Bank at Rs.994.03 Crore constitutes **67.14%** of total advances to Housing sector of Rs.1,480.56 Crore extended by all banks in the State.
- Advances to weaker sections of J&K Bank at Rs.1,535.30 Crore constitutes **69.39%** of total advances to weaker sections of Rs.2,212.49 Crore extended by all banks in the State.
- NPAs J&K Bank in J&K State as at the end of September 2009 stood at Rs.274.89 Crore, which constitutes **38%** of the NPAs of all banks together at Rs.716.25 Crore.

**Flow of credit to priority sector against ACP 2009-10 target to J&K Bank during H1 of CFY 2009-10 (Annexure K-1)**

- Against the ACP target of Rs.2,299.61 Crore to priority sector, all banks operating in the State have disbursed an amount of Rs.1,148.46 Crore during H1-10 registering an achievement of 49.94% (H1 PY 44%).
- The J&K Bank alone has disbursed Rs.774.81 Crore during H1-10 against the ACP target of Rs.902.39 Crore thereby registering an achievement of **85.86%** (H1-PY 59%),
- Against total credit flow of Rs.1,148.46 Crore to priority sector during H1-10, J&K Bank alone has disbursed Rs.774.81 Crore, which constitutes **67.47%** of the total disbursement to priority sector in the State.
- J&K Bank alone has disbursed Rs.339.51 Crore to non-priority sector during H1-10 compared to Rs.525.65 Crore to non-priority sector during this half year by all banks together comprising 64.58%.

**Encls: 06**

**AGENDA ITEM: 78.05****ACHIEVEMENT UNDER KISSAN CREDIT CARD (KCC) SCHEME:**

The performance of Banks under KCC scheme vis-à-vis Annual Credit Plan 2009-10 as at the end of H1 of FY 2009-10 is given in **Annexure-L**. It is observed that as against the annual target of Rs.82.56 Crore for 34,509 beneficiaries, banks in the State have provided credit of Rs.8.61 Crore to 1620 beneficiaries at the end of H1 of FY 2009-10 thereby registering an achievement of 10.43% and 4.69% in financial and physical terms respectively.

In the 77<sup>th</sup> SLBC meeting in the backdrop of easing of the requirement of revenue records the RRBs were advised to take the major initiative in issuance of KCCs in the next 3-4 months and it was resolved that J&K Grameen Bank will put up a concrete plan in the next SLBC meeting indicating how to implement the KCC Scheme and what kind of support they require for this purpose. Accordingly, the feedback received from J&K Grameen Bank vide their letter No. Adv./JKGB/09-5040 dated 31.12.2009 containing constraints in implementation of KCC Scheme and the suggestions for improving the performance of banks under KCC Scheme is enclosed for information of the house.

Besides, General Manager NABARD made a commitment during the 77<sup>th</sup> SLBC meeting, to organize a workshop on KCC Scheme for major banks operating in J&K State, with a view to evolve a strategy how to increase the coverage of eligible farmers under KCC Scheme and also to hold some awareness camps for popularizing the KCC Scheme. Accordingly, a meeting of major banks and Government agencies was held by NABARD, on 30.10.2009 at Jammu with a view to evolve a strategy to improve the coverage under KCC Scheme and improve financial inclusion. Minutes of the said meeting have been circulated by NABARD vide No. NB (J&K)/1458-1463/PCD/2009-10 dated 11.11.2009. A copy of the same is enclosed for ready reference and kind perusal. The said forum has suggested to adopt a number of measures for improving the coverage under KCC Scheme in Jammu & Kashmir.

**The house is requested to consider the suggested measures for implementation.**

**Encl-04**

## **AGENDA ITEM: 78.06**

### **ACHIEVEMENT UNDER 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 tool for delivering credit to rural poor for their economic empowerment and social development and it is an alternative loan delivering system, which minimizes the cost of operation and transaction for the banks. Accordingly, the performance as of 30<sup>th</sup> September 2009 is submitted as per **Annexure-M.**

As is evidenced by the Annexure only 9 banks amongst the banks operating in the State have reported disbursement of loans under the SHG scheme during the first half of the CFY, which aggregate to Rs.170.88 lakh in favour of 363 SHGs. The major contributors have been J&K Bank (Rs.81.20 fvg.208 SHGs), Anantnag Central Cooperative Bank (Rs.19.44 lakh fvg.11 SHGs), J&K Grameen Bank (Rs.16.60 Lakh fvg. 33 SHGs), J&K State Cooperative Bank (Rs.15.60 Lakh fvg.29 SHGs) and State Bank of India (Rs.12.12 Lakh fvg. 30 SHGs).

**This is for information of the house.**

**Encl-01**

**AGENDA ITEM NO: 78.07**

**Review of position as per key indicators for monitoring flow of credit in J&K State as of 30<sup>TH</sup> September 2009:**

In terms of the Government of India, Ministry of Finance, Department of Financial Services directives the data containing key indicators as per the format prescribed by Gol in respect of the banks operating in J&K as on 30<sup>TH</sup> September 2009 is enclosed for information of the house, which indicate as under:

- As against the benchmark of 60%, the C. D. Ratio of all banks operating in the State stood at 46.70% as on 30<sup>th</sup> September 2009 against 49.84% during the corresponding period of 2008. C. D. Ratio needs to be improved further.
- Total advances of all banks operating in the State as on 30<sup>th</sup> September 2009 stood at Rs.15,893.32 Crore against Rs.14,670.54 Crore during the corresponding period of previous year.
- The Priority Sector advances of all banks in J&K State stood at Rs.7,916.48 Crore constituting 49.81% as against 43.24% as of September, 2008, which is encouraging.
- Share of Agriculture advances to total advances in the State has been increased from 8.71% as on 30.9.2008 to 11.52% as on 30.09.2009 against the benchmark of 18%, which needs to be improved.
- Lending to MSMEs sector have been increased from 15.33% of total advances outstanding as on 30<sup>th</sup> September 2008 to 16.93% as on 30.09.2009.
- Share of Advances to weaker sections of society have been increased from 7.91% as on 30.9.2008 to 13.92% as on 30<sup>th</sup> September 2009 as against the benchmark of 10%, which is satisfactory;
- Total bank credit under DRI Scheme in the State as on 30.09.2009 stood at a meager figure of Rs.1.03 Crore representing the negligible proportion of 0.01%, i.e. much below the benchmark of 1%.
- Advances to women stood at Rs.455.14 Crore representing the share of 2.86% out of the total advances as on 30.9.2009 against the benchmark of 5%.

**The house is requested to review the position and deliberate on the issue.**

**Encls: 01**

**AGENDA ITEM NO: 78.08**

**Credit delivery to Micro, Small and Medium Enterprises (MSMEs):**

**I) Holding of monthly Special Meetings of J&K SLBC**

In compliance with the Gol / RBI directives the Special Monthly SLBC meetings to monitor and review flow of credit to MSMEs sector and to oversee the resolution of credit issues are being held regularly as per the prescribed schedule. The 6<sup>th</sup> such meeting for the month of September 2009 was held on 20<sup>th</sup> October, 2009 at Srinagar to review the progress achieved by banks on implementation of IBA package on MSMEs and other productive sectors. The house deliberated on a number of issues regarding credit delivery to MSMEs as well as various other issues raised by the representative organizations of MSMEs, trade and industry in the State. Minutes of the said meeting stand uploaded on the website [www.jkslbc.com](http://www.jkslbc.com) and were also circulated to all members vide SLBC office Ref. No. LBD/Spl.SLBC.MSMEs/2009-675 dated November 16, 2009, for desired action.

**II) Progress/ status of implementation of IBA package on MSMEs Sector as on 31.10.2009**

- Banks have sanctioned working capital loans (new) to the extent of Rs.542.93 Crores in favour of 9,737 beneficiaries and incremental working capital loans of Rs.253.61 Crores in favour of 2,009 existing units.
- Banks in the State have so far restructured 4,431 MSMEs accounts involving an amount of Rs.235.96 Crores.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.2.81 Crore in favour of 53 entrepreneurs.
- Housing Loans have been sanctioned by the banks operating in the State to the extent of Rs.398.33 Crores in favour of 14,407 beneficiaries
- Auto loans have been sanctioned to the extent of Rs.260.02 Crores in favour of 8974 beneficiaries.

**This is for information of the house.**

**Encls: 01**

**AGENDA ITEM NO: 78.09****Coverage of un-banked / under-banked areas of J&K State****(i) Un-banked blocks:**

In terms of Gol, Ministry of Finance, Department of Financial Services directives issued vide F. No. 15/3/2009-Dev dated 18.08.2009 the issue regarding coverage of un-banked and underbanked areas of the State/UTs has to be a regular agenda item in every SLBC meeting, a summary report of which is required to be sent to Department of Financial Services, Gol, Ministry of Finance on a regular basis, alongwith the quarterly SLBC Report in the prescribed format.

In addition to above, the Commissioner/ Secretary Finance, J&K Govt., vide D.O. No.291/CSF/PS/09 dated 26.10.2009 (copy enclosed) has desired that the issues like coverage of un-banked / under-banked areas, financial inclusion, strengthening of SLBC office should be brought on the agenda of SLBC meetings regularly.

We have five blocks in the State, which have been identified as completely un-banked blocks. These are:

Name of Block	Name of District	Population of the block	Name of bank to which allocated during 77 <sup>th</sup> SLBC meeting for opening bank branches
Pahloo	Kulgam	15080	J&K Bank
Nangsani	Kishtwar	14075	J&K Bank
Wadwan	Kishtwar	7199	J&K Bank
Duggan	Kathua	14240	J&K Grameen Bank
Gundana	Doda	25319	Ellaquai Dehati Bank

During the 77<sup>th</sup> SLBC meeting J&K Bank, J&K Grameen Bank and Ellaquai Dehati Bank were advised to ensure that new bank branches are opened in their allocated respective un-banked blocks by the end of December 2009 without merging the issue with the normal bank expansion plans and securing permissions of RBI outside the same separately.

In the said SLBC meeting the Chairman stressed that the Reserve Bank of India, both Central office, Mumbai as well as Regional Office, Jammu, should speed up the process of issuing branch licenses particularly in respect of the un-banked and under-banked areas, because a lot of time is being taken to clear the applications for licenses and the J&K Bank had many such applications pending with RBI.

**Concerned Banks may report progress in the matter.**

**Encl: 01**

**(ii) Under-banked blocks:**

As per information received from Lead Bank Offices of the State, there are at present 29 blocks in the State that are having only one branch of Commercial Banks/ RRBs, hence the same are identified as under-banked. In the 77<sup>th</sup> SLBC meeting it was decided to initiate action on under-banked blocks after the un-banked blocks would be covered.

**(iii) Fresh RBI directive regarding under-banked villages having population of 2000 and above:**

RBI, C.O., Mumbai, vide Circular No. RBI/2009-10/233 issued vide RPCD, C.O. LBS.HLC.BC.No: 43/02.19.10/2009-10 dated 27.11.2009 (copy enclosed) have advised for formation of Sub-Committees of the District Consultative Committees (DCCs) to draw up roadmap by March 2010 to provide banking services through a banking outlet **in every village having a population of over 2000, by March 2011**. Such banking services may not necessarily be extended through a brick and mortar branch but can be provided through any of the various forms of ICT – based models, including through BCs. The proposed Sub-Committees shall meet on monthly basis and arrange to furnish progress made in the matter in the prescribed format by 10<sup>th</sup> of the following month to the SLBC office for submitting the consolidated position in respect of each district of the State by 15<sup>th</sup> of the following month to the RBI.

Accordingly, all the LDMs/ LBOs have been advised vide SLBC Ref. No. LBD/SLBC/347/2009-391 dated 1.12.2009 to form Sub-Committees of DCCs for the purpose and also furnish the list of villages having population of 2000 and above to SLBC. Such lists have so far been received in respect of Pulwama, Shopian, Udhampur, Reasi, Rajouri and Poonch districts only. Other 16 LDMs/LBO have yet to submit the information.

The LDMs/ LBOs are once again impressed upon to ensure timely submission of the information to SLBC as per standing instructions and ensure compliance to the directives.

**This is for information of the house.**

**Encls: 02**



**AGENDA ITEM NO: 78.10**

**Credit Deposit Ratio – Implementation of the Recommendation of expert Group on CD Ratio – Furnishing of CD Ratio:**

Reserve Bank of India, R.O., Jammu, vide their communication bearing RPCD (JMU) No.529/03.01.02/2009-10 dated November 27, 2009 (copy enclosed) have observed that the number of districts having C. D. Ratio less than 40% have increased from 9 in December 2007 to 11 in December 2008 and further to 13 as at the end of March 2009. Accordingly, the Reserve Bank of India has desired that the issue be discussed on all forums of the bankers to improve the C. D. Ratio to the level of 60%.

Keeping in view the increasing number of districts having C. D. Ratio less than 40%, the Reserve Bank of India has desired to include the issue as an agenda item in the ensuing SLBC meeting and instruct all Lead District Managers in this regard suitably.

**District-wise CD Ratio:**

Perusal of the enclosed statement of district-wise Deposits, Advances and C. D. Ratio as of September 2009 reveals that against the bench mark of 60% CD Ratio, all the districts in Kashmir region have recorded the CD Ratio of above 40%, while as the position is quite dismal in Jammu and Ladakh divisions where all the district have recorded below 40% CD ratio except district Samba where the CD Ratio has been recorded at 48%.

**Agency-wise C. D. Ratio (as already commented and forming part of Agenda Item 78.04):**

The position of agency-wise Credit Deposit Ratio as on 30<sup>th</sup> September 2009 is given as under:

Public Sector Banks	...	32%,
Private Sector Banks	...	56%
Regional Rural Banks	...	34%,
Cooperative Banks	...	41%

**The house is requested to deliberate on the issue**

**Encls: 01**

**AGENDA ITEM NO: 78.11**

**Non-achievement of Target under Differential Rate of Interest (DRI)**

**Scheme:**

The Reserve Bank of India, R. O. Jammu, vide their communication bearing RPCD (JMU) No. 500/03.01.17/2009-10 dated November 17, 2009 (copy enclosed for ready reference) have conveyed that Differential Rate of Interest (DRI) Scheme is aimed at catering to the poor classes of the society including below poverty-line families, wherein loans are sanctioned at 4% rate of interest to the weaker sections of the community whose annual family income is not exceeding Rs.18,000/- in rural areas and Rs.24,000/- in urban and semi urban areas, for engaging in productive and gainful activities for improvement in their economic conditions. The target of 1% of total advances of previous year is set under the DRI Scheme.

The performance of all Scheduled Commercial Banks (SCBs) at national level in lending under DRI for the years 2006, 2007 and 2008 stood at 0.07%, 0.05% and 0.04% of the total advances respectively, which is far below the stipulated target of 1% of aggregate advances.

Therefore, Reserve Bank of India has desired that the issue be included as a regular agenda item for discussion in all SLBC meetings for close monitoring and successful implementation of the Scheme in the State.

So far the J&K State is concerned, the performance of banks under DRI Scheme stood at Rs.0.89 Crore, which accounts for 0.0064%, i.e. much less than the stipulated 1% of the total advances.

**The house is requested to deliberate on the issue and impress upon the banks to take necessary measures to bring significant improvement in their performance under DRI Scheme so as to cover the benchmark of 1% of total advances.**

**Encls: 01**

**AGENDA ITEM NO: 78.12**

**SGSY Scheme – Development issues J&K State**

As per Reserve Bank of India, Regional Office, Jammu, letter bearing RPCD (JMU) No.622/03.01.17/2009-10 dated December 22, 2009 (copy enclosed) Ministry of Rural Development, Government of India have informed that during the visit of Cabinet Secretary to Jammu and Kashmir in October 2009 it was observed that the banks in the State were insisting for guarantee for giving credit/ subsidies under SGSY Scheme in contravention with the extant instructions.

Reserve Bank of India has accordingly requested to include the issue as an agenda item in the SLBC meeting for deliberation.

**The house is requested to deliberate on the issue.**

**Encls: 01**

**AGENDA ITEM NO: 78.13**

**Implementation of 100% Financial Inclusion in J&K State:**

In terms of RBI RPCD (JMU) letter No.1494/03.01.27/2008-09 dated April 30, 2009 addressed to the Convenor, State Level Bankers' Committee, the progress achieved in implementation of 100% Financial Inclusion is required to be reviewed in all the SLBC meetings as a regular agenda item.

The bank-wise progress on implementation of the Financial Inclusion in J&K State is given in the enclosed statement.

SLBC has not received the District-wise performance regarding financial inclusion from any of the lead districts except Lead Bank Office, Pulwama & Shopian, which indicates that coverage of financial inclusion in these districts has been to the extent of 91%.

During the 77<sup>th</sup> SLBC meeting Chairman stated that mere opening of no frills accounts for the purpose of compliance was not enough but there was need to do something worthwhile as this was not the genuine financial inclusion. He requested RBI to take some proactive role in this initiative and desired that RBI should explore possibility of assigning the identified districts of J&K like Pulwama, Samba etc. to some outside agency for examining the genuineness of the financial inclusion in these districts, so that the gaps are identified which could be filled by banks here to ensure genuine financial inclusion.

**The house is requested to deliberate on the issue.**

**Encl: 01**