

SEGMENT-1

CONFIRMATION OF THE MINUTES OF 80TH MEETING OF J&K SLBC
HELD ON 22nd December, 2010 AT Jammu

The minutes of 80th meeting of J&K SLBC held on 22nd December, 2010 at Jammu to review the performance / achievements of the banks / financial institutions operating in the State as at the end of September, 2010 were uploaded on the website of J&K SLBC www.jkslbc.com and were also published and circulated among the members vide J&K SLBC office letter No. LBD/SLBC-80/2011-758 dated 14.01.2011. The actionable 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)

1) Equitable Mortgage:

Agenda Item/ Date of SLBC	Agenda Point	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
73 (a) 18.06.2008	Registration of Equitable Mortgage at nominal stamp duty -	In the 73rd SLBC meeting Commissioner / Secretary Finance, J&K Govt., stated that they are in dialogue with the Law Department who are of the opinion that the Equitable Mortgage does not have to be registered under the Section 59 of the transfer of Property Act. He informed the house that he Govt. is waiting for the formal clearance from Revenue Secretary.	Commissioner/ Secretary (Finance), J&K Government	In the 80 th SLBC meeting, Commissioner Secretary Finance informed the house that the issue is under consideration of the Government and stated that the State Government is likely to come out with legislation.
76 (a) 30.07.2009	Creation of Central Registry	J&K Government assured to examine the issue for implementation. In the 79 th SLBC meeting Special Secretary Finance stated that in case SLBC finds it necessary to have a Central Registering Authority in the State, then the State Law may have to be amended as there is no provision in the law for that.	Commissioner/ Secretary (Finance), J&K Government	In the 80 th SLBC meeting, Commissioner Secretary Finance informed the house that the issue is under consideration of the Government and stated that the State Government is likely to come out with legislation. As per RBI C.O. Circular No.RBI/2010-11/484 dated 21.4.2011, (copy enclosed) Gol, MoF has notified the establishment of Central Registry, which has become operational on March 31, 2011 with area of jurisdiction whole of India.
80.16 22.12.2010	Central Scheme to provide interest subsidy for period of moratorium on educational loans- Notifying the Authority to issue income certificates	In 80 th SLBC meeting the House was informed that government is in the process of notifying the authority to issue the income certificates in the matter and necessary recommendations have already gone to the Revenue Department.	Commissioner/ Secretary, Finance/Revenue J&K Government	Although the Commissioner Secretary, Finance had informed the house that government has proposed the Deputy Commissioners as the authority to issue these income certificates to the concerned beneficiaries but till date no such notification has been issued by the Government.

The Government of J&K State may kindly inform the progress so that banks are guided in this regard.

2) Legislating SARFAESI Act:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
<p>3 (b) 18.06.2008</p>	<p>On the suggestion of Commissioner / Secretary Finance a small committee was set up to draft the legislation on the pattern of SARFAESI Act under the Chairmanship of Principal Secretary, Law J&K Govt., with Commissioner Secretary (Revenue) and Mr. Ajit Singh, President / CRO, J&K Bank, as its members.</p>	<p>Commissioner/ Secretary (Law)/ Sr. President, J&K Bank</p>	<p>Draft legislation prepared by J&K Bank since submitted to Govt. for consideration.</p> <p>In the 75th, 76th meeting no progress was reported to the house.</p> <p>In 77th SLBC meeting the Govt. had 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.</p> <p>In 78th SLBC meeting on the request of Chief Secretary to take a view the Hon'ble Finance Minister assured to decide on it in the budget session.</p> <p>In 79th SLBC meeting, house was informed that the State Govt. had referred the matter to GoI in view of addition of Section 17 in 2004 in the SARFAESI Act to allow application by borrowers to court of District Judge against possession of secured assets by banks. This amendment was done, because the DRT, which is the appellate body, is not existent in J&K as the RDBFI Act 1993 under which DRT is constituted, is not applicable to J&K.</p> <p>In the 80th SLBC meeting the house was informed that the matter stands taken up with Government of India at a very higher level and that the issue is presently with Law Department for doing needful.</p>

Government of J&K State may inform progress on the issue.

3) Constitution of Working Group to workout enhanced credit flow to Agri. Sector

<p>80th SLBC meeting held on 22.12.2010</p>	<p>Hon'ble Finance Minister in his address commented that excessive lending to housing sector was in a way prioritizing housing sector within priority sector at the cost of agriculture and micro credit sectors. As such, he suggested constitution of the Working.</p>	<p>Prpl. Secretary Agriculture Prod. Department, J&K Govt.</p>	<p>The matter has been followed up with the State Government.</p>
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Government of J&K State may inform progress on the issue.

Issuance of advertisements for awareness of General Public about waiver of collateral security requirement

In the 80th J&K SLBC meeting while deliberating on Agenda Item No.80.02, member banks were advised to issue advertisements in the newspapers for information of the General Public about the fact that collaterals are not needed in the cases upto a limit of `10.00 lakh under MSEs sector which are covered under CGTMSE Scheme, upto a limit of `1.00 lakh under Agricultural loans and in the government sponsored cases upto limits specified under the respective schemes.

Member Banks are requested to inform compliance to the house in the matter.

Follow-up of action points pertaining to RBI:

- a) Equating J&K Bank at par with other Public Sector Banks for the purpose of grant of Interest Subvention on crop loans:

In compliance to the decision taken in the 80th SLBC meeting while deliberating on Agenda Item No.80.01 to recommend inclusion of J&K Bank for the facility of interest subvention on agricultural loans as available to Public Sector Banks in the country SLBC has already made the recommendations to Reserve Bank of India vide No. LBD/SLBC/80/FU/2011-863 dated March 1, 2011 endorsing the request of J&K Bank submitted to RBI.

- b) Special Regulatory Treatment on Asset Classification of Restructured Accounts in J&K State:

In the 80th SLBC meeting the Banking fraternity showed concern about many accounts showing signs of impairment and tendency of slippage to NPAs due to non-conducive environment in the valley and it was suggested that the matter would be taken up with Reserve Bank of India and State Government.

Accordingly, a proposal was submitted by J&K Bank vide NO. A&AP/Law/2010-546 dated January 10, 2011 to Chief General Manager, RBI, Central office, Mumbai with copies thereof endorsed to the Commissioner Secretary Finance J&K Government and the Regional Director, RBI, Jammu. The said measure/relaxation was recommended in the recorded minutes circulated by SLBC.

RBI, R.O. Jammu, vide letter No. RPCD (JMU) 1016/03.01.17/2010-11 dated 24.03.2011 have advised that the matter is under examination with the RBI Central Office.

Representatives of RBI and State Government are requested to inform the house about the progress in the matter.

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

- 1) Sub-group of SLBC constituted in 79th SLBC meeting to work out a strategy for coverage of the blocks identified by Agriculture Production Department under KCC Scheme.

The first meeting of the Sub-group under the chairmanship of Principal Secretary, Agriculture Production Department (constituted in the Thematic SLBC meeting on KCC Scheme held on 20.5.2010 to workout strategy for coverage of the blocks identified by Agriculture Production Department under KCC Scheme) was held on 01.12.2010 at Jammu, wherein the blocks identified by the Agriculture Production Department for 100% coverage of the farming community for availing the benefits of the KCC Scheme, were allocated to various banks operating in J&K State for implementation as detailed below, which stands conveyed to concerned banks vide SLBC Secretariat letter No. LBD/SLBC/KCC/2010-687 dated 6.12.2010:

S. No.	Name of the bank to which allocated	Name of the District	Name of the Block identified for 100% coverage under KCC
1	J&K Bank	Jammu	Block Marh
		Udhampur	Chenani
		Kishtwar	Allohi
		Rajouri	Sunderbani
		Anantnag	Dachnipora
		Bandipora	Bandipora
		Pulwama	Pulwama
		Shopian	Shopian
		Kargil	Sharguole
	State Bank of India	Poonch	Poonch
		Reasi	Pouni
		Samba	Samba (in collaboration with PNB)
		Ramban	Ramsoo
		Kathua	Billawar
		Srinagar	Srinagar
		Leh	Saspol
3	Punjab National Bank	Doda	Bhaderwah
		Baramulla	Rohama
		Kupwara	Kupwara
4	Ellaquai Dehati Bank	Kulgam	Kulgam
5	J&K State Cooperative Bank	Budgam	Budgam
		Ganderbal	Ganderbal

Progress reported as of 31.03.2011 by concerned banks is given in the enclosed statement for information of the house.

The house is requested to deliberate

Encls: (1)

Reiteration of instructions with regard to Acceptance of Affidavits in lieu of Revenue Records.

In the 80th SLBC meeting while deliberating on Agenda Item No.80.07 it was desired by the house that the recommendation of the Sub-group of SLBC on KCC regarding acceptance of affidavit duly attested by the First Class Magistrate in place of revenue records/documents in case of KCCs upto `1.00 lakh be implemented by the Banks for which Banks should convey necessary instructions to their Branches.

J&K Bank has issued instructions to all its operative levels vide Circular No. CR-47-513 Dated 28.02.2011 in this regard.

Other banks operating in the State may inform progress in the matter.

2) Sub-Committee of J&K SLBC on Relaxations to Trade & Industry in J&K State

RBI on appreciating the difficulties faced by Customers / Borrowers of the banks due to prevailing disturbed conditions in J&K State extended a package of concessions / relaxations to Trade and Industry in J&K State, which was last revised vide their Circular No. DBOD. No.BP.BC.77/21.04.012/2003-04 dated April 21, 2004. The said package was initially extended for a period of one year. Thereafter, RBI has extended the same on year-to-year basis after the Sub-Committee of J&K SLBC on Relaxation to Trade and Industry in J&K State reviews the position and recommends further extension. The last such extension was conveyed by RBI vide their **Circular No. RBI/2009-10/436 dated 29.4.2010**, which expired on 31st of March 2011.

A meeting of the Sub-Committee of J&K SLBC on Relaxations/ Concessions to Trade and Industry in J&K State was held on 24th March 2011 at Jammu, wherein it was recommended that special package of concessions and relaxations to Trade & Industry in the State be reviewed and extended by a further period of two years. Minutes of the said meeting stand already circulated vide No. LB/SLBC/262-III/2011-52 dated April 19, 2011.

The recommendations of the said Sub-Committee have been since forwarded to Reserve Bank of India for consideration.

Reserve Bank of India may inform progress in the matter.

- 3) A Coordination Task Force of SLBC constituted in 80th SLBC meeting to look out for solutions to the day-to-day problems experienced in implementation of various Government Sponsored Schemes:

In the 80th SLBC meeting held on 22.12.2010, while deliberating on Performance under Government sponsored Schemes, a Coordination Task Force under the Chairmanship of Chairman, J&K Bank (Convenor, J&K SLBC) was constituted to look out for solutions to the day-to-day problems experienced in implementation of various government sponsored schemes in J&K State.

The meeting of the Coordination Task Force was held on 22nd March 2011 (Tuesday) at Jammu, wherein all the issues were discussed threadbare and following major decisions were taken for ensuring improvement in the performance of various government sponsored schemes:

- It was decided to form a group headed by President (A&AP), J&K Bank and comprising of other members, i.e. DGM, State Bank of India, DGM, Punjab National Bank, Commissioner/Secretary, Labour & Employment, J&K Government, to workout modalities for developing a suitable accounting system for facilitating payment of subsidy amounts to concerned banks upfront on account of cases sponsored under various government sponsored schemes;
- Banks should ensure to disburse all those sanctioned government sponsored cases where margin money/ subsidy components stand released.
- All the banks will ensure that maximum of the target are achieved in the first 3 quarters of the financial year leaving a little burden for the last quarter.
- Government Agencies will ensure that subsidy amounts/ margin money in respect of all the sanctioned government sponsored cases are released in favour of the concerned banks, so that banks are able to disburse all the pending sanctioned cases.
- All the Government Sponsoring Agencies will ensure that bunching of applications is stopped and instead their endeavour should be that at least 50% of the cases are sponsored to banks during the first quarter, further 30% in the 2nd quarter and in the 3rd quarter of the FY the rejected cases could be considered.

Minutes of the said meeting have already been uploaded on the website of J&K SLBC and were also published and circulated among the members for taking desired action. A copy of the same is enclosed for information of the members.

Encls: (3)

SEGMENT - 2 (PERFORMANCE OF THE BANKING SECTOR IN J&K)Attendance of SLBC data submission:

The LDMs/ member banks were advised to strictly adhere to annual calendar of programmes already circulated for submitting the data to SLBC Secretariat in terms of RBI guidelines latest by 15th of April 2011. But despite repeated reminders and persuasion the data from only 10 Lead Bank Offices (out of 22) and 19 member banks (out of 34) was received by SLBC Secretariat on time. Rest of the 12 Lead Banks and 7 member banks submitted data late. 8 member banks have not submitted the data even so far and have therefore, defaulted to submit the data to SLBC Secretariat, as detailed below:

List of banks that have defaulted in submitting data:

1	Canara Bank	5	Bank of Maharashtra
2	State Bank of Patiala	6	HDFC Bank
3	Syndicate Bank	7	Jammu Central Cooperative Bank
4	Indian Overseas Bank	8	Anantnag Central Cooperative Bank

List of banks that submitted data late:

1	State Bank of India	5	Bank of India
2	Punjab National Bank	6	Ellaquai Dehati Bank
3	Bank of Baroda	7	Baramulla Central Coop. Bank
4	Union Bank of India		

List of Lead Bank Offices that submitted data late:

1	LBO, Jammu	7	LBO, Ramban
2	LBO, Samba	8	LBO, Reasi
3	LBO, Kathua	9	LBO, Kargil
4	LBO, Doda	10	LBO, Baramulla
5	LBO, Kishtwar	11	LBO, Bandipora
6	LBO, Udhampur	12	LBO, Kupwara

List of member banks who have submitted the data on time:

1	J&K Bank	11	Corporation Bank
2	UCO Bank	12	ICICI Bank
3	Central bank of India	13	Axis Bank
4	Punjab & Sind Bank	14	J&K Grameen Bank
5	Vijaya Bank	15	Citizen's Cooperative Bank
6	Oriental Bank of Commerce	16	J&K State Cooperative Bank
7	Allahabad Bank	17	DUCO Bank
8	Dena Bank	18	SCARD Bank
9	United Bank of India	19	Bombay Mercantile Coop. Bank
10	Andhra Bank		

List of Lead Bank Managers who have submitted data on time:

1	LBO, Srinagar	6	LBO, Poonch
2	LBO, Ganderbal	7	LBO, Budgam
3	LBO, Pulwama	8	LBO, Anantnag
4	LBO, Shopian	9	LBO, Kulgam
5	LBO, Rajouri	10	LBO, Leh

House may decide action to be taken against the defaulting banks/ LDMs.

AGENDA ITEM: 81.01

CREDIT TO PRIORITY SECTOR:

Bank-wise/Sector-wise, Region-wise/Sector-wise achievements in lending to Priority Sector under Annual Credit Plan 2010-11 as at end of March 2011

(1) BANK-WISE / SECTOR-WISE POSITION:

The Bank-wise/ Sector-wise achievements as at the end of March 2011 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2010-11 are given as [Annexures-A & B](#).

It is manifest from the figures as shown in the Annexures that banks by the end of March 2011 have provided total credit of Rs.3049.09 Crore in favour of 1,44,661 beneficiaries against a target of Rs.2820.91 Crore for 2,07,941 beneficiaries to the Priority Sector under Annual Action Plan 2010-11, thereby registering achievement of 108% in financial terms and 70% in physical terms of the annual target during financial year 2010-11.

The comparison of the achievement of banks under Priority Sector vis-à-vis their respective annual targets at the end of Q4 of FY 2010-11 with Q4 of PY 2009-10 (YoY) is given hereunder:

(Amount in Crore of Rs.)

Name of Bank	FY 2009-10			CFY 2010-11		
	Target	Achievement (31.03.2010)	%Age of achiev.	Target	Achievement (31.03.2011)	%age of Achiev
J&K Bank	904.07	1861.65	206	1103.14	2098.20	190
SBI	304.18	241.14	79	381.14	241.04	63
PNB	194.29	79.46	41	249.84	148.51	59
Other Comm. Bks.	363.54	151.94	42	455.09	182.63	40
Coop. Banks	259.24	157.71	61	300.40	179.06	60
RRBs	271.80	174.82	64	329.25	198.64	60
Other FIs	4.20	0.44	10	2.05	1.01	50
TOTAL	2301.30	2667.16	116	2820.91	3049.09	108

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

I) AGRICULTURE SECTOR:

Against the annual target of Rs.673.48 Crore for 1,24,710 beneficiaries, banks have disbursed a total amount of Rs.564.44 Crore in favour of 51,205 beneficiaries under this sector by the end of March 2011 thereby registering an achievement of 84% and 41% in financial and physical terms respectively.

Out of this, an amount of Rs.138.76 Crore in favour of 23,727 agriculturists against a target of Rs.302.62 Crore fvg. 78,890 beneficiaries have been disbursed under Crop Loan. The achievement of banks under this segment is of the order of 46% & 30% of the target in financial & physical terms respectively.

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 [Annexure-B & C](#).

While analyzing the quantum-wise disbursement based on absolute terms, the major contributors have been the J&K Bank (Rs.323.32.04 Crore), PNB (Rs.75.30 Crore), SBI (53.04 Crore), J&K Grameen Bank (Rs.49.14 Crore), Ellaquai Dehati Bank (Rs.15.49 Crore), Jammu Central Coop. Bank (Rs.17.72 Crore) and Anantnag Central Coop. Bank (Rs.6.51 Crore), thereby achieving 114%, 163%, 66%, 53%, 55%, 45% and 48% respectively of their individual targets. Although some other banks like BOB, HDFC and Allahabad Bank have registered achievement of 218%, 263% and 177% 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.1430.64 Crore for 48,556 beneficiaries, banks have disbursed an amount of Rs.1142.58 Crore in favour of 34,872 beneficiaries by the end of March 2011, thereby registering an achievement of 80% and 72% of the target in financial and physical terms respectively.

While analyzing Bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.727.96 Crore), State Bank of India (Rs.98.71 Crore), JCC Bank (Rs.39.73 Crore), Punjab National Bank (Rs.39.11 Crore), P&S Bank (Rs.32.12 Crore), J&K Grameen Bank (Rs.35.77 Crore), EDB (Rs.28.15 Crore), SBP (Rs.14.82 Crore), Baramulla Central Coop. Bank (Rs.20.50 Crore) and CBI (Rs.13.78 Crore).

(III) MICRO CREDIT:

As against the annual target of Rs.454.27 Crore in favour of 25,849 beneficiaries banks have disbursed total amount of Rs.231.09 Crore in favour of 13,397 beneficiaries by the end of March 2011. This works out to 51% achievement in financial and 52% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.77.34 Crore), J&K Grameen Bank (Rs.52.89 Crore), State Bank of India (Rs.20.04 Crore), JCC Bank (Rs.25.03 Crore) and EDB (Rs.11.63 Crore).

(IV) EDUCATION:

As against the annual target of Rs.80.75 Crore in favour of 3,544 beneficiaries banks have disbursed total amount of Rs.63.17 Crore in favour of 3,278 beneficiaries by the end of March 2011. This works out to 78% and 92% achievement in financial and physical terms respectively.

(V) HOUSING:

As against the annual target of Rs.181.77 Crore in favour of 5,282 beneficiaries banks have disbursed total amount of Rs.1047.82 Crore in favour of 41,909 beneficiaries by the end of March 2011. This works out to over achievement of 576% and 793% in financial and physical terms respectively.

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

The Region-wise/ District-wise/ Sector-wise achievements as at the end of March 2011 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2010-11 are given as [Annexure-C](#).

(Amount in Crores of Rupees)

Region	Targets	Achievements	Achievement %
Kashmir	1310.22	1431.39	109
Jammu	1447.71	1572.58	109
Ladakh	62.98	45.13	72
TOTAL	2820.91	3049.09	108

I) KASMIR REGION:

In the Kashmir region an amount of Rs.1431.39 Crore against the target of Rs.1310.22 Crores (109% achievement) has been disbursed by the end of March 2011 with a sector-wise distribution of Rs.577.14 Crore for the Housing sector (781% achievement), Rs.458.05 Crore for Small Enterprises sector (66% achievement),

Rs.293.73 Crore for the Agriculture Sector (74% achievement), Rs.72.11 Crore for Micro Credit sector (63% achievement) and Rs.30.36 Crore for the Education Sector (86% achievement).

Out of the total disbursement of Rs.1431.39 Crore in Kashmir region, Small Enterprises sector has received 32%, Housing Sector 40.32%, Agriculture Sector 20.52%, Micro Credit 5.04% and Education Sector 2.12%.

II) JAMMU REGION:

In the Jammu region an amount of Rs.1572.58 Crore has been disbursed by the end of March 2011 against the target of Rs.1447.71 Crore (109% achievement) with a sector-wise distribution of Rs.647.61 Crore in Small Enterprises (92%), Rs.467.12 Crore in Housing sector (454%), Rs.268.04 Crore for Agriculture Sector (101%), Rs.157.30 Crore in the Micro Credit (47%) and Rs.32.51 Crore in Education Sector (75%).

Out of the total disbursement of Rs.1572.58 Crore in Jammu region, Small Enterprises sector has received 41.18%, Housing sector 29.70%, Agriculture Sector 17.04%, Micro Credit 10% and Education Sector 2.07%.

III) LADAKH REGION:

In the Ladakh region an amount of Rs.45.13 Crore has been disbursed by the end of March 2011 against the target of Rs.62.98 Crore (72%) with a sector-wise distribution of Small Enterprises Rs.36.92 Crore (96%), Rs.3.55 Crore for Housing sector (71%), Rs.2.68 Crore in Agriculture Sector (22%), Rs.1.68 Crore for Micro Credit (34%) and Rs.0.30 Crore in Education Sector (12%).

Out of the total disbursement of Rs.45.13 Crore in Ladakh region, Small Enterprises sector has got 81.81%, Housing sector 7.87%, Agriculture Sector 5.94%, Micro Credit sector has got 3.72% of credit and Education Sector 0.66%.

(4) CREDIT TO NON-PRIORITY SECTOR:

Under non-priority sector the banks have disbursed an amount of Rs.1584.71 Crore to 59,495 beneficiaries by the end of March 2011.

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

Encls-07

AGENDA ITEM: 81.02

CREDIT UNDER GOVERNMENT SPONSORED SCHEMES

- I) Region-wise / District-wise / Scheme-wise and Bank-wise / Scheme-wise performance of various Banks under Government Sponsored Schemes upto 31st March 2011:

Against the Annual Action Plan 2010-11 of Rs.364.27 Crore for 30,098 beneficiaries for all banks operating in the State, the achievement of banks at the end of March 2011 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.190.49 Crore spread over 12,222 beneficiaries in all the three regions of the State thereby registering a performance of 52% & 41% of the target in financial and physical terms respectively. The achievement is less as compared to credit delivery to GSS during the corresponding period of the previous year with disbursement of Rs.164.36 Crore to 13,842 beneficiaries (55% & 51% of the target in financial and physical terms respectively). 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.111.22 Crore to 6904 beneficiaries by the end of Q4 of FY 2010-11 under these five major Government Sponsored Schemes against the target of Rs.263.37 Crore for 19,760 beneficiaries, thereby achieving 42% & 35% in financial and physical terms respectively against the achievement at Rs.103.36 Crore to 8,612 beneficiaries (53% in financial and 54% physical terms) for the corresponding period of the previous year.

ii) JAMMU REGION

Banks have disbursed an amount of Rs.69.73 Crore in favour of 4,817 beneficiaries by the end of Q4 of FY 2010-11 against the target of Rs.90.88 Crore to 9,313 beneficiaries under these schemes, which accounts for 77% and 52% achievement in financial and physical terms respectively as against achievement of banks at Rs.51.06 Crore to 4,769 beneficiaries (53% in financial and 46% physical terms) as on 31st March 2010.

iii) LADAKH REGION

Banks have disbursed a total amount of Rs.9.54 Crore in favour of 501 beneficiaries by the end of Q4 of FY 2010-11 under these five major Government Sponsored Schemes against annual target of Rs.10.02 Crore for 1,025 beneficiaries, which works out to 95% achievement in financial and 49% in physical terms, as against achievement of banks at Rs.9.94 Crore for 461 beneficiaries (98% in financial and 55% in physical terms) for the corresponding period of the last year.

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

The Bank-wise achievements in five major Central/ State Government Sponsored Schemes as on 31st March 2011 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.76.00 Crore for 14,323 beneficiaries, banks have disbursed an amount of Rs.31.26 Crore to 6,244 beneficiaries (which includes 773 pending cases of previous year) by the end of Q4 of FY 2010-11, which works out to achievement of 41% and 44% in financial and physical terms respectively. Out of the total achievement of Rs.31.26 Crore the major contributors are J&K Bank (Rs.14.69 Crore for 2909 units), State Bank of India (Rs.3.75 Crore for 717 units), J&K Grameen bank (Rs.4.92 Crore for 980 units) and Jammu Central Cooperative Bank (Rs.2.24 Crore for 480 units). From the data available it is been observed that 13,177 cases were sponsored to banks against the target of 14,323 cases out of which 7,628 cases were sanctioned, 3,773 cases were rejected/ returned and 1776 Cases are pending for sanction with banks.

JKSES: Under JKSES, banks have disbursed an amount of Rs.82.33 Crore (including Rs.19.84 Crore of previous years pending cases) to 3,185 beneficiaries by the end of Q4 of FY 2010-11 against the annual target of Rs.133.84 Crore for 6,912 beneficiaries, thus registering an achievement of 61.51% in financial terms and 46% of the physical target. Out of the total disbursement of Rs.82.33 Crore for 3,185 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.55.62 Crore (2041 cases), Rs.13.69 Crore (588 cases) and 5.82 Crore (243 cases), respectively. From the data available it has been observed that 7,427 cases were sponsored to banks against the target of 6,912 cases out of which 3,693 cases were sanctioned, 2,794 cases were rejected/ returned and 940 Cases are pending for sanction with banks.

SJSRY: Under SJSRY, banks have disbursed an amount of Rs.3.53 Crore to 431 beneficiaries (which includes Rs.1.01 Crore of previous year's pending cases) by the end of Q4 of FY 2010-11 against the target of Rs.10.00 Crore for 1,515 beneficiaries, thus registering an achievement of 35% & 28% in financial and physical terms respectively. Out of the total achievement of Rs.3.53 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.2.06 Crore (251 units), Rs.0.39 Crore (55 units) and Rs.0.57 Crore (62 units) respectively. From the data available it is been observed that only 1090 cases were sponsored to banks against the target of 1,515 cases out of which 543 cases were sanctioned, 463 cases were rejected/ returned and 84 Cases are pending for sanction with banks.

SC/ST/OBC: Under SC/ST/OBC banks have disbursed an amount of Rs.1.96 Crore to 445 beneficiaries (which includes Rs.0.37 Crore of previous years pending cases) by the end of Q4 of FY 2010-11 against the target of Rs.12.23 Crore for 3,265 beneficiaries thereby registering an achievement of 16.03% & 13.63% in financial and physical terms respectively. Against the physical target of 3,265 units, only 965 cases have been sponsored, out of which 562 cases were sanctioned by Banks, 266 cases were rejected and 137 cases are pending for sanction with the banks.

PMEGP: Under PMEGP Scheme against the target of Rs.132.19 Crore for 4,083 beneficiaries, banks at the end of Q4 of FY 2010-11 have disbursed an amount of Rs.71.40 Crore to 1,917 beneficiaries (which includes 300 pending cases of previous year) for setting up of employment generating units thereby achieving 46.95% in physical and 54% in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 1,917 units the major contributors are J&K Bank (1097 units), SBI (247 units), PNB (155 units), J&K Grameen Bank (201 units), Baramulla Central Coop. Bank (68 units) and JCC Bank (63 units). From the data available it is been observed that only 3,534 cases were sponsored to banks against the target of 4,083 cases out of which 2,083 cases were sanctioned, 970 cases were rejected/ returned and 481 cases are pending for sanction with banks.

However, Commissioner Secretary, Industries & Commerce, J &K Government vide his D.O. No. PS/CS/I&C/07 dated 05.01.2011 had pointed out that PMEGP is a Centrally Sponsored Scheme administered by the Government of India, Ministry of Micro, Small & Medium Enterprises (MSME) through KVIC. In the current year the overall target allotted by KVIC for the entire J&K State is only 800 cases in physical terms and Rs.1121.61 lakhs in financial terms, against which 819 units already stand established

ending November, 2010 and a margin money to the extent of Rs.821.31 lakhs (73%) stands released by the Government. Thus there is a substantial variance between the physical and financial targets shown in the Annual Credit Plan vis-à-vis the actual financial allocations made by the Ministry of MSME for the margin money under the Scheme. The Commissioner/ Secretary, Industries & Commerce has requested that this factual position be placed before the SLBC in the ensuing meeting.

It is obvious that going by the actual physical target under PMEGP fixed by KVIC at 977 units for J&K State, the achievement of 1917 units shall come to 196% in physical terms instead of 46.95% as shown hereinabove.

It is in place to mention that the targets fixed under ACP are usually set by the LDMs after taking into consideration the potential for the scheme in the respective districts in consultation with concerned line departments after getting the same approved in the DCC/DLRC meetings.

It is suggested that while earmarking targets under PMEGP or any other Centrally sponsored schemes in anticipation of the revised targets the LDMs should repeat the previous year's actual targets fixed by central government, which should be subsequently revised on receipt of the final targets from the GoI/ concerned sponsoring agencies. It is in place to mention here that in the first meeting of Coordination Task Force on Government Sponsored Schemes held on 22.3.2011 the forum took a view that "on receipt of the GoI allocation the ACP targets of relative Schemes, fixed in anticipation of the GoI allocation, become irrelevant and need a proper recasting".

The house may also recommend enhancement of targets for J&K State under the said Centrally sponsored schemes to concerned quarters in GoI from FY 2011-12 onwards as the State deserves such consideration in view of economic and other backwardness.

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

Encls-08

II) Study Report of National Institute of Rural Development (NIRD) –
Verification of Status of the Borrowers and End use of funds to
evaluate the efficacy of the Government Sponsored Schemes:

Reserve Bank of India has engaged the National Institute of Rural Development (NIRD), Hyderabad for undertaking verification of the Status of the borrowers and end-use of funds to evaluate the efficacy of the Government Sponsored Schemes.

Major observations of the study:

NIRD have stated that the bottlenecks for successful implementation of the various schemes are as under:

- The outreach challenges still exist when it comes to reaching out to people in remote areas or with low economic and social status.
- The portfolio quality of the credit delivered through SHGs is good as delinquency rate in this category normally fall below five percent.
- Subsidy oriented programmes are insufficient in alleviating poverty and often cornered by the people who are above the poverty line.
- There is general institutional resistance among the bankers for lending to the small borrowers because of low recovery.

Suggestions made by NIRD:

Given the initiatives already taken by SHGs, MFIs and Banks, the existing credit assistance to the poor has improved considerably. NIRD is of the opinion that the total financial assistance given to the poor cannot be serviced by the prevailing structure. Instead, some strategic intervention like public-private partnership is needed to make noticeable changes throughout the country. There is a greater need to take a fresh look into the credit requirement of the people living in rural areas to meet their consumption and personal needs though based upon the household income criteria. All banks should make consistent efforts to develop the micro and rural credit sector by expanding their outreach and increasing coverage through credit for the larger benefit of the poor households.

A copy of the executive summary of the study report submitted by NIRD is enclosed for information of the members.

Fresh RBI communication dated 31st March 2011

Reserve Bank of India, Central Office, Mumbai, vide their fresh communication bearing RPCD.GSSD.CO.No.10939/09.01.01/2010-11 dated March 31, 2011, have informed that during the meeting of the Committee of Central Board held on December 15, 2010 in respect of the aforesaid Study Report on Government Sponsored Schemes it was observed that:

- (i) The SLBCs generally look at the achievement of financial targets but not at the qualitative aspects. Hence, in future the qualitative aspects be also looked into.
- (ii) The Government Schemes with high subsidy oriented programmes have performed worse than others. In such programmes, there were dual responsibilities, one relating to the Government and the other relating to the banks. The key responsibility was of the banks who provide 75 per cent of the funding. The said matter may be taken up during the SLBC meetings.

The house may kindly recall that to enhance flow of credit under Government Sponsored Schemes, J&K SLBC has taken following serious initiatives:

- a) A Sub-group was formed to closely monitor the progress under Government Sponsored Schemes;
- b) A Special SLBC meeting on this theme to augment delivery of credit and improve performance was held on 30th July 2010, which was chaired by Hon'ble Chief Minister, with clear tasks assigned to concerned stakeholders for improving the performance under Government Sponsored Schemes in J&K State.
- c) Recently in the 80th SLBC meeting held on 22nd December 2011 a Coordination Task Force (under Chairmanship of Chairman, J&K Bank) to look out for solutions to the day-to-day problems being experienced in implementation of Government Sponsored Schemes in J&K State was set up.

As desired by RBI, findings in the executive summary of the report together with the fresh RBI instructions may be discussed by the house

Encls: 6

AGENDA ITEM: 81.03

Performance under Handicrafts / Handloom / Credit-cum-Subsidy Scheme
for Rural Housing Schemes as at the end of March 2011:

The Bank-wise achievement as on 31.03.2011 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.17.82 Crore for 3,435 beneficiaries had been set for banks under this sector for the FY 2010-11. Against this target, banks have disbursed a total amount of Rs.4.79 Crore to 720 beneficiaries by the end of Q4 of FY 2010-11, which includes 114 sanctioned cases of previous year. Against the physical target of 3,435 cases 1,730 cases have been sponsored to various banks, out of which 821 cases were sanctioned, 407 cases were rejected and 502 cases are lying pending with the banks for sanction.

B) Handlooms:

Under this sector a target of Rs.9.82 Crore for 1,401 beneficiaries had been set for the banks for the FY 2010-11. Against that banks in J&K State have disbursed a total amount of Rs.1.39 Crore to 218 beneficiaries by the end of Q4 of FY 2010-11, which include 26 sanctioned cases of previous year. Against the physical target of 1,401 cases 619 cases have been sponsored to various banks, out of which the banks have sanctioned 257 cases with 161 cases pending for sanction and 201 cases rejected/ returned due to various reasons.

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

Under this Sector against the target of Rs.62.80 Lacs to 138 beneficiaries, no case has been sponsored to the banks by the end of Q4 of financial year 2010-11, thus making the achievement 0% under this scheme.

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

Encls-04

AGENDA ITEM: 81.04

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 March 2011:

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 behavioral 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 March 2010 and March 2011.

Annexure-J

2. Statement of Bank-wise /Sector-wise advances Outstanding against Priority Sector/ Weaker Sections of the society at the end of March 2011.

[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.10,964.60 Crore comprising 67.46% of the aggregate outstanding credit of banking sector of Rs.16,252.04 Crore in the State at the end of March 2011. The share of SBI is Rs.1,553.63 Crore comprising 9.55% and that of PNB is Rs.818.74 Crore comprising 5.03%.

The NPAs position of the major banks as reflected in [Annexure-J](#) reveals that in the total NPAs of Rs.793.39 Crore in the State at the end of March 2011 the share of J&K Bank is to the tune of Rs.290.23 Crore, that of SBI Rs.125.92 Crore and PNB Rs.97.52 Crore.

It is also evident from the [Annexure-K](#) that J&K Bank has the largest share of Rs.6,487.01 Crore aggregate outstanding credit under Priority Sector comprising 64.18% at the end of March 2011 out of the total Priority Sector Bank Credit of Rs.10107.44 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,159.49 Crore (11.47%) and Rs.590.95 Crore (5.84%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.10964.60 Crore in J&K State as on 31.03.2011 as against its total deposits of Rs.28,842.05 Crore, thereby achieving a C. D. Ratio of 38.02%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1,553.63 Crore and Rs.818.74 Crore respectively as against their deposits of Rs.6,286.02 Crore and Rs.2,862.69 Crore, achieving a C.D. Ratio of 24.72% and 28.60%, respectively, as on 31st March 2011. The remaining 18 Public Sector Banks put together have advanced Rs.1,227.63 Crore as against their total deposits of Rs.2,746.43 Crore, which works out to a C. D. Ratio of 44.70%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.736.03 Crore against their total deposits of Rs.1819.98 Crore, which works out to a C. D. Ratio of 35.19% as on 31st March 2011.

The eight Cooperative Banks i.e. JCC Bank, BCC Bank, ACC Bank, Citizen's Coop. Bank, J&KSC Bank, DUCO Bank, SCARD and BMC Bank together have advanced Rs.804.15 Crore as against their total deposits of Rs.2,127.59 Crore, thereby achieving C. D. Ratio of 37.80% as on 31st March 2011.

Out of the aggregate advances of Rs.16,252.04 Crore outstanding as on 31st March 2011 an amount of Rs.10,107.44 Crore has gone to Priority Sector and Rs.2,446.82 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.4,832.65 Crore followed by Housing, Agriculture and Micro Credit sector with an amount of Rs.2,636.35 Crore, Rs.1,931.67 Crore, Rs.486.69 Crore respectively and the lowest share of Rs.220.08 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.

Encls: 04

AGENDA ITEM: 81.05

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 of banks as of 31st March 2011 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 by the end of Q4 of the FY 2010-11, which aggregate to Rs.572.38 lakh in favour of 606 SHGs. The major contributors have been J&K Bank (Rs.174.82 lacs fvg. 209 SHGs), J&K Grameen Bank (Rs.128.00 Lakh fvg. 106 SHGs), Ellaquai Dehati Bank (Rs.94.91 Lacs fvg. 66 SHGs), PNB (Rs.54.00 lakh fvg. 61 SHGs), SBI (Rs.49.78 lakh fvg. 46 SHGs), J&K State Cooperative Bank (Rs.44.95 Lakh fvg.90 SHGs), Baramulla Central Cooperative Bank (Rs.15.17 Lacs fvg. 16 SHGs), UCO Bank (Rs.7.50 lakh fvg. 10 SHGs) and Anantnag Central Cooperative Bank (Rs.3.25 lakh fvg.2 SHGs).

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

Encl-01

AGENDA ITEM NO: 81.06

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

In terms of Gol, Ministry of Finance, Department of Financial Services, vide letter-bearing F.No.21/01/09-Dev dated 12th January 2009 implementation of IBA package on MSME, Housing and Auto Sectors has to be taken up in the agenda items during the regular quarterly SLBC meetings.

The progress achieved by Banks on implementation of IBA package on MSMEs and other productive sectors (cumulative from the date of inception upto 31st March 2011) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1156.31 Crore in favour of 22,667 beneficiaries and incremental working capital loans of Rs. 542.14 Crore in favour of 5361 existing units.
- Banks in the State have so far restructured 6,604 MSMEs accounts involving an amount of Rs. 378.08 Crores.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.5.99 Crore in favour of 574 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.991.70 Crore in favour of 33,125 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs. 795.24 Crore in favour of 21,718 beneficiaries.

Details of achievements made by banks during the Current Financial Year (01.04.2010 to 31.03.2011) and achievements made during the quarter ended 31st March 2011 as well as the Bank-wise cumulative position are given in the enclosed statements for information of the members.

The position of credit flow to MSMEs is being regularly reviewed in J&K SLBC on quarterly basis and also in the Empowered Committee of Reserve Bank of India on MSMEs. We therefore, feel that it is worthwhile to discontinue the meetings of the Special SLBC on MSMEs in view of repetitive nature of the task assigned to it.

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

Encl-02

AGENDA ITEM: 81.07

Achievement under Kissan Credit Card (KCC) Scheme:

The performance of Banks under KCC scheme vis-à-vis Annual Credit Plan 2010-11 as at the end of March 2011 is given in [Annexure-L](#). It is observed that as against the annual target of Rs.274.66 Crore for 49,870 beneficiaries, banks in the State have provided credit of Rs.39.10 Crore to 8,659 beneficiaries at the end of Q4 of FY 2010-11 thereby registering an achievement of 14.23% and 17.36% in financial and physical terms respectively.

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

Encl-01

AGENDA ITEM NO: 81.08

Review of position as per key indicators for monitoring flow of credit in J&K State as of 31st March 2011:

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 31st March 2011 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 35.57% as on 31st March 2011 against 44.76% during the corresponding period of 2010. C. D. Ratio has come down and the Banks have to make concerted efforts to improve the same.
- Total advances of all banks operating in the State as on 31st March 2011 stood at Rs.16,252.04 Crore against Rs.17,117.66 Crore during the corresponding period of previous year.
- The Priority Sector advances of all banks in J&K State stood at Rs.10,107.44 Crore as on 31st March 2011 constituting 62.19% as against 52.62% as of 31st March 2010, which is encouraging.
- Share of Agriculture advances to total advances in the State has increased from 11.59% as on 31.03.2010 to 11.89% as on 31.03.2011 against the benchmark of 18%, which needs to be improved.
- Lending to MSMEs sector has increased from 18.00% of total advances outstanding as on 31st March 2010 to 32.73% as on 31st March 2011.
- Share of Advances to weaker sections of society has increased from 14.63% as on 31.03.2010 to 15.06% as on 31st March 2011. However, it is above the benchmark of 10%.
- Total bank credit under DRI Scheme in the State as on 31.03.2011 stood at a meager figure of Rs.1.59 Crore representing the negligible proportion of 0.01%, i.e. much below the benchmark of 1% of total advances.
- Advances to women stood at Rs.898.22 Crore representing the share of 5.53% out of the total advances as on 31st March 2011 against the benchmark of 5%.

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

Encls: 01

AGENDA ITEM NO: 81.09

Interest Subsidy Scheme for Housing the Urban Poor (ISHUP):

In terms of Finance Department, J&K Govt., letter No. FD/BKG/03/2008 dated 7th January 2010 the progress on implementation of the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) is being included regularly in the SLBC agenda for complying with the instructions received by the State Government from the Ministry of Housing & Urban Poverty Alleviation.

Gol, Ministry of Housing & Urban Poverty Alleviation in February 2009 launched ISHUP Scheme to address urban housing shortage in the country. The Scheme provides for interest subsidy of 5% per annum on loan amount of upto Rs.1.00 lakh for the economically weaker section (EWS) and lower income group (LIG) in the urban areas for acquisition/ construction of houses. The Scheme will leverage flow of institutional finance for the EWS and LIG segment and is expected to create additional housing stock of 3.10 lakh houses for EWS/LIG segment.

The Scheme has to be implemented by the primary lending institutions (PLIs), viz. Scheduled Commercial Banks and Housing Finance Companies. The National Housing Bank (NHB) and Housing & Urban Development Corporation Limited (HUDCO) have been designated as the Nodal Agencies for administration on release of the subsidy.

The Scheme will close in 2012 as per Gol guidelines, the last year of the 11th Five Year Plan Period (2007-12). However, the loans extended in the last year will also have repayment period upto 20 years.

The Scheme has been already adopted by the J&K State Level Bankers' Committee (SLBC) in its 76th meeting held on 30th July 2009 at Srinagar for implementation in J&K State and the Member Banks have been advised to report progress on implementation of the scheme to SLBC on quarterly basis.

As per the guidelines of the Scheme, J&K Government Housing & Urban Development Department has nominated State Urban Development Agency (SUDA) as the State Nodal Agency for implementing the ISHUP Scheme in J&K State. The nodal agency will identify, motivate and organize beneficiaries to seek loans for building or buying houses and forward applications of eligible beneficiaries to banks/ financial institutions.

Progress under ISHUP Scheme In J&K State

The progress on implementation of the ISHUP Scheme in J&K State during the first 9 months of CFY 2010-11 is Nil.

Although previously (during the quarter/ half-year ending 30th September 2010), State Bank of India, Budgam had reported that 10 cases were sponsored to them out of which 3 cases involving Rs.2.00 lacs only had been sanctioned and the remaining seven cases were pending with the bank. But now the State Bank of India, Budgam has conveyed that the information had erroneously been submitted during the said quarter and in fact no cases under ISHUP have either been sponsored to or sanctioned by SBI so far.

Fresh initiatives taken by Government of Tamil Nadu:

The National Housing Bank (NHB) vide their communication No. NHB(ND)/HPC/74/525/2011 dated January 31,2011 have informed about the following initiatives taken by Government of Tamil Nadu, which have provided fresh impetus to the Scheme:

- State Government of Tamil Nadu have issued the orders in the State regarding granting concessions like exemption from payment of development charges, stamp duty on mortgaging of house site pattas etc. (copy enclosed)
- Target of benefiting one-lac families has been fixed in the State. Subsequent to this, district-wise targets have also been fixed and the officials concerned have also been sensitized about the implementation of the Scheme.

The NHB has requested to consider the above measures for discussion with the State Government in the SLBC meeting, which may help in satisfactory progress of the Scheme in partnership with the implementing agencies.

The house is requested to deliberate on the issue.

Encls: 1

AGENDA ITEM NO: 81.10

Flow of Credit in Minority Concentrated Districts:

In terms of Reserve Bank of India guidelines issued vide Master circular No.RPCD.SP.BC.12/09.10.01/2007-08 dated July 5,2007 followed by circular No.RPCD.SP.BC.No.13/09.10.01/2007-08 dated July 16,2007, the credit flow to minorities in 121 districts of the country notified as Minority Concentrated Districts by GOI is to be monitored, thereby ensuring that the minority communities receive a fair and equitable portion of the credit within the overall target of the priority sector. For J&K State only District Leh has been included in the list of minority concentrated districts.

The credit flow to Leh District under priority sector as on 31st March 2011 is enclosed for information of the house.

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

Encls: 01

AGENDA ITEM: 81.11

Preparation of Annual Credit Plans (ACP):

In adherence to the time-schedule for preparation and launch of ACP as envisaged in the relevant RBI guidelines and pursuant to the decisions taken in the 74th SLBC meeting to ensure that the District Credit Plans are prepared and readied on time before 31st of March, for enabling the banks to make it a part of their respective business plans for better targeting, effective implementation and improving the performance, the District Credit Plans for the Financial Year 2011-12 have been received from all the 22 districts of J&K State. On the basis of these DCPs the consolidated Annual Credit Plan for J&K State for the FY 2011-12 for all banks operating in the State has been arrived at Rs.3,274.14 Crore for 2,22,802 beneficiaries, as described below:

S. No.	Name of District	Total ACP target (2010-11) Amount (In Crores)	S. No.	Name of District	Total ACP target (2010-11) Amount (In Crores)
	KASHMIR DIVN.			JAMMU DIVN.	
1	Srinagar	377.18	13	Jammu	898.17
2	Ganderbal	71.80	14	Samba	186.74
3	Budgam	110.14	15	Udhampur	120.85
4	Baramulla	295.56	16	Reasi	71.83
5	Bandipora	66.51	17	Kathua	172.96
6	Kupwara	90.61	18	Doda	36.42
7	Anantnag	189.90	19	Kishtwar	21.93
8	Kulgam	102.28	20	Ramban	36.09
9	Pulwama	120.10	21	Rajouri	99.58
10	Shopian	85.72	22	Poonch	45.61
	TOTAL	1509.80		TOTAL	1690.18
11	Leh	41.81			
12	Kargil	32.35			
	TOTAL	74.16		GRAND TOTAL	3274.14

The District-wise/ Sector-wise, Bank-wise/ Sector-wise and Region-wise/sector-wise allocations of the said Annual Credit Plan 2011-12 are enclosed for information of the house.

In view of the fact that ACP had to be launched on 01.04.2011 and consequent upon postponement of SLBC meeting earlier scheduled for 23.03.2011, the ACP for FY 2011-12 stands already circulated among all the stakeholders for implementation.

This is submitted for information of the house

Encls: 03

SEGMENT - 3 (THRUST AREAS/ ACTIVITIES)

AGENDA ITEM NO: 81.12

Coverage of un-banked / under-banked areas of J&K State

Un-banked blocks:

In terms of GoI, 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 under banked areas of the State/UTs has to be a regular agenda item in every SLBC meeting.

The status of five identified un-banked blocks in J&K State is given as under:

S. No.	Name of identified un-banked block	Name of the bank to which allocated	Latest Status / Progress achieved
1	Block Duggan (District Kathua)	J&K Grameen Bank (JKGB)	JKGB has informed having opened its new Bank Branch at Village Duggan, which has started functioning w.e.f. 20.09.2010.
2	Block Gundana (District Doda)	Ellaquai Dehati Bank (EDB)	EDB has opened its new Bank Branch at Village Jatheli (Block Gundana), which started functioning w.e.f. 9 th April 2010.
3	Block Wadwan (District Kishtwar)	J&K Bank	J&K Bank has opened its branch at Ishan Wadwan, which started functioning w.e.f. 1 st December 2010.
4	Block Pahloo (District Kulgam)	J&K Bank	<ul style="list-style-type: none"> • J&K Bank has opened a new bank branch at Pahloo Main Market, which has started functioning w.e.f.29.03.2011. • EDB has opened its new branch in Block Pehloo, which started functioning w.e.f. 11.11. 2010.
5	Block Nangseni (District Kishtwar)	J&K Bank	J&K Bank has opened a new bank branch at Nangseni P.O. Gulhar, Tehsil Kishtwar, which has started functioning w.e.f.31.03.2011

Therefore, all the five identified un-banked blocks in J&K State stand covered by opening new bank branches and the issue stands resolved.

Now we will prioritize planning to address under-banked blocks in J&K State.

The information is submitted for being taken on record by the house

AGENDA ITEM NO: 81.13

I) RBI directive regarding providing of banking services in all the un-banked villages having population of 2000 and above in J&K:

In terms of RBI, C.O., Mumbai 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 followed by RBI circular No. RBI/2010-11 dated 16.9.2010 for drawing up Roadmaps for providing banking services through various forms of ICT based models, including BCs, a total of 795 villages in J&K State having population of over 2000 but are without banking facilities had been identified by the concerned Lead District Managers/ Lead Bank Officers and allocated to different banks for providing banking services by 2011.

However, pursuant to the decision taken in the 80th SLBC meeting to review and revise the Roadmap duly taking into account the ground realities and make necessary re-allocation of unbanked villages in a realistic and practical manner amongst the banks to relieve Cooperative Banks, other small players and even J&K Grameen Bank to some extent who cannot establish branches and banking outlets or engage BCs and provide any other ICT solutions in the villages previously assigned to them, the said identified 795 un-banked villages have been re-allocated amongst the following five Banks and the revised Roadmap has been drawn.

The consolidated State FIP prepared on the basis of the revised FIPs submitted by concerned 5 banks envisaging models of banking outlets to be rolled out with targets split over the execution period for implementation within stipulated timeframe and also the progress achieved by the concerned banks at the end of March 2011 on implementation of the same is enclosed for information of the members.

S. No.	Name of Bank to which allocated	Number of Villages Allocated	Target for 2010-11	Target for 2011-12	Number of villages covered as on 31st March 2011
1	The J&K Bank	535	133	402	339
2	State Bank of India	95	19	76	37
3	Punjab National Bank	35	4	31	4
4	J&K Grameen Bank	95	12	83	25
5	Ellaquai Dehati Bank	35	4	31	12 (*)
	TOTAL	795	172	623	417

(*) This includes progress achieved by EDB during quarter ended March 2011 having provided Mobile Van model in 9 villages despite envisaging BC model in their FIP for coverage of these villages. Has been included in progress report in terms of RBI, R.O. Jammu directions.

House is requested to deliberate.

Encls: State FIP with progress as on 31.3.2011

II) IBA initiative

Financial Inclusion – Awareness Campaign at the Ground Level – meeting with banks:

Indian Banks' Association (IBA), Mumbai, vide their letter No. FI/AC/SLBC/2993 dated April 23, 2011 have informed that IBA on behalf of its member banks launched the national level awareness campaign on February 10, 2011 at New Delhi to generating awareness with regard to Financial Inclusion Plan for providing banking services in the unbanked areas. IBA has stated that it is necessary to create awareness among the target audience in this regard.

As such to discuss the ground level sensitization programme, IBA convened a meeting of all SLBC Convenors on April 5, 2011 at IBA office. During the deliberations it was decided that SLBC Convenors of the respective States forward them suggestions for taking a lead of the ground level campaign on financial inclusion. Accordingly, IBA has received suggestions from some of the SLBCs.

To take the initiative forward, IBA has advised to convene meeting of SLBC banker members to draw up a comprehensive plan for the ground level activities, where IBA shall share its experiences and views during the deliberations. It has been informed that as a handholding exercise IBA and Inter Publicity Private Limited shall render assistance at these meetings.

The representative of IBA is requested to share its experiences and views in the matter

AGENDA ITEM NO: 81.14

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.

Initially district Pulwama (later on bifurcated into 2 districts of Pulwama and Shopian) was adopted on pilot basis for 100% financial inclusion in 2005.

Subsequently 100% financial inclusion of remaining 20 districts in the State was assigned to the banks in 2008. The progress is being reviewed by the house regularly thereafter.

In the 79th SLBC a roadmap for 100% financial inclusion was adopted by the house and the LDMs were advised to implement the same in their respective Districts. But till date no progress has been reported to SLBC.

Banks in J&K State have opened 10,53,121 No-frills Accounts with a deposit amount of 167.42 Crore upto the 31st of March 2011. This includes 1,18,362 No-frills accounts opened during the quarter under review. The Bank-wise position of No-frills accounts opened in J&K State as at the end of March 2011 is enclosed for information of the members.

It is in place to mention that in the 80th SLBC meeting Reserve Bank of India had stressed that only opening of "No-frills accounts" was not sufficient, but banks have to provide the people micro credit facilities through GCC Scheme.

Banks may report progress in the matter.

LDMs to inform the House about the progress made under the Roadmap adopted in 79th SLBC meeting for achievement of 100% financial inclusion in their respective districts.

Encls: 1

AGENDA ITEM NO: 81.15

Setting up of Rural Self-Employment Training Institutes- RSETIs:

In terms of guidelines of Gol, Ministry of Rural Development issued vide No. I.12011/19/2008-SGSY(C) dated 07.01.2009, all the 22 districts of J&K State were allocated in the 76th SLBC meeting to J&K Bank and State Bank of India in accordance with the lead bank responsibilities assigned to them by RBI in the State, viz. 12 districts to J&K Bank and 10 districts to SBI.

Subsequently in the 77th SLBC meeting the house was assured that at least 4 RSETIs would be made operational by the end of FY 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.

Detailed Status regarding RSETIs (to be set up by J&K Bank):

J&K Bank has so far operationalized one RSETI in district Baramulla. Two more RSETIs are likely to be operationalized soon. The detailed district-wise progress is given as under:

S. No.	Name of the RSETI	Staff Provided	Status of the premises	Status of allotment of land
1	JKBRSETI Baramulla	Mr. Riaz Ahmad Mir (O5414), Scale-V	Rented Premises hired at Amargarh, Sopore. The RSETI has been operationalized from 14.02.2011.	Govt. has identified land at Delina Baramulla, which has not been found feasible for being reportedly located up-hill requiring huge investment for water supply; road connectivity etc. The Director JKBRESETI concerned has requested the Govt. to provide some alternative land.
2	JKBRSETI Anantnag	Mr. Mohammad Iqbal (O5246), Scale-IV	Rented Premises hired at Bijbehara. The RSETI is likely to be operationalized soon.	Govt. has identified 10 kanals of land at Dyalgam Anantnag but the same has not been allotted to the bank till date.
3	JKBRSETI Kulgam	...	Premises on rental basis identified at Kulgam. Steps are underway to take to take the same on hire.	Land measuring 6 kanals has been identified by State Government at Chawalgam, Kulgam, but formal allotment is awaited.
4	JKBRSETI Pulwama	Mr. Altaf Ahmad Sheikh (O0394), Scale-V	Premises on rental basis identified. Steps are underway to take the same on hire. The RSETI is likely to be operationalized shortly.	DC Pulwama has identified land measuring 10 kanals & 3 marls under S.No.2560 at Patalbagh Pampore. Formal allotment is awaited.
5	JKBRSETI Shopian	...	LDM and the Zonal Head concerned have been advised to identify & hire suitable premises for setting up RSETI.	DC Shopian has identified land at Sindu Shirmal and asked the Bank authorities to take possession of the said land. Formal allotment is awaited.

6	JKBRSETI Srinagar	...	The LDM concerned has been advised to take steps for identifying suitable premises for setting up RSETI in district Srinagar.	DDC Srinagar has proposed a plot of land measuring 10 kanals situated at Darmar in revenue estate Sangam, on the main Saidapora Sangam road. The land reportedly is 10-12 feet below the road level and is not suitable. A suitable piece of land at a proper location needs to be identified and allotted.
7	JKBRSETI Ganderbal	...	The LDM concerned has been advised to take steps for identifying suitable premises for setting up RSETI in district Ganderbal.	DDC Ganderbal has proposed a plot of land measuring 12 kanals situated at Nunar opposite Devraz Bhat temple on main Ganderbal Kangan highway, located at a distance of 5 KMs from Ganderbal. The land reportedly is recorded in the name of Panchayat Department. Formal allotment is awaited yet.
8	JKBRSETI Budgam	...	The LDM concerned has been advised to take steps for identifying suitable premises for setting up RSETI in district Budgam.	The Govt has offered an alternate piece of land at Narkara Budgam adjacent to the Railway line 1 KM away from main Airport road. Formal allotment is awaited yet.
9	JKBRSETI Bandipora	...	LDM has been directed to identify and take on hire suitable premises in District Bandipora for the purpose.	Matter is being pursued with district Administration for securing allotment of land for setting up of RSETI.
10	JKBRSETI Kupwara	...	LDM has been advised to identify and take on hire suitable premises for setting up the RSETI in Kupwara.	State Government has identified a piece of land measuring 11 kanals and 3 marlas at Gulgam Kupwara for RSETI Kupwara, which has been found suitable. The revenue extracts of the said land have been forwarded by DRDA Kupwara to Rural Dev. Deptt. Srinagar for its transfer. Formal allotment is awaited yet.
11	JKBRSETI Rajouri	...	LDM concerned has been advised to identify and take on hire suitable premises for setting up RSETI in district Rajouri. No premises identified yet.	Govt.had identified land at Chityar, Kaller about 14 kms from Rajouri- a hilly terrain, which was not found suitable as it involved a huge expenditure to develop the same. DDC concerned has issued instructions for identifying some alternate land.
12	JKBRSETI Poonch		LDM has been advised to identify and take on hire suitable premises for setting up RSETI in district Rajouri.	Land not allotted by the State Government till date. Matter being pursued with the Govt. for securing allotment of land for RSETI in Poonch.

Progress in setting up of RSETIs by SBI:

- SBI has so far operationalized 5 RSETIs in Districts Samba, Udhampur, Reasi, Jammu and Kathua. Which are functioning from the dates shown against each below:

S. No.	District in which RSETI set up	Address	Status of premises	Status of allotment of land
1	Samba	LBO Office, Vijaypur, Samba	Functioning in the rented premises.	Land not allotted by the Govt.
2	Udhampur	Devika Lane, Shiv Nagar, Udhampur	Functioning in the rented premises	Land not allotted by the Govt.
3	Reasi	...	Functioning in the rented premises	Land identified, but not allotted by Govt.
4	Kathua	Lead Bank Office, Kathua	Functioning in the rented premises	Land not allotted by the Govt.
5	Jammu	Bantalab, Jammu	Functioning in the rented premises	Land not allotted by the Govt.

4) State Bank of India - Roadmap for setting up of RSETIs at divisional level:

State Bank of India, Local Head Office, Chandigarh vide its communication No.LB/SLBC/J&K/163 dated 18th January, 2011 has suggested a roadmap to set up RSETIs for the time being in its assigned districts in J&K as under:

- One RSETI for two districts of Doda and Kishtwar to be set up at Kishtwar where a suitable temporary building is available.
- One RSETI for Kargil & Leh districts at Leh, which would be set up after March 2011 in view of weather conditions over there.
- District Ramban to be linked to their existing RSETI at Udhampur.

State Bank of India has submitted that once the operation in these RSETIs is stabilized, they will, if necessary, set up RSETIs at Doda, Kargil and Ramban also during the next financial year. They have sought approval of SLBC for the proposed roadmap to enable them to advise their Corporate Centre in this regard.

House is requested to deliberate and decide.

- 5) Land allotment document from State Government mandatory for seeking grant assistance for hired premises:

In terms of an NIRD communication dated 04.11.2010, it has been made mandatory for the sponsoring banks to produce land allotment document from the State Government for seeking part assistance of Rs.10.00 lakh from Gol to meet the rentals for hired premises of RSETIs, without which the RSETIs would not be also able to seek the grant assistance for construction of premises as well. The matter has been taken up with the Rural Development Department, J&K Government vide letter No. LBD/SLBC/RSETIs/2011-782 dated January 22, 2011, requesting therein to take necessary steps immediately for allotment of land for setting up the RSETIs.

It is in place to remind that in the 80th SLBC meeting the Chief Secretary assured the house that he would issue a personal letter at his level after assessing the situation and ensure that land is allotted for setting up the RSETIs in all the districts of the State.

The Government of J&K State may inform progress and give a definite timeframe for allotment of suitable land at all district locations for enabling to proceed for creation of the RSETIs in the State.

AGENDA ITEM: 81.16

Revised Lead Bank Scheme - Implementation of the recommendation of HLC to review LBS:

The HLC of RBI to review lead bank scheme in its report dated 20 August 2009 had envisaged a greater role for the State Governments to support the initiatives of banks towards greater financial inclusion and ensuring flow of credit to the priority sectors.

The following major recommendations that required action from the State Governments were placed before the J&K SLBC in its 80th meeting wherein the Commissioner/ Secretary Finance, J&K Government had informed that he has advised the concerned to list these items (as mentioned below) as agenda items in the meetings with Deputy Commissioners as and when convened by the Government:

- State Governments may support the financial literacy, credit counseling initiatives and credit plus initiatives of banks for banking development and inclusive growth.
- State Governments may take initiatives to ensure that bulk payments viz. salaries, pensions, etc. are put through mechanisms like ECS, which will prove both cost effective and operationally efficient. In addition, the use of ICT solutions for disbursement of National Rural Employment Guarantee Act (NREGA) and social security payments such as National old Age Pension Scheme (NOAPS) through bank accounts may be taken up. State Governments may leverage the benefits of undertaking government business accruing to banks to incentivize their involvement in Government sponsored schemes.
- State Governments may extend support for opening bank branches, currency chests, branches handling foreign exchange business and Government business at centres, which are considered essential as per public policy but not considered commercially viable by banks.
- State Governments may support recovery drives conducted by banks and ensure adequate due diligence in selection of beneficiaries under Government sponsored schemes.
- State Governments may assist banks to evolve a suitable tracking mechanism to monitor educational loans granted by banks so as to ensure proper recovery of such loans.

- State Governments may leverage benefits of undertaking Government business by banks to incentivize in Government sponsored schemes and programmes which may not have similar benefits.
- State Governments may lend their support for sensitization of the bank officials posted as Lead District Managers, to familiarize themselves with the Government's role and functioning with regard to developmental programmes.
- There is a need for sensitizing the District Collectors and CEOs of Zilla Parishads on banks and banking in general as also on the specific scope and role of the Lead Bank Scheme. Such sensitization should form part of the probationary training of such officers. Further, as soon as they are posted in a district, the SLBC may arrange for exposure visits for the District Collectors to the SLBC Convenor's office for sensitization and understanding of the Lead Bank Scheme.
- Staff at the operational level of banks and government agencies associated with implementation of the Lead Bank Scheme need to be aware of the latest developments and emerging opportunities. There is need for staff sensitization/training/seminars, etc. at periodic intervals on an ongoing basis.

Government of J&K State may inform progress in the matter

AGENDA ITEM: 81.17

Guidelines relating to MG-NREGA payment to wage earners – impeding factors:

J&K Government, Finance Department, vide letter No. FD/Coord.01-2010 dated 18 March 2011 has informed that His Excellency the Governor, J&K State has requested Hon'ble Chief Minister that all NREGA payments in distant areas of the State should be made to the wage earners through banking channels.

As the issue concerns various banks operating in the State, government has advised that the same be included as a special item of business at the SLBC meeting and all banks be requested to provide necessary inputs besides, their action plans intended at helping the wage earners to receive payments without requiring to undertake long travels to their nearest bank branches for drawal of payments.

Most of the business units of other commercial banks operating in the State are also already on CBS and they are therefore, in a position to ensure prompt payments to MG-NREGA beneficiaries through the accounts with their branches.

Inputs/ action plans requested from other banks have been received by SLBC Secretariat from J&K Bank and State Bank of India.

Inputs from J&K Bank:

“The MG-NREGA payments are pre-dominantly being made through banking channels. The beneficiaries have got their accounts opened in the business units of the bank nearer to their places of domicile. However, in most of the cases the places of domicile of such beneficiaries are quite distant from the existing branches involving a lot of traveling in order to receive the wages benefits. The bank is in the process of implementation of the Financial Inclusion Plan (FIP) in respect of 535 villages allocated by SLBC and 725 villages under self-set target over a period of time. The financial inclusion envisages basic banking service delivery through banking outlets at these villages under ICT enabled BC Model. The MG-NREGA beneficiaries of these villages and also other adjacent villages are being covered under FIP and their payments services are being provided through BCs in their vicinity by IT enabled Smart Cards”.

Other inputs received from J&K Bank (Strategy & Business Development Division) are enclosed.

Inputs from State Bank of India:

“SBI has informed that the funds of NREGA maintained by SBI branches in lead districts of Jammu, Samba, Kathua and Udhampur are released to such wage earners through ATMs/BCs or on line accounts. In other lead districts funds are maintained mostly by J&K Bank.

SBI has further informed that they have conveyed the extant instructions to all lead districts for further necessary action in this regard and with the introduction of FIP coverage, BC wherever functioning in their areas are facilitating easy payment to such earners at their door steps. SBI has informed that they have noted to create MIS linkage after these BCs are provided with IT based facilities”.

Enablers

Providing of banking services through banking outlets under FIPs of concerned banks in the SLBC identified un-banked villages having population over 2000 through various ICT based solutions including BCs, would be one of the enabling factors for ensuring prompt payments to MG-NREGA/ Social Security beneficiaries' accounts at the banking outlets close to their doorsteps.

Impeders

The factors impeding the flow of MG-NREGA and social security benefits from source to destination accounts of beneficiaries in conformity with the guidelines are identified & underlined as under for desired action by the concerned agencies involved in the benefit transfer mechanism:

- Cooperative Banks and RRBs that have got a vast network and deeper penetration in rural areas are not computerized / automated so far to be EBT compliant.
- Clearing mechanism in vogue in the State is not compatible for EFT/ECS.
- E-governance and automation of concerned government departments in J&K is not ready to generate data files in soft/IT form for uploading online transfer of benefit payments to beneficiaries' accounts..

House is requested to deliberate on the issue

Other Member banks may provide the relevant inputs about the action taken in the matter to apprise the house.

Encls: (1)

SEGMENT - 4 (RECENT DEVELOPMENTS)

AGENDA ITEM: 81.18

Drawing up of Yearly Calendar of SLBC meetings to be held during the year:

RBI, Central Office vide circular No. RBI/2010-11/343 dated December 29, 2010 has observed that SLBC meetings are neither conducted in time nor the agenda is circulated in advance. Further, the level of participation in the meetings is not upto the prescribed level thereby undermining the prime objective of holding the meetings. Therefore, in order to improve the effectiveness and streamlining the functioning of SLBC meetings, RBI/GOI has decided that henceforth, Convenor Banks will prepare a yearly Calendar of Programmes (Calendar-year basis) in the beginning of the year itself, for conducting the meetings.

It is in place to mention that fixing of dates for the meetings of J&K SLBC is usually subject to availability of the senior functionaries of the State government. Besides, under the J&K specific conditions it has generally been observed that reporting of SLBC data by banks to LDMs and to SLBC Secretariat does not take place on time, which generally delays convening of SLBC meeting. However, the yearly-calendar for convening meetings of J&K SLBC during the year 2011 has been drawn and is enclosed for kind information and necessary adherence.

In terms of RBI directives the said Calendar of programme clearly specifies the prescribed cut off dates for data submission to SLBC. The calendar has been already circulated to all the concerned as an advance intimation for blocking of future dates by senior functionaries of various agencies like banks, State Government, RBI, controlling offices of concerned member banks etc. advising that the SLBC meetings have to be conducted strictly as per the said calendar under all circumstances. A copy of the said RBI Circular is enclosed for information and ready reference of the members.

Members are again requested to reserve the dates indicated in the Calendar for being available for SLBC meetings.

All member banks/LDMs to ensure submission of data to SLBC strictly as per cut-off dates mentioned in the calendar.

Encl: 3

AGENDA ITEM: 80.19

Nomination / designation of a Nodal Officer for SLBC by the State Government:

It may be appreciated that designation/ nomination of a Nodal Officer by the State Government will provide a convenient linkage to facilitate better coordination and efficient follow-up of action points for implementation by the concerned line departments/ agencies. Such practice is in vogue in various SLBCs across the country for smooth liaisoning and effective coordination.

For now the Principal/ Commissioner Secretary Finance Department has been the medium to facilitate the process.

Therefore, the house may recommend to Government of J&K State for formal nomination of Principal/ Commissioner Secretary, Finance Department as the designated Nodal / Link Officer for SLBC.

AGENDA ITEM: 81.20

Indira Gandhi Matritva Sahyog Yojana (IGMSY):

Gol, Ministry of Finance, Department of Financial Services, vide letter-bearing F.No. 3(1)/2011-CP dated 31st March, 2011 addressed to all SLBC Convenor Banks (copy enclosed), have informed that the Ministry of Women and Child Development has introduced a new Scheme for Pregnant and Lactating women called Indira Gandhi Matritva Sahyog Yojana (IGMSY), which is a Conditional Cash Transfer Scheme. The Scheme aims to improving the health and nutrition of Pregnant and Lactating women.

Under the Scheme, a cash incentive of Rs.4,000 is to be provided in three instalments to every Pregnant and Lactating Women, 19 years and above, (i.e. Rs.1500/- at the end of second trimester, Rs.1500/- three months after delivery and Rs.1000/- 6 months after delivery), subject to certain conditions.

Major features of the Scheme

- The focus of IGMSY is to improve nutritional and health status of pregnant and lactating women across the country by partly compensating for their wage loss and encouraging increased access to supplementary nutrition under ICDS Scheme.
- IGMSY is being implemented in 52 selected districts of the country on a pilot basis with the idea of improving the health and nutrition of pregnant and lactating women.
- In J&K State only two districts of Kathua and Anantnag have been covered under the Scheme.

Objectives

- To improve the health and nutrition status of pregnant & lactating women and infants by promoting appropriate practices, care and service utilization during pregnancy, safe delivery and lactation;
- Encouraging the women to follow (optimal) IYCF practices including early and exclusive breast feeding for the first six months;
- Contributing to better enabling environment by providing cash incentives for improved health and nutrition to pregnant and lactating mothers

Target Group

- Pregnant Women of 19 years of age and above for first two live birth (benefit for still births would be as per the guidelines of scheme).

- All Government/PSUs (Central & State) employees would be excluded from the scheme, as they are entitled for paid maternity leave.

Funding pattern and functional responsibilities

- IGMSY is a centrally sponsored scheme, which would be implemented through the State ICDS Cells with 100% financial assistance from the Ministry of women and Child Development. The day-to-day implementation and administrative matters would be the responsibility of the State Government.
- Financial Assistance to the State Governments would be given in two instalments by the Ministry of Women and Child Development. The Ministry of Women and Child Development would transfer the funds to the Consolidated account of the concerned State Government. States may have an IGMSY Special Bank Account operated by the State ICDS Cell. The State ICDS Cell shall in turn provide grant-in-aid to the District ICDS Cell and the ICDS Project accounts or accounts in Post Office are opened for each beneficiary in a timely manner (if not already existing for any other scheme).

SLBC Convenors have been advised to actively participate in the implementation of the scheme, in coordination with the concerned departments of State Governments, as per role envisaged for banks in the scheme. The amount shall be disbursed through a Bank or Post Office account only. Therefore, banks have been requested to lend support to the State Governments in:

- Opening of no frills accounts with zero balance for IGMSY beneficiaries;
- Devising appropriate cash transfer mechanism for smooth transaction and payments to the beneficiaries; and
- Using the Banking Correspondent Model, wherever required for making payments.

The detailed guidelines of the IGMSY Scheme have already been circulated.

The House is requested to deliberate on the issue and adopt the scheme for implementation in the specified two districts of J&K State, viz. District Kathua and District Anantnag.

Encls: 2