

**SEGMENT-1**

**CONFIRMATION OF THE MINUTES OF 81<sup>st</sup> MEETING OF J&K SLBC  
HELD ON 16<sup>th</sup> MAY 2011 AT SRINAGAR**

The minutes of 81<sup>st</sup> meeting of J&K SLBC held on 16<sup>th</sup> May 2011 at Srinagar to review the performance / achievements of the banks / financial institutions operating in the State as at the end of March 2011 were uploaded on the website of J&K SLBC [www.jkslbc.com](http://www.jkslbc.com) and were also published and circulated among the members vide J&K SLBC office letter No. LBD/SLBC-81/2011-144 dated 26.05.2011. 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)**

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 73rd SLBC meeting Commissioner / Secretary Finance, J&K Govt., stated that they are in dialogue with Law Department who are of the opinion that Equitable Mortgage does not have to be registered under Section 59 of the transfer of Property Act. He informed the house that Govt. is waiting for formal clearance from Revenue Secretary.	Commissioner/ Secretary (Finance), J&K Government	In 81 <sup>st</sup> J&K SLBC meeting Commissioner/ Secretary Finance stated that:  1) Government has moved forward on the issue and a provision has been made in the Stamp Act Section 58-F (Article 6). 2) State Legislature passed the said amendment to the Act in last budget session and now the government is in process of issuing the notification.
76 (a) 30.07.2009	Creation of a Central Registry by State Govt. for registration of charges of all banks / lending institutions in respect of all moveable and immovable properties of the borrowers incorporated as proprietorship, partnership, cooperative society, trust, company or in any other form	This was one of the recommendations of Dr. K. C. Chakrabarty Working Group constituted by RBI to look into the problems of MSMEs sector  In the 76 <sup>th</sup> SLBC meeting the J&K Government had assured to examine the issue for implementation in J&K State.	Commissioner/ Secretary (Finance), J&K Government	In 81 <sup>st</sup> J&K SLBC meeting the Commissioner / Secretary Finance informed the house that Central Government has already come out with a Cell on this issue, which was operational from 31 <sup>st</sup> March 2011. He stated that scope of the J&K Government in the matter is limited. Reminding the house that last year the government had convened meeting with the Law Secretary and with the J&K Bank on the subject, he stated that the government would need to convene one more meeting to take a final call. He expressed optimism that within a month's time government should be able to decide on the issue.

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

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

**2) Legislating SARFAESI Act:**

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
<b>3 (b)</b> <b>18.06.2008</b>	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. Draft legislation prepared by J&K Bank since submitted to Govt. for consideration.	Commissioner/ Secretary (Law)/ Sr. President, J&K Bank	In the 81 <sup>st</sup> SLBC meeting the Commissioner / Secretary, Finance stated that the issue is presently subjudice and that he has talked on the subject to the learned Advocate General requesting him to make all possible efforts to get the issue resolved in the court. He further informed that on the parallel track the Chief Secretary has taken up the issue with the Central Government suggesting them certain steps that are required to be taken on the part of both the State Government as well as Central Government. Stating that nobody undermines the requirement of this Act being in place in the State, he stated that whether the Central Act itself or some arrangement from within the constitutional provisions of the State, was actually the point being debated. He expressed the hope that with the intervention of the Chief Secretary the issue will be resolved very soon.

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

**3. Grant of interest subvention on Crop loans - Equating J&K Bank with other Public Sector Banks:**

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsi- bility	Action taken / Status
<b>80.01</b>	The President, J&K Bank pleaded that facility of interest subvention of 3% being extended to Public Sector Commercial Banks in the country is not applicable to J&K Bank. Keeping in view dominance and network of J&K Bank in J&K State, he requested the house to recommend extension of the interest subvention benefit to J&K Bank to enable it to substantially improve performance under Agriculture Sector.	RBI/ J&K Bank/ J&K Govt.	<ul style="list-style-type: none"> <li>Initially in terms of 80<sup>th</sup> SLBC decision the issue was taken up by J&amp;K Bank with RBI.</li> <li>In 81<sup>st</sup> J&amp;K SLBC meeting RBI directed that J&amp;K Bank should take up the matter with Gol as the issue falls within the domain of Central Government.</li> <li>In said meeting Chief Secretary advised that copy of communication to be sent to Gol be forwarded to J&amp;K Govt. for enabling the government to pursue the issue with Gol at its level.</li> <li><b>Pursuant to above directions, J&amp;K Bank has already taken up the matter with Gol, MoF vide letter No.JKB/A&amp;AP/2011-565 dated 31<sup>st</sup> March 2011, with copies endorsed to Finance Deptt., J&amp;K Govt. &amp; RBI, for recommending the case to Gol</b></li> </ul>

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

**4) Workshop to focus on enhancing flow of credit to Agriculture Sector in J&K State:**

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
80.01	<p>In 80<sup>th</sup> J&amp;KSLBC meeting the Finance Minister, J&amp;K State expressed concern over inadequate flow of credit to agriculture and farm sectors and advised the SLBC to revisit its credit policy so that focus could shift to these sectors to help largest section of people in the State's economy.</p> <p>In this backdrop the Commissioner/ Secretary Finance, J&amp;K Govt., had suggested that at least one seminar/ workshop be organized by the J&amp;K Bank in collaboration with all stakeholders, viz. NABARD, Agriculture Department, Agricultural Universities, Animal and Sheep Husbandry Deptt., and recommendations of the workshop to be placed before a special session of SLBC on Agriculture for suitable intervention by all banks and other stakeholders.</p>	J&K SLBC Secretariat	<p>Accordingly, a Workshop to focus on enhancing flow of credit to agriculture sector in J&amp;K State was organized by J&amp;K Bank on 6<sup>th</sup> of July 2011 at SKICC, Srinagar. The Workshop was inaugurated by the Hon'ble Minister for Agriculture, J&amp;K Government. A good gathering of bankers, officials of various departments of the state government, representatives of the RBI, NABARD and other related departments and agencies attended the workshop.</p> <p><b>Recommendations emerging from the said workshop are enclosed for information of the house.</b></p>

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

**Encls: 01**

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

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

First meeting of the Sub-group under the Chairmanship of Principal Secretary, Agriculture Production, J&K Govt. (constituted in the Thematic SLBC meeting on KCC Scheme held on 20.5.2010 to workout strategy for coverage of blocks identified by Agriculture Production Department under KCC Scheme) was held on 01.12.2010 at Jammu, wherein blocks identified by Agriculture Production Deptt. for 100% coverage under KCC Scheme, were allocated amongst five banks operating in J&K State for implementation, which stands conveyed to concerned banks vide SLBC Secretariat letter No. LBD/SLBC/KCC/2010-687 dated 6.12.2010. The progress as on 30.6.2011 is indicated against each block as under:

S. No.	Name of the bank to which allocated	Name of the District	Name of the Block identified for 100% coverage under KCC	Cumulative position of KCCs issued as at the end of 30 <sup>th</sup> June 2011	
				KCCs issued	Amount disbursed (in lacs)
1	<b>J&amp;K Bank</b>	Jammu	Block Marh	7	4.40
		Udhampur	Chenani	90	21.80
		Kishtwar	Allohi	2	0.49
		Rajouri	Sunderbani	5	0.75
		Anantnag	Dachnipora	160	310.41
		Bandipora	Bandipora	8	2.90
		Pulwama	Pulwama	268	523.75
		Shopian	Shopian	1418	2659.49
		Kargil	Sharguole	0	0
		<b>TOTAL</b>			
2	<b>State Bank of India</b>	Poonch	Poonch	12	3.29
		Reasi	Pouni	22	12.04
		Samba	Samba (in collaboration with PNB)	4	0.85
		Ramban	Ramsoo	7	2.40
		Kathua	Billawar	34	10.30
		Srinagar	Srinagar	61	21.99
		Leh	Saspol	2	0.82
		<b>TOTAL</b>			
3	<b>Punjab National Bank</b>	Doda	Bhaderwah	126	50.40
		Baramulla	Rohama	63	25.20
		Kupwara	Kupwara	41	16.40
		<b>TOTAL</b>			
4	<b>Ellaquai Dehati Bnk</b>	Kulgam	Kulgam	5670	1973.55
		<b>TOTAL</b>			
5	<b>J&amp;K State Cooperative Bank</b>	Budgam	Budgam	1260	340.30
		Ganderbal	Ganderbal	980	291.29
		<b>TOTAL</b>			
		<b>G. TOTAL</b>		<b>10240</b>	<b>6272.82</b>

Consolidated bank-wise progress as of 30.6.2011 is given in the enclosed statement.

**The house is requested to deliberate**

**Encls: (1)**

## **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 31<sup>st</sup> 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 24<sup>th</sup> March 2011 at Jammu, wherein it was recommended that the 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 were forwarded to Reserve Bank of India for consideration.

However, Reserve Bank of India, vide Circular No. RBI/2011-12/132 issued under DBODNo.BP.BC.25/21.04.012/2011-12 dated July 28, 2011 have extended the concessions/ credit relaxations to borrowers/ customers in the State of Jammu & Kashmir, by a further period of one year, i.e. **upto March 31, 2012**.

**A copy of the said RBI circular is enclosed for information of members.**

**Member banks are requested to issue suitable instructions to their branch / controlling offices in this regard.**

**Encl: 01**

**3) A Coordination Task Force constituted in 80<sup>th</sup> J&K SLBC meeting to look out for solutions to the day-to-day problems experienced in implementation of various Government Sponsored Schemes:**

The first meeting of the Coordination Task Force (constituted in 80<sup>th</sup> SLBC to look out for solutions to the day-to-day problems experienced in implementation of various government sponsored schemes in J&K State) was held on 22<sup>nd</sup> March 2011 at Jammu, wherein all the issues were discussed threadbare and a number of decisions were taken for ensuring improvement in the performance of various government sponsored schemes. 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.

In the said meeting a Sub-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, was formed to workout modalities for developing a suitable system for facilitating payment of subsidy amounts to concerned banks upfront on account of cases sponsored under various government sponsored schemes.

However, we are in receipt of a copy of letter No. L&E/Plan/RSEIGS/80/2010 dated 03.08.2011 from Labour & Employment addressed to Vice President, J&K Bank, intimating therein that the necessary amendments suggested by the JK Bank in so far as these relate to the mode of payment of subsidy had been made to the draft guidelines of J&K SES and submitted to the Planning & Development Department who have conveyed its approval to the revised guidelines with the stipulation that at least 30% of the cases shall be sponsored for women entrepreneurs in a give financial year.

In the meeting held on 06.07.2011 under the chairmanship of Hon'ble Chief Minister, J&K, it was decided that the JK Bank should take up the matter with the Reserve Bank of India, after getting necessary clearance from SLBC.

Therefore, Labour & Employment Department, J&K Government has desired that since the guidelines have been vetted by the Government taking care of the suggestions made by the Bank, the matter may be placed before J&K SLBC for taking up with RBI so that the Scheme is implemented in its revised form.

A copy of letter dated 03.08.2011 of Labour & Employment Department under reference alongwith the revised guidelines for J&K Self Employment Scheme is enclosed for information of the house.

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

**Encls: 8**

**4) Constitution of Working Group to workout enhanced credit flow to Agriculture Sector:**

In his address to the 80<sup>th</sup> SLBC meeting the Hon'ble Finance Minister had emphasized that all the banks have to work hard to improve their financial and physical results and achieve the national benchmark in all the sectors particularly in Agriculture and micro credit sectors, which continue to be the top priorities of J&K Government given the fact that J&K State is predominantly agriculture-based. He stressed that SLBC needs to keep these aspects in view while formulating and implementing its credit programmes and said that government would extend full cooperation in that endeavour. He had suggested constitution of a **Working Group under the Principal Secretary Agriculture Production Department, J&K Govt. to workout enhanced credit flow to the agriculture sector.**

Accordingly, the Working Group under Chairmanship of Principal Secretary to Govt. Agriculture Production was constituted vide Govt. Order No. 192-Agri.of 2011 dated 29.06.2011. The group met on 19.07.2011 at SKICC, Srinagar to workout strategy for enhancing credit flow to Agriculture Sector and submitted its report on 03.08.2011. A copy of the said report making various recommendations for enhancing credit flow to agriculture sector in J&K State is enclosed for information of the members.

**The house may deliberate upon the recommendations made by the Working Group and advise course of action for implementation**

**Encls: 07**



**SEGMENT - 2 (PERFORMANCE OF THE BANKING SECTOR IN J&K)****AGENDA ITEM: 82.01****CREDIT TO PRIORITY SECTOR:****Bank-wise/Sector-wise, Region-wise/Sector-wise achievements in lending to Priority Sector under Annual Credit Plan 2011-12 as at end of June 2011****(1) BANK-WISE / SECTOR-WISE POSITION:**

The Bank-wise/ Sector-wise achievements as at the end of June 2011 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2011-12 are given as [Annexures-A & B](#).

It is manifest from the figures as shown in the Annexures that banks by the end of June 2011 have provided total credit of Rs.914.73 Crore in favour of 46,273 beneficiaries against a target of Rs.3,619.69 Crore for 2,37,892 beneficiaries to the Priority Sector under Annual Action Plan 2011-12, thereby registering achievement of 25.61% in financial terms and 19.54% in physical terms of the annual target during financial year 2011-12.

The comparison of the achievement of banks under Priority Sector vis-à-vis their respective annual targets at the end of Q1 of FY 2011-12 with Q1 of PY 2010-11 (YoY) is given hereunder:

Name of Bank	FY 2010-11			(Amount in Crore of Rs.) CFY 2011-12		
	Target	Achievement (30.06.2010)	%Age of achiev.	Target	Achievement (30.06.2011)	%age of Achiev
J&K Bank	1103.14	469.50	43	1492.44	631.76	42
SBI	381.14	64.54	17	499.99	61.72	12
PNB	249.84	41.72	16	283.86	35.68	13
Other Comm. Bks.	455.09	34.69	8	402.52	61.70	15
Coop. Banks	300.40	41.06	14	396.55	46.77	12
RRBs	329.25	58.51	18	541.69	76.79	14
Other FIs	2.05	0	0	2.64	0.30	11
<b>TOTAL</b>	<b>2820.91</b>	<b>710.02</b>	<b>25</b>	<b>3619.69</b>	<b>914.73</b>	<b>25</b>

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

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

Against the annual target of Rs.845.90 Crore for 1,38,724 beneficiaries, banks have disbursed a total amount of Rs.198.29 Crore in favour of 18,546 beneficiaries under this sector by the end of June 2011 thereby registering an achievement of 23% and 13.36% in financial and physical terms respectively.

Out of this, an amount of Rs.75.14 Crore in favour of 11,819 agriculturists against a target of Rs.347.85 Crore fvg. 89,393 beneficiaries have been disbursed under Crop Loan. The achievement of banks under this segment is of the order of 22% & 13% 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.110.76 Crore), PNB (Rs.22.27 Crore), SBI (13.62 Crore), J&K Grameen Bank (Rs.23.60 Crore), Ellaquai Dehati Bank (Rs.7.75 Crore), Anantnag Central Coop. Bank (Rs.4.82 Crore) and Jammu Central Coop. Bank (Rs.3.88 Crore), thereby achieving 30%, 42%, 12%, 22%, 18%, 17% and 13% respectively of their individual targets. Although some other banks like CBI, IOB and HDFC have registered achievement of 84%, 126% and 54% 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.1728.39 Crore for 59,601 beneficiaries, banks have disbursed an amount of Rs.357.42 Crore in favour of 12,139 beneficiaries by the end of June 2011, thereby registering an achievement of 21% and 20% 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.236.56 Crore), State Bank of India (Rs.24.77 Crore), JCC Bank (Rs.17.27 Crore), Punjab National Bank (Rs.8.07 Crore), P&S Bank (Rs.6.58 Crore), J&K Grameen Bank (Rs.16.91 Crore), EDB (Rs.9.76 Crore), CBI (Rs.6.70 Crore), Canara Bank (Rs.3.90 Crore) Baramulla Central Coop. Bank (Rs.3.00 Crore) and Citizens Coop. Bank (Rs.2.65 Crore).

**(III) MICRO CREDIT:**

As against the annual target of Rs.474.97 Crore in favour of 25,979 beneficiaries banks have disbursed total amount of Rs.64.45 Crore in favour of 3,546 beneficiaries by the end of June 2011. This works out to 14% achievement in financial and 14% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.22.17 Crore), J&K Grameen Bank (Rs.11.42 Crore), Central Bank of India (Rs.10.16 Crore), State Bank of India (Rs.8.06 Crore), JCC Bank (Rs.1.36 Crore) and EDB (Rs.5.27 Crore).

**(IV) EDUCATION:**

As against the annual target of Rs.151.00 Crore in favour of 4,673 beneficiaries banks have disbursed total amount of Rs.12.11 Crore in favour of 1041 beneficiaries by the end of June 2011. This works out to 8.30% and 22.27% achievement in financial and physical terms respectively.

**(V) HOUSING:**

As against the annual target of Rs.419.42 Crore in favour of 8,915 beneficiaries banks have disbursed total amount of Rs.282.46 Crore in favour of 11,001 beneficiaries by the end of June 2011. This works out to an achievement of 67% and 123% 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 June 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	1659.22	509.76	31
Jammu	1878.91	386.84	21
Ladakh	81.55	18.12	22
<b>TOTAL</b>	<b>3619.68</b>	<b>914.72</b>	<b>25</b>

**I) KASHMIR REGION:**

In the Kashmir region an amount of Rs.509.76 Crore against the target of Rs.1659.22 Crores (31% achievement) has been disbursed by the end of June 2011 with a sector-wise distribution of Rs.180.88 Crore for the Housing sector (83% achievement),

Rs.178.76 Crore for Small Enterprises sector (23% achievement), Rs.126.32 Crore for the Agriculture Sector (25% achievement), Rs.18.01 Crore for Micro Credit sector (16% achievement) and Rs.5.78 Crore for the Education Sector (10% achievement).

Out of the total disbursement of Rs.509.76 Crore in Kashmir region, Small Enterprises sector has received 35.06%, Housing Sector 35.48%, Agriculture Sector 24.78%, Micro Credit 3.53% and Education Sector 1.13%.

## **II) JAMMU REGION:**

In the Jammu region an amount of Rs.386.84 Crore has been disbursed by the end of June 2011 against the target of Rs.1878.90 Crore (21% achievement) with a sector-wise distribution of Rs.167.96 Crore in Small Enterprises (18%), Rs.101.22 Crore in Housing sector (53%), Rs.70.79 Crore for Agriculture Sector (22%), Rs.40.62 Crore in the Micro Credit (11%) and Rs.6.25 Crore in Education Sector (7%).

Out of the total disbursement of Rs.386.84 Crore in Jammu region, Small Enterprises sector has received 43.81%, Housing sector 26%, Agriculture Sector 18.29%, Micro Credit 10.50% and Education Sector 1.61%.

## **III) LADAKH REGION:**

In the Ladakh region an amount of Rs.18.12 Crore has been disbursed by the end of June 2011 against the target of Rs.81.55 Crore (22%) with a sector-wise distribution of Small Enterprises Rs.10.70 Crore (24%), Rs.0.36 Crore for Housing sector (3%), Rs.1.18 Crore in Agriculture Sector (23%), Rs.5.82 Crore for Micro Credit (14%) and Rs.0.07 Crore in Education Sector (3%).

Out of the total disbursement of Rs.18.12 Crore in Ladakh region, Small Enterprises sector has got 59%, Housing sector 1.98%, Agriculture Sector 6.57%, Micro Credit sector has got 32% of credit and Education Sector 0.38%.

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

Under non-priority sector the banks have disbursed an amount of Rs.567.42 Crore to 17,482 beneficiaries by the end of June 2011.

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

**Encls-07**

**AGENDA ITEM: 82.02**

**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 30<sup>th</sup> June 2011:**

Against the Annual Action Plan 2011-12 of Rs.308.13 Crore for 28,637 beneficiaries for all banks operating in the State, the achievement of banks at the end of June 2011 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.44.33 Crore spread over 3,091 beneficiaries in all the three regions of the State thereby registering a performance of 14% & 11% of the target in financial and physical terms respectively. The achievement is satisfactory as compared to credit delivery to GSS during the corresponding period of the previous year with disbursement of Rs.27.76 Crore to 2,271 beneficiaries (8% of the target in both 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.34.27 Crore to 2,337 beneficiaries by the end of Q1 of FY 2011-12 under these five major Government Sponsored Schemes against the target of Rs.204.49 Crore for 17,317 beneficiaries, thereby achieving 17% & 13% in financial and physical terms respectively against the achievement at Rs.19.07 Crore to 1,467 beneficiaries (7% in financial and 8% physical terms) for the corresponding period of the previous year.

**ii) JAMMU REGION**

Banks have disbursed an amount of Rs.9.15 Crore in favour of 734 beneficiaries by the end of Q1 of FY 2011-12 against the target of Rs.93.87 Crore to 10,382 beneficiaries under these schemes, which accounts for 10% and 7% achievement in financial and physical terms respectively as against achievement of banks at Rs.7.59 Crore to 738 beneficiaries (9% in financial and 8% physical terms) as on 30<sup>th</sup> June 2010.

**iii) LADAKH REGION**

Banks have disbursed a total amount of Rs.0.91 Crore in favour of 20 beneficiaries by the end of Q1 of FY 2011-12 under these five major Government Sponsored Schemes against annual target of Rs.9.78 Crore for 938 beneficiaries, which works out to 9% achievement in financial and 2% in physical terms, as against achievement of banks at Rs.1.11 Crore for 66 beneficiaries (22% in financial and 18% 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 30<sup>th</sup> June 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.80.13 Crore for 15,428 beneficiaries, banks have disbursed an amount of Rs.8.22 Crore to 1677 beneficiaries (which includes 852 pending cases of previous year) by the end of Q1 of FY 2011-12, which works out to achievement of 10% and 10.86% in financial and physical terms respectively. Out of the total achievement of Rs.8.22 Crore the major contributors are J&K Bank (Rs.3.61 Crore for 733 units), State Bank of India (Rs.1.05 Crore for 205 units), J&K Grameen bank (Rs.0.94 Crore for 219 units) and Jammu Central Cooperative Bank (Rs.0.43 Crore for 74 units). From the data available it is been observed that 3,009 cases were sponsored to banks against the target of 15,428 cases, out of which 1246 cases were sanctioned, 275 cases were rejected/ returned and 1488 Cases are pending for sanction with banks.

**PMEGP:** Under PMEGP Scheme against the target of Rs.70.97 Crore for 1,856 beneficiaries, banks at the end of Q1 of FY 2011-12 have disbursed an amount of Rs.15.51 Crore to 464 beneficiaries (which includes 243 pending cases of previous year) for setting up of employment generating units thereby achieving 25% in physical and 21.85% in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 464 units the major contributors are J&K Bank (321 units), SBI (51 units), J&K Grameen Bank (32 units), BCCB (20 units), JCCB (18 units) and PNB (7 units). From the data available it is been observed that only 882 cases were sponsored to banks against the target of 1856 cases out of which 357 cases were sanctioned, 126 cases were rejected/ returned and 399 cases are pending for sanction with banks.

**JKSES:** Under JKSES, banks have disbursed an amount of Rs.18.43 Crore (including Rs.14.19 Crore of previous years pending cases) to 769 beneficiaries by the end of Q1 of FY 2011-12 against the annual target of Rs.125.81 Crore for 7,112 beneficiaries, thus registering an achievement of 14.65% in financial terms and 10.81% of the physical target. Out of the total disbursement of Rs.18.43 Crore for 769 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.12.69 Crore (545 cases), Rs.2.06 Crore (97 cases) and 0.96 Crore (37 cases), respectively. From the data available it has been observed that 1326 cases were sponsored to banks against the target of 7112 cases out of which 555 cases were sanctioned, 131 cases were rejected/ returned and 640 Cases are pending for sanction with banks.

**SJSRY:** Under SJSRY, banks have disbursed an amount of Rs.1.86 Crore to 117 beneficiaries (which includes Rs.1.28 Crore of previous year's pending cases) by the end of Q1 of FY 2011-12 against the target of Rs.11.24 Crore for 966 beneficiaries, thus registering an achievement of 16.54% & 12% in financial and physical terms respectively. Out of the total achievement of Rs.1.86 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.1.26 Crore (70 units), Rs.0.29 Crore (23 units) and Rs.0.10 Crore (10 units) respectively. From the data available it is been observed that only 164 cases were sponsored to banks against the target of 966 cases out of which 83 cases were sanctioned, 12 cases were rejected/ returned and 69 Cases are pending for sanction with banks.

**SC/ST/OBC:** Under SC/ST/OBC banks have disbursed an amount of Rs.0.30 Crore to 64 beneficiaries (which includes Rs.0.09 Crore of previous years pending cases) by the end of Q1 of FY 2011-12 against the target of Rs.19.97 Crore for 3,275 beneficiaries thereby registering an achievement of 1.45% & 1.95% in financial and physical terms respectively. Against the physical target of 3,275 units, only 188 cases have been sponsored, out of which 79 cases were sanctioned by Banks, 26 cases were rejected and 83 cases are pending for sanction with the banks.

**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: 82.03**

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

The Bank-wise achievement as on 30.06.2011 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.23.55 Crore for 4,090 beneficiaries had been set for banks under this sector for the FY 2011-12. Against this target, banks have disbursed a total amount of Rs.1.01 Crore to 149 beneficiaries by the end of Q1 of FY 2011-12, which includes 30 sanctioned cases of previous year. Against the physical target of 4090 cases 871 cases have been sponsored to various banks, out of which 177 cases were sanctioned, 69 cases were rejected and 625 cases are lying pending with the banks for sanction.

#### **B) Handlooms:**

Under this sector a target of Rs.14.66 Crore for 1706 beneficiaries had been set for the banks for the FY 2011-12. Against that banks in J&K State have disbursed a total amount of Rs.0.24 Crore to 37 beneficiaries by the end of Q1 of FY 2011-12, which include 29 sanctioned cases of previous year. Against the physical target of 1706 cases 252 cases have been sponsored to various banks, out of which the banks have sanctioned 39 cases with 205 cases pending for sanction and 8 cases rejected/ returned due to various reasons.

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

This Scheme of GoI, MoRD, launched in April 1999, was adopted by J&K SLBC in its 54<sup>th</sup> meeting held on 10.07.2000 for implementation in J&K State. The Scheme was funded by State/ Central Governments at a ratio of 25:75. The Scheme aimed at providing bank loans to the people having annual income of Rs.32,000 only. The ceiling of subsidy given under this scheme is Rs.10,000/- per household. The upper limit of construction loan admissible at Rs.40,000/- per household.

J&K Government had nominated five districts for its implementation, i.e. Budgam, Baramulla, Kupwara, Kathua and Poonch. The District Panchayat Officer of concerned district was nominated as Nodal Officer.



However, so far no cases have been sponsored to banks in J&K State with the result there has been no performance at all under this scheme.

It is learnt that from the year 2002-2003, the Central allocation under IAY/ Credit-cum-Subsidy Scheme for Rural Housing has been combined and no separate allocation and target are made to the Scheme and option has been given to the States/ districts to utilize the funds under the Scheme from IAY. Upto 20% of IAY funds earmarked for upgradation could be utilized for implementation of this Scheme also.

**Since the Scheme has been in operation for the last more than a decade but so far there has been no progress under the Scheme in J&K State, as no cases have been sponsored to banks by the concerned government agencies. We may drop the Scheme from agenda of the SLBC meetings henceforth.**

**The house is requested to deliberate.**

**Encls-04**

## **AGENDA ITEM: 82.04**

### **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 June 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 June 2010 and June 2011.

**Annexure-J**

2. Statement of Bank-wise /Sector-wise advances Outstanding against Priority Sector/ Weaker Sections of the society at the end of June 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.11,284.01 Crore comprising 67.83% of the aggregate outstanding credit of banking sector of Rs.16,635.21 Crore in the State at the end of June 2011. The share of SBI is Rs.1,609.54 Crore comprising 9.67% and that of PNB is Rs.760.62 Crore comprising 4.57%.

The NPAs position of the major banks as reflected in **Annexure-J** reveals that in the total NPAs of Rs.739.94 Crore in the State at the end of June 2011 the share of J&K Bank is to the tune of Rs.236.70 Crore, that of SBI Rs.99.19 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.6,962.44 Crore aggregate outstanding credit under Priority Sector comprising 64.21% at the end of June 2011 out of the total Priority Sector Bank Credit of Rs.10,841.62 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,399.44 Crore (12.90%) and Rs.574.73 Crore (5.30%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.11,284.01 Crore in J&K State as on 30.06.2011 as against its total deposits of Rs.28,669.58 Crore, thereby achieving a C. D. Ratio of 39.36%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1609.54 Crore and Rs.760.62 Crore respectively as against their deposits of Rs.6867.79 Crore and Rs.2929.84 Crore, achieving a C.D. Ratio of 23.44% and 25.96%, respectively, as on 30<sup>th</sup> June 2011. The remaining 18 Public Sector Banks put together have advanced Rs.1,239.98 Crore as against their total deposits of Rs.2,867.49 Crore, which works out to a C. D. Ratio of 43.24%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.762.37 Crore against their total deposits of Rs.2,093.81 Crore, which works out to a C. D. Ratio of 36.41% as on 30<sup>th</sup> June 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.816.32 Crore as against their total deposits of Rs.2204.14 Crore, thereby achieving C. D. Ratio of 37.04% as on 30<sup>th</sup> June 2011.

Out of the aggregate advances of Rs.16,635.21 Crore outstanding as on 30<sup>th</sup> June 2011 an amount of Rs.10,841.62 Crore has gone to Priority Sector and Rs.2553.99 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.5,119.80 Crore followed by Housing, Agriculture and Micro Credit sector with an amount of Rs.2,922.85 Crore, Rs.2,068.97 Crore, Rs.515.45 Crore respectively and the lowest share of Rs.214.53 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: 82.05**

**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 30<sup>th</sup> June 2011 is submitted as per **Annexure-L.**

As is evidenced by the Annexure only 8 banks amongst the banks operating in the State have reported disbursement of loans under the SHG scheme by the end of Q1 of the FY 2011-12, which aggregate to Rs.106.03 lakh in favour of 126 SHGs. The major contributors have been J&K Bank (Rs.59.28 lacs fvg. 51 SHGs), J&K Grameen Bank (Rs.18.00 Lakh fvg. 26 SHGs), Ellaquai Dehati Bank (Rs.16.00 Lacs fvg. 12 SHGs), PNB (Rs.1.50 lakh fvg. 6 SHGs), SBI (Rs.2.10 lakh fvg. 5 SHGs), J&K State Cooperative Bank (Rs.6.65 Lakh fvg.21 SHGs), UCO Bank (Rs.1.50 lakh fvg. 1 SHGs) and Anantnag Central Cooperative Bank (Rs.1.00 lakh fvg.4 SHGs).

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

**Encl-01**

**AGENDA ITEM NO: 82.06**

**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 12<sup>th</sup> 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 30<sup>th</sup> June 2011) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1189.66 Crore in favour of 23,494 beneficiaries and incremental working capital loans of Rs. 590.81 Crore in favour of 5672 existing units.
- Banks in the State have so far restructured 6,630 MSMEs accounts involving an amount of Rs. 379.81 Crores.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.6.02 Crore in favour of 580 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.1060.59 Crore in favour of 34,329 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.939.78 Crore in favour of 27,539 beneficiaries.

Details of achievements made by banks during the Current Financial Year/ during the quarter ended June 2011 (01.04.2011 to 30.06.2011) as well as the Bank-wise cumulative position are given in the enclosed statements for information of the members.

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

**Encl-02**

## **AGENDA ITEM: 82.07**

### **Achievement under Kissan Credit Card (KCC) Scheme:**

The performance of Banks under KCC scheme vis-à-vis Annual Credit Plan 2011-12 as at the end of June 2011 is given in **Annexure-M**. It is observed that as against the annual target of Rs.421.57 Crore for 66,764 beneficiaries, banks in the State have provided credit of Rs.17.40 Crore to 2,650 beneficiaries at the end of Q1 of FY 2011-12 thereby registering an achievement of 4.12% and 3.97% in financial and physical terms respectively.

### **Proceedings of the meeting convened by NABARD on 12.07.2011**

NABARD, R.O. Jammu, vide letter No. NB (JKRO) PCD/2011-12 dated 18.08.2011 have informed that in the meeting held on 12.07.2011 to review the progress under KCC Scheme in J&K State the following action points have emerged that need consideration by SLBC:

- 1) Bankers informed that stamp duty is charged by the State Government on KCC / Agriculture loans upto Rs.50,000/- and requests have been received for waiving the same. SLBC has been requested to take up the matter with the State Government in this regard. It has also been suggested that SLBC may consider constituting a sub-committee to resolve the issue of documents in the context of issuance of KCC by banks.
- 2) As the Gol has announced 3% rebate on prompt/ timely repayment of loans under KCC, SLBC should take necessary initiatives to encourage publicizing of said scheme;
- 3) Banks informed that there is no proper representation of the Agriculture Insurance Company of India Ltd. in the State for crop insurance. SLBC may ask the AICI Ltd. for proper representation in the State so that the crop insurance scheme in the State is popularized and implemented.

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

**Encl-01**

**AGENDA ITEM NO: 82.08**

**Review of position as per key indicators for monitoring flow of credit in J&K State as of 30<sup>th</sup> June 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 30<sup>th</sup> June 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 35.84% as on 30<sup>th</sup> June 2011 against 43.52% 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 30<sup>th</sup> June 2011 stood at Rs.16,635.21 Crore against Rs.16,631.98 Crore during the corresponding period of previous year.
- The Priority Sector advances of all banks in J&K State stood at Rs.10,841.62 Crore as on 30<sup>th</sup> June 2011 constituting 65.17% as against 54.84% as of 30<sup>th</sup> March 2010, which is encouraging.
- Share of Agriculture advances to total advances in the State has increased from 12.34% as on 30.06.2010 to 12.44% as on 30<sup>th</sup> June 2011 against the benchmark of 18%, which needs to be improved.
- Lending to MSMEs sector has increased from 29.71% of total advances outstanding as on 30<sup>th</sup> June 2010 to 33.88% as on 30<sup>th</sup> June 2011.
- Share of Advances to weaker sections of society has increased from 15.19% as on 30.06.2010 to 15.35% as on 30<sup>th</sup> June 2011. However, it is above the benchmark of 10%.
- Total bank credit under DRI Scheme in the State as on 30<sup>th</sup> June 2011 stood at a meager figure of Rs.1.54 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.903.67 Crore representing the share of 5.43% out of the total advances as on 30<sup>th</sup> June 2011 against the benchmark of 5%.

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

**Encls: 01**

## **AGENDA ITEM NO: 82.09**

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

In terms of Finance Department, J&K Govt., letter No. FD/BKG/03/2008 dated 7<sup>th</sup> 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 Gol, Ministry of Housing & Urban Poverty Alleviation.

#### **Salient Features of ISHUP Scheme**

- 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 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).
- The Scheme was adopted by J&K SLBC for implementation in J&K State in its 76<sup>th</sup> meeting held on 30<sup>th</sup> July 2009 and the Member Banks were advised to report progress on implementation of the scheme to SLBC on quarterly basis.

#### **Sponsoring Agency in J&K State**

The State Government has since nominated **State Urban Development Agency (SUDA)** to identify, motivate and organize beneficiaries to seek loans for building or buying houses and forward applications of eligible beneficiaries to banks/ financial institutions in J&K State.



**Progress under ISHUP Scheme In J&K State**

So far there has been absolutely no progress on implementation of the ISHUP Scheme in J&K State.

**Fresh initiatives taken by Government of Tamil Nadu:**

With a view to achieve satisfactory progress on ISHUP in J&K State, the National Housing Bank (NHB) vide their letter dated January 31,2011, had requested to consider implementation of certain initiatives in J&K State on the lines of State Government of Tamil Nadu, i.e. extension of the concessions of exemption from payment of development charges, stamp duty on mortgaging of house, site pattas etc. Besides, a target of benefiting one-lac families has been fixed in the State of Tamil Nadu, for which the district-wise targets have also been fixed and the officials concerned have also been sensitized about the implementation of the Scheme.

**Decision taken in 81<sup>st</sup> SLBC meeting**

The house observed that the **State Urban Development Agency (SUDA), nominated by State Government as the sponsoring agency for J&K State, has not so far organized to sponsor even a single case to the banks. Accordingly, the Housing & Urban Development Department, J&K Government, under which SUDA comes, was directed to look into this issue and ascertain as to why cases under the Scheme are not being sponsored to banks.** But so far, there has been no response from Housing & Urban Development Department in the matter.

**Government may report progress in the matter**

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

**AGENDA ITEM NO: 82.10**

**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 30<sup>th</sup> June 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: 82.11****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 74<sup>th</sup> SLBC meeting to ensure that the District Credit Plans are prepared and readied on time before 31<sup>st</sup> 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 consolidated Annual Credit Plan for J&K State for the FY 2011-12 for all banks operating in the State arrived at Rs.3,274.14 Crore for 2,22,802 beneficiaries, was placed before J&K SLBC in its 81<sup>st</sup> meeting for adoption. But in the said SLBC meeting it was observed that the said targets were not realistic in view of encouraging past performance and hence, be enhanced and increased by 10% across the board.

Accordingly, the revised ACP for FY 2011-12 has arrived at Rs.3,619.69 Crore and the district-wise position now emerges as under:

S. No.	Name of District	Total ACP target (2010-11)	S. No.	Name of District	Total ACP target (2010-11)
	<b>KASHMIR DIVN.</b>	<b>Amount (In Crores)</b>		<b>JAMMU DIVN.</b>	<b>Amount (In Crores)</b>
1	Srinagar	416.09	13	Jammu	1001.88
2	Ganderbal	78.98	14	Samba	205.42
3	Budgam	121.15	15	Udhampur	131.54
4	Baramulla	325.12	16	Reasi	79.02
5	Bandipora	73.16	17	Kathua	190.25
6	Kupwara	99.68	18	Doda	47.27
7	Anantnag	208.99	19	Kishtwar	24.12
8	Kulgam	112.60	20	Ramban	39.70
9	Pulwama	132.35	21	Rajouri	109.54
10	Shopian	91.11	22	Poonch	50.17
	<b>TOTAL</b>	<b>1659.23</b>		<b>TOTAL</b>	<b>1878.91</b>
11	Leh	45.99			
12	Kargil	35.56			
	<b>TOTAL</b>	<b>81.55</b>		<b>GRAND TOTAL</b>	<b>3619.69</b>

**The house may take the revised and enhanced District-wise/ Sector-wise, Bank-wise/ Sector-wise and Region-wise/Sector-wise allocations of the said targets under Annual Credit Plan 2011-12, as enclosed, on record.**

**Encls: 03**

### **SEGMENT - 3 (THRUST AREAS/ ACTIVITIES)**

#### **AGENDA ITEM NO: 82.12**

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

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

##### **Un-banked Blocks in J&K State:**

With the opening of new bank branches in all the 5 identified un-banked blocks of J&K State, viz. Block Duggan (District Kathua), Block Gundana (District Doda), Block Pahloo (District Kulgam), Block Nangseni and Block Wadwan (District Kishtwar) by the concerned banks to which these unbanked blocks were allocated by J&K SLBC, viz. J&K Bank, J&K Grameen Bank and Ellaquai Dehati Bank respectively, **this issue of the J&K SLBC stands resolved.**

##### **Under-banked Areas - J&K Bank Branch Expansion Plan in J&K State:**

RBI vide Circular No. RBI/2009-10/298 dated February 1, 2010 4 undivided districts of Anantnag, Doda, Kupwara and Poonch (now 7 districts of Anantnag, Kulgam, Doda, Ramban, Kishtwar, Kupwara and Poonch) have been notified as under-banked districts.

Subsequently, in terms of RBI guidelines contained in RBI Master Circular No.DBOD.BL.BC.8/22.01.001/2010-11 dated July 1, 2010, banks have been advised to plan their Branch Expansion in such a manner that 1/3<sup>rd</sup> of the total expansion in Tier 3 to Tier 6 centres (i.e. Centres with population less than 50,000) should be in notified under-banked districts of the State.

Besides, as per revised RBI guidelines issued vide Circular DBOD.No.BL.BC.24/22.01.001/2011-12 dated July 15, 2011, banks have been advised to allocate at least 25% of the total number of proposed branches in a year in un-banked rural (tier 5 to Tier 6) centres, i.e. the centres with population less than 10,000 which do not have brick and mortar structure of any scheduled commercial bank for customer based banking transaction.

Accordingly, J&K Bank has envisaged a branch expansion plan for the year 2011-12 for J&K State to meet the requirements of the aforesaid RBI guidelines. The breakup of J&K Bank Branch Expansion Plan for 2011-12 for J&K state is given hereunder:

Total envisaged Branch Expansion plan for 2011-12 for J&K State	105	
Total No. of branches approved for aforesaid notified under-banked districts of the State	35	<b>33.33%</b>
Total No. of branches approved (under Supplementary Plan) for J&K State as per revised RBI guidelines.	12	
Branches approved for Tier 5 to Tier 6 unbanked rural centres of J&K State	10	<b>83.33%</b>
<b>Total Branch Expansion Plan for 2011-12 for the State (105+12)</b>	<b>117</b>	
<b>Total No. of branches approved for Tier 5 &amp; Tier 6 Centres having no brick &amp; mortar structure of any scheduled commercial bank</b>	<b>88</b>	<b>75.21%</b>

Therefore, besides complying with the previous RBI guidelines, the Branch Expansion Plan is also in line with the revised RBI norms.

**Other banks may inform their respective branch expansion plans in J&K State**

**AGENDA ITEM NO: 82.13****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.

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 June 2011 in 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	Progress achieved		
					As on 31 <sup>st</sup> March 2011	During Qtr. ended June 2011	Cumulative progress as on 30.6.2011
1	<b>The J&amp;K Bank</b>	535	133	402	<b>339</b>	<b>50</b>	<b>389</b>
2	<b>State Bank of India</b>	95	19	76	<b>37</b>	<b>9</b>	<b>46</b>
3	<b>Punjab National Bank</b>	35	4	31	<b>4</b>	<b>2</b>	<b>6</b>
4	<b>J&amp;K Grameen Bank</b>	95	12	83	<b>25</b>	<b>25</b>	<b>50</b>
5	<b>Ellaquai Dehati Bank</b>	35	4	31	<b>12</b>	<b>4</b>	<b>16</b>
	<b>TOTAL</b>	<b>795</b>	<b>172</b>	<b>623</b>	<b>417</b>	<b>90</b>	<b>507</b>

**House is requested to deliberate.**

**Encls: State FIP with progress as on 30.06.2011**

## AGENDA ITEM: 82.14

**Operational Guidelines issued by RBI for implementation of Electronic Benefit Transfer (EBT) and its convergence with providing of banking services in unbanked villages under Financial Inclusion Plan (FIP) to resolve issues of overlap in allocation of villages under these two initiatives:**

Reserve Bank of India have informed that as a part of Financial Inclusion it encourages the State Governments to implement the ICT-based Electronic Benefit Transfer (EBT) for routing social security benefits (MNREGA, NOAPs, etc.) to beneficiaries through the banking channel and the '**one district one bank model**' has been adopted in some States for this purpose.

In addition to this, as per the recommendations of the High Level Committee, RBI with a vision of inclusive growth has adopted a Bankled model to provide banking channels in unbanked villages for extending outreach and coverage. These two initiatives have thereby resulted in overlap of the villages for coverage in some districts where the two initiatives are implemented simultaneously.

Consequently some banks have represented to RBI Regional Offices that they are incurring costs to cover villages under the FIP for opening of banking outlets in unbanked villages although other banks that are allotted the same villages under EBT will also be required to do so eventually. The above initiative does not deny the opportunity for any other banks to operate in these areas and extend banking services based on the available business potential. Thus raising the issue of overlap for coverage under the two initiatives. Hence, for Financial Inclusion Model to be a success it is necessary that there is a convergence between the EBT and FIP Models.

In view of this situation RBI has recently come out with 'Operational Guidelines for implementation of Electronic Benefit Transfer and its convergence with Financial Inclusion Plan' to resolve the issue of overlap under the two initiatives of EBT & FIP. **A copy of the said Operational Guidelines is enclosed for ready reference.**

The said guidelines lay down way forward for convergence of EBT & FIP as summarized below:

1. Keeping in view the need to spread the banking habits to all villages, it is advised that **one district-many banks-one leader bank model** may be adopted henceforth for EBT implementation. In this model, all the banks present in the district

participate in EBT, though for administrative convenience the State Government deals only with one leader bank. **State Government shall designate the leader bank in consultation with the Regional Office of RBI and the SLBC**, who will obtain the funds from State Government and in turn will arrange to transfer funds through inter-bank transfer to other banks for credit to the accounts of ultimate beneficiaries on a commission basis.

2. There is no prohibition on adoption of **one district - one bank model** approach where the model exists and is already working provided one bank is in a position to provide whole range of minimum banking services under this dispensation. **However, all operational glitches will have to be resolved mutually by State Government and the concerned bank. EBT implementing bank, will in such case have to follow regulatory stipulation that brick and mortar branches are built within 30 km radius of each of the BC outlets in these villages.**
3. As EBT Scheme is a part of overall FIP, the EBT account is required to provide whole range of permissible banking services viz. deposit scheme, preferably a variable recurring deposit with in-built Overdraft (OD), remittance and entrepreneurial credit products in the form of GCC/KCC.
4. The State Governments should not stipulate any condition that prevents EBT accounts from being used for other banking transactions. **Whenever the State Government plans to implement EBT scheme through banks in future, the details of the scheme should be first discussed in the SLBC.**
5. State Government shall designate a nodal department for administration of each of the social benefit schemes. **The provisions of MOU signed between Government agency and the banks should be consistent with the extant guidelines and notifications of RBI.**
6. Achieving full financial inclusion is crucial for implementation of EBT and direct transfer of subsidies. **As some of the beneficiaries could be residing in a village with population less than 2000 requisite infrastructure should be planned and put in place to cover all the EBT beneficiaries.**
7. **SLBC should immediately prepare a plan of action to cover all unbanked villages including having population of less than 1000, the allocation of these villages may be done on the basis of geographical proximity;**
8. **Once banking services are extended to all villages under the FIP, convergence between the EBT Scheme and FIP would be automatically realized.**
9. **Once FIP is fully implemented covering all the unbanked villages and a UID number is issued to all the villagers, a 'model' will emerge where the customers will have the option to transact with bank of their choice in any village by using UID enabled Micro ATMs.**

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

**Encls: 5**



## **AGENDA ITEM: 82.15**

### **Evolving Action plan for un-banked villages having population more than 1000 but less than 2000 in J&K State:**

In the backdrop of Review Meeting taken by the Secretary (FSD) with CEOs of PSBs/FIs in New Delhi on 26<sup>th</sup> April, 2011 asking for SLBC-wise/ Bank-wise/ State-wise allocation of 1000+ population villages, Indian Banks' Association (IBA) vide circular letter No. FI/BO/3217 dated May 20, 2011 addressed to Convenors of SLBCs, have advised as follows:

1. SLBCs to provide State-wise mapping of villages under different population groups;
2. **SLBCs to furnish State-wise, bank-wise allocation of un-banked villages with population from 1000-2000;**
3. SLBCs to furnish to IBA issues/ challenges as perceived by them in extending financial inclusion drive to all the un-banked villages in the country and their suggestions for achieving this objective.

Accordingly, the data obtained from all the 22 Lead District Managers indicates a total of 1287 un-banked villages having population in the group of >1000 but <2000 identified as un-banked in J&K State (**as per the list enclosed for ready reference**). These villages need to be allocated to various banks operating in J&K State for providing banking services through banking outlets / channels including ICT solutions.

It is proposed that these 1287 unbanked villages (having population over 1000 but less than 2000 in J&K State) will be allocated for providing banking services through banking outlets/ channels including BCs & ICT solutions among the same five banks, which have been previously allocated the 795 unbanked villages having population over 2000 after mutual consultation to be organized and coordinated by SLBC Secretariat for seeking consent of the participating banks to accept the responsibility for rollover.

The small un-banked villages falling in groups of <1000 but >500 and <500 shall be identified in due course and the details shall be shared with IBA accordingly.

**The House may deliberate on the issue, accord approval for allocation and decide the timelines to achieve the coverage and also approve assigning the responsibility to LDMs.**

**Encls: List of unbanked villages with population 1000-2000**

## **AGENDA ITEM NO: 82.16**

### **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 79<sup>th</sup> 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 11,49,534 No-frills Accounts with a deposit amount of 179.65 Crore upto the 30<sup>th</sup> June 2011. This includes 99,204 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 **June 2011** is enclosed for information of the members.

It is in place to mention that in the 80<sup>th</sup> 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.

**LDMs to inform the House about the progress achieved on implementation of the Roadmap adopted in 79<sup>th</sup> SLBC meeting for achievement of 100% financial inclusion in their respective districts.**

**Encls: 1**

**AGENDA ITEM NO: 82.17****Setting up of Rural Self-Employment Training Institutes- RSETIs:**

In terms of GoI, MoRD guidelines issued under No. I.12011/19/2008-SGSY(C) dated 07.01.2009, all the 22 districts of J&K State were allocated in the 76<sup>th</sup> 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. Progress achieved in the matter is described below for information of the house.

**Progress achieved by J&K Bank:**

J&K Bank has so far operationalized RSETIs in four districts of Baramulla, Pulwama, Kulgam and Bandipora. Two more RSETIs in districts Srinagar and Anantnag are likely to be operationalized very shortly. The detailed progress is given as under:

<b>S. No</b>	<b>Name of District/ RSETI</b>	<b>Staff Provided</b>	<b>Present status</b>	<b>Contact Details of Director concerned</b>
1	<b>JKBRSETI Baramulla</b>	Mr. Riaz Ahmad Mir (05414), Posted as Director	RSETI has started operations w.e.f 14.02.2011 in rented premises at Amargarh, Sopore.	<b>9419038870</b>
2	<b>JKBRSETI Pulwama</b>	Mr. Altaf Ahmad Sheikh (00394), posted as Director	The RSETI has commenced its operations w.e.f. 21.07.2011 in rented premises at Pulwama.	<b>9622460640</b>
3	<b>JKBRSETI Bandipora</b>	Mir Mohammad Fayaz posted as Director.	The RSETI has commenced its operations w.e.f. 25.07.2011 in the rented premises at Bandipora	<b>9906612204</b>
4	<b>JKBRSETI Kulgam</b>	Mr. Md. Shafi Bhat, posted as Director.	The RSETI has commenced its operations w.e.f. 25.07.2011 in the rented premises at Kulgam	<b>9419040604</b>
5	<b>JKBRSETI Anantnag</b>	Mr. Mohammad Iqbal (05246), posted as Director	The RSETI is likely to be operationalized soon.	<b>9419059005</b>
6	<b>JKBRSETI Srinagar</b>	Ms. Shahzadi, Posted as Director	The RSETI is likely to be operationalized soon.	<b>9906523117</b>
7	<b>JKBRSETI Shopian</b>	Mr. Aijaz Ahmad Banday, Scale-IV, posted as Director.	LDM and the Zonal Head concerned have been advised to identify & hire suitable premises for setting up RSETI.	<b>9419015540</b>
8	<b>JKBRSETI Ganderbal</b>	Mr. Altaf Hussain Mir, Scale-IV, posted as Director	LDM concerned has been advised to take steps for identifying suitable premises for the purpose.	<b>9419009756</b>
9	<b>Remaining RSETIs in Budgam, Kupwara, Poonch &amp; Rajouri districts</b>	...	LDMs concerned have been advised to take steps for identifying suitable premises for setting up RSETIs in the said districts.	...

**Progress achieved by SBI:**

SBI has so far operationalized 5 RSETIs in Districts Samba, Udhampur, Reasi, Jammu and Kathua as detailed below:

<b>S. No</b>	<b>Name of District/ RSETI</b>	<b>Name of the Director</b>	<b>Present status</b>	<b>Contact Details /Mobile No. of the Director</b>
1	Samba	Shri M. K. Bhat	Functioning in the rented premises.	LBO Office, Vijaypur, Samba ( <b>9796486616</b> )
2	Udhampur	Shri Amarjit Singh Raine	Functioning in the rented premises	Devika Lane, Shiv Nagar, Udhampur ( <b>9419032645</b> )
3	Reasi	Shri S. K. Kandroo	Functioning in the rented premises	Mobile No. <b>9469555162</b> )
4	Kathua	Shri Mohinder Kumar	Functioning in the rented premises	Lead Bank Office, Kathua ( <b>9419156176</b> )
5	Jammu	Shri K. K. Sharma	Functioning in the rented premises	Bantalab, Jammu ( <b>9419108743</b> )

**Status regarding allotment of land by State Government**

The Govt. of Jammu & Kashmir has not so far allotted land in favour of any of the RSETIs.

**Land allotment document from State Government mandatory for seeking grant assistance for hired premises:**

It is in place to remind that in the 81<sup>st</sup> SLBC meeting the house was informed that in terms of NIRD communication dated November 4, 2010, for seeking assistance of Rs.10.00 lakh from Gol to meet the rentals for hired premises of RSETIs, the Gol has made it mandatory to produce land allotment document from the State Government, without which the RSETIs would not be able to seek the grant assistance from Gol to meet the rent for premises and the Chief Secretary assured to personally look into the matter.

**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 all the districts of the State.**

**SEGMENT - 4 (RECENT DEVELOPMENTS)**

**AGENDA ITEM: 82.18**

**Small Farmers' Agribusiness Consortium (SFAC) - Venture Capital Assistance Scheme:**

Government of Jammu & Kashmir, Agriculture Production Department, vide letter No. Agri/PC-100/2009-10 dated 28.06.2011, while forwarding copy of the D.O. letter dated 14.6.2011 of SFAC addressed to Chief Secretary, J&K Govt., have requested to nominate the Managing Director, Small Farmers' Agribusiness Consortium (SFAC) for participation in this SLBC meeting for enabling him to showcase the Venture Capital Assistance Scheme in the State.

SFAC in their D.O. letter under reference have stated that this year being the final year for the Eleventh Five-year Plan for which SFAC needs to accelerate efforts to extend assistance under SFAC's Venture Capital Assistance Scheme to eligible entrepreneurs across the country. Pointing out that J&K State is among the list of States, which have not been able to attract significant assistance under the Venture Capital Assistance Scheme, SFAC proposes to focus special attention on such States during the current year to ensure that an adequate number of cases are prepared for consideration of SFAC Investment Committee.

Accordingly, the Managing Director, Small Farmers' Agribusiness Consortium (SFAC), New Delhi (Society sponsored by Department of Agriculture, Government of India), will please inform the participants the details of Venture Capital Assistance Scheme. Brief highlights of the Venture Capital Assistance Scheme are enclosed.

**The house may deliberate on the issue**

**Encls: 01**

**AGENDA ITEM: 82.19**

**Spreading Awareness of the Codes among Bankers and Public - SLBC meetings:**

The CEO, Banking Codes and Standards Board of India (BCSBI), vide their communication BCSBI No.1260/03.05.001/2010-11 dated July 17, 2011 have informed that the main aims and objectives of BCSBI are to evolve Codes and Standards for banks for providing fair treatment to their customers. So far, Member Banks have adopted to implement two Codes: **"Code of Bank's Commitment to Customers"** and **"Code of Bank's Commitment to Micro and Small Enterprises"**.

BCSBI has been holding workshops and meetings and also conducting surveys of sample branches to ascertain the level of adherence to the provisions of the Codes. The results of surveys were shared with the banks to enable them to take corrective steps wherever required. The BCSBI has also participated in SLBC meetings of some States in which presentations were made about the Codes and Standards and the experience of addressing the SLBCs proved very fruitful as not only bankers but also senior Government officials were made aware of how the Codes can be used to promote fair banking practices and upgrade the level of customer service. The BCSBI has however, felt that at the grass root level, understanding of the provisions of the Codes and their assimilation is not to the desired extent and some more efforts are required to achieve the same.

Therefore the BCSBI has requested to provide them an opportunity to once again address the SLBC forum by allotting BCSBI some time to make presentation on the Codes and Standards and to interact with local bankers and officials.

**Accordingly, the representative of the Banking Codes and Standards Board of India (BCSBI), Mumbai shall make a Presentation on the Banking Codes and Standards before the house.**

**AGENDA ITEM: 82.20**

**Aadhaar and Financial Inclusion:**

Government of India, Planning Commission, Unique Identification Authority of India (UIDAI), New Delhi, vide their communication bearing F.N.G-14011/22/2010-UIDAI (Vol-II)/1249 dated 05.07.2011 (copy enclosed for ready reference), have informed that the Unique Identification Authority of India (UIDAI) has been set up by the Government of India to serve as a National Identity and Authentication infrastructure. This infrastructure is expected amongst others to facilitate access to modern banking and payment systems for every resident of the country.

With a view to enabling access to banking services, UIDAI has partnered with banks through a district-wise empanelment process in which 64 banks (public sector, private sector, foreign banks, RRBs, Cooperative banks) have participated. This partnership aims to provide the residents enrolled for Aadhaar with a choice of choosing a particular bank where he/ she would like to open an account.

**The representative of UIDAI shall make a presentation on the issue**

**Encls: 01**

**AGENDA ITEM: 82.21**

**Action Points emerging from Cabinet Secretary's visit to Srinagar on 5<sup>th</sup> - 6<sup>th</sup> October, 2009:**

Government of India, Ministry of Finance, Department of Financial Services, New Delhi, vide FAX Message F.No.23/1/11-CP dated 8<sup>th</sup> August, 2011 have informed that while reviewing status of implementation of the actionable points emerged during Cabinet Secretary's visit to Srinagar on 5<sup>th</sup> - 6<sup>th</sup> October 2009, one of the actionable point emerged in the meeting was as under:

**"SGSY - Banks are asking for Guarantor for giving subsidies - This issue needs to be taken up in the SLBC meetings of the bankers. However, if details of the banks are sent to MORD, the matter would be taken up with the RBI/ Banks at the central level also".**

Subsequently vide another FAX message bearing F.No.23/1/11-CP dated 24<sup>th</sup> August, 2011 GoI, MoF, DFS advised that with a view to monitor the progress of the SGSY Scheme the following may be ensured:

- 1) It is made regular agenda of the SLBC meetings and reviewed/ monitored closely;
- 2) The issue is taken up in the DLCC/ BLBC Meetings;
- 3) Strict adherence of the guidelines of the Scheme;
- 4) Progress/ Status report is sent to the Chairman of the DLCC/BLBC and the concerned authority in the concerned Department of State Government.
- 5) A grievance redressal mechanism may be put in place where the complainant can approach/ make complaints on the issue. This may be given wide publicity with contact numbers/ addresses etc. and prompt redressal may be ensured.

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



**AGENDA ITEM: 82.22**

**Strengthening of SLBC / Formation of Steering Sub-Committees of SLBC-  
Action Plan forwarded by Gol, MoF, DFS regarding lending to Agriculture  
Sector for Crop loans:**

For strengthening the State Level Bankers' Committee (SLBC) the revised Lead Bank Scheme provides as under:

**Para 2.7)** These are functional sub-committees of SLBC to look into specific areas like agriculture, micro, small/medium industries/ enterprises, handloom finance etc. and evolve a course of action for adoption by the full committee and consist of representatives from few major commercial banks/ RRBs, RBI, NABARD, StCB, SLDB etc. The steering sub-committee is expected to meet more frequently than the SLBC.

**Para 4.4)** In view of the large membership of the SLBC, it would be desirable for the SLBC to constitute Sub-Committees for specific tasks. In addition to the Sub-Committees already in existence, these could include IT enabled financial inclusion, action plan for financial literacy, grant of educational loans, improvement in land records/ other evidence for land ownership/ occupation, improving recovery systems, promoting bank/SHG linkage and addressing issues relating to provision of microfinance in the State, etc., which may examine in-depth the specific issues and come out with solutions/ recommendations for consideration of the SLBC. The composition of the sub-Committee and subjects/ issues to be deliberated upon may vary from State to State and may be decided by the SLBC. One of these sub-committees should be entrusted with evaluation/ impact assessment studies in regard to various development initiatives taken by the Government/ Reserve Bank/ other apex level institutions/ banks in the State.

Moreover, Gol, Ministry of Finance, Department of Financial Services vide D.O.No.1 (14)/2011-CP dated 19<sup>th</sup> August 2011 addressed to the Chairman and CEO, J&K Bank (Copy enclosed for ready reference), have while highlighting importance of the lending to agriculture for crop loans, forwarded the Action Plan regarding credit flow

to crop loan based on the experience of Bank of Baroda in U.P. and advised the Convenor SLBC as under:

- 1. Convene a meeting of the SLBC and get the Action Plan approved;**
- 2. SLBC should set up a small group of all banks, which should meet almost each alternate day to review the progress in the field. The target is to ensure that each farmer gets an agriculture credit limit by 30.09.2011.**

In this background it is proposed to constitute the following Steering Sub-Committees of J&K SLBC to filter the issues, closely monitor the progress and make recommendations to the main house:

- 1) Steering Sub-Committee of J&K SLBC for monitoring flow of credit to Agriculture sector;**
- 2) Steering Sub-Committee of J&K SLBC for monitoring flow of credit to MSEs Sector, Handicrafts/ Handloom Sector and for addressing issues relating to provision of microfinance in J&K State.**
- 3) Steering Sub-Committee of J&K SLBC for monitoring IT enabled Financial Inclusion, FLCC and Credit Plus Activities;**
- 4) Steering Sub-Committee of J&K SLBC for promoting bank/SHG linkage;**

We may deem the following non-functional Sub-Committees of J&K SLBC as dissolved:

- 1) Sub-Committee on Doubling of Agriculture Credit
- 2) Group on Bundling of Subsidies to Agriculture Credit;
- 3) Group for fixing bank-wise / region-wise targets for Handicrafts sector;
- 4) Group to suggest reforming of mechanism to finance GSS, (as the Coordination Task Force to look out for solutions to the day-to-day problems being experienced in implementation of GSS is already formed to serve this purpose).
- 5) Group to rationalize ticket-size of lending;
- 6) Sub-group of SLBC to workout modalities for speedy disposal of the loan cases of small artisans/ weavers;
- 7) Sub-Group Of J&K SLBC To oversee and monitor Implementation of the Recommendations for Speedy Disposal of Cases Of Small Artisans And Weavers In J&K;

**The house is requested to deliberate on the issue, accord approval to the Action Plan forwarded by GoI, MoF, DFS regarding credit to Crop Loan under Agriculture Sector; and accord approval for constitution of the Sub-Committees as per RBI guidelines.**

**Encls: 02**

## **AGENDA ITEM: 82.23**

### **Monitoring of credit to Minority Communities:**

Gol, Ministry of Finance, Department of Financial Services, vide letter bearing F.No.7(61)/2008-CP dated 18<sup>th</sup> August, 2011 have informed that Public Sector Banks (PSBs) are required to lend 15% of their Priority Sector Lending (PSL) to Minority Communities. The progress made by banks in this regard is closely monitored by the Cabinet and Prime Minister Office on quarterly basis.

On perusal of the progress as at the end of March 2011 the Ministry has observed that stipulated target of 15% is not being achieved by the banks.

The Ministry has, therefore, advised as under:

- 1) **Lending to Minorities may be closely monitored/ reviewed in SLBC meetings on regular basis; and**
- 2) **It may be ensured that all PSBs functioning in the State should achieve the stipulated target for lending to Minorities and the overall credit to Minorities in the State should increase at least by 20% over and above the previous year.**
- 3) **Progress reports in this regard may be sent to the Gol, MoF on quarterly basis.**

Accordingly, Member banks are advised to report their achievements in lending to Minority Communities in J&K State to SLBC Secretariat regularly on quarterly basis alongwith other SLBC data being submitted for review.

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

**The member banks may ensure desired compliance.**