

**SEGMENT-1 (REVISION)**

**CONFIRMATION OF THE MINUTES OF 83<sup>rd</sup> MEETING OF J&K SLBC  
HELD ON 14<sup>th</sup> DECEMBER 2011 AT JAMMU**

The minutes of 83<sup>rd</sup> meeting of J&K SLBC held on 14<sup>th</sup> December 2011 at Jammu to review the performance / achievements of the banks / financial institutions operating in the State as at the end of September 2011 were webcast 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-83/2011- dated 28.12.2011. The actionable points have been indicated to the concerned quarters for taking desired action.

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

**ROLLED OVER ACTIONABLE POINTS OF THE EARLIER SLBC MEETINGS  
(FOLLOW UP OUTSTANDING ISSUES)**

**1) Legislating SARFAESI Act:**

<b>Agenda Item/ Date of SLBC</b>	<b>Summary of decisions/ Action points.</b>	<b>Primary responsibility</b>	<b>Action taken / Status</b>
<b>73 (b) 18.06.2008</b>	Removal of legal glitches to enforce SARFAESI Act in J&K State	J&K Government Commissioner/ Secretary (Law)	<p>Draft legislation prepared by J&amp;K Bank since submitted to GoJ&amp;K for consideration.</p> <p>In the 83<sup>rd</sup> SLBC meeting Commissioner Secretary Finance, J&amp;K Govt. stated that the issue has been already taken up with GoI, MoF.</p> <p>Both the GoI as well as GoJK were again requested that the glitches in enforcement of SARFAESI Act be resolved at the earliest being crucial for recoveries of dues by the financial sector by hammering out some viable solution.</p> <p>Director DFS, GoI, MoF was requested to take note of the issue for a speedy action,</p>

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

**2) Grant of interest subvention on Crop loans – Equating J&K Bank with other Public Sector Banks:**

<b>Agenda Item/ Date of SLBC</b>	<b>Summary of decisions/ Action points.</b>	<b>Primary responsibility</b>	<b>Action taken / Status</b>
<b>80.01 Dated 22.12.2010</b>	In 83 <sup>rd</sup> SLBC meeting the house was informed that GoI, MoF, accepting the recommendations of SLBC and with a view to remove disparity, have conveyed that J&K Bank is equated at par with other Public Sector Banks and is eligible for grant of interest Subvention on crop loans. However, formal communication from RBI is awaited.	RBI	Formal communication by Reserve Bank of India to J&K Bank in the matter is still awaited.

**Reserve Bank is requested to inform progress in the matter.**

**3) Revised J&K Self Employment Scheme – Sub-group constituted in 82<sup>nd</sup> SLBC meeting to examine the macro issues within the Scheme.**

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
<b>82.02 dated 5.09.2011</b>	<p>While deliberating upon Revised guidelines on J&amp;K Self Employment Scheme prepared by the State Government in the 82<sup>nd</sup> SLBC meeting it was observed that Item No.4.3 of the said revised guidelines, which deals with the aspects of Subsidy Reserve Fund Account to be exempted from NDTL for maintenance of SLR and CRR, would require a reference to RBI to be considered under Banking Regulations Act 1949.</p> <p>A Sub-Committee was constituted to examine the issues and make suitable recommendations.</p> <p>The recommendations of the said Sub-Committee were approved in the 83<sup>rd</sup> meeting held on 14<sup>th</sup> December 2011 for implementation.</p> <p>Subsequently, J&amp;K SLBC has taken up the matter of exemption of the Subsidy Reserve Fund from NDTL requirement with RBI, R.O. Jammu, vide letter No.LBD/SLBC/83/2011 dated 27.12.2011</p>	Reserve Bank of India	Formal communication by Reserve Bank of India to J&K Bank in the matter is still awaited.

**Reserve Bank of India may inform progress in the matter**

**4) Creation of Central Registry:**

Agenda Item/ Date of SLBC	Agenda Point	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
<b>76 (a) 30.07.2009</b>	<b>Creation of a Central Registry by State Govt. for registration of charges of all banks / lending institutions in respect of all moveable/ immovable properties of the borrowers incorporated as proprietorship, partnership, cooperative society, trust, company or in any other form</b>	This was one of the recommendations of Dr. K. C. Chakrabarty Working Group constituted by RBI to look into the problems of MSMEs sector	J&K Government Commissioner/ Secretary (Finance),	Not conclusively resolved. Hence rolled over

**Government may inform progress in the matter**

5) Disposal of 251 cases of Artisans forwarded by Handicrafts Deptt. to J&K Bank:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken by A&AP Deptt. J&K Bank / Status																																																																							
83.03 dated 14.12.2011	In the 83 <sup>rd</sup> SLBC meeting Director Handicrafts had stated that 251 cases of Artisans forwarded by the department to J&K Bank were pending disposal. J&K Bank was advised by the house to ensure that all eligible cases of Artisans are disbursed before next SLBC meeting.	J&K Bank has informed vide letter-dated 9.2.2012 that a meeting to review & reconcile the position was held by President A&AP with the concerned officials of Handicrafts Department on 7.1.2012. Thereafter the department furnished a revised list of 1003 cases including the said 251 cases as under:																																																																							
		<table border="1"> <thead> <tr> <th>District</th> <th>Report- ed by Deptt.</th> <th>Disbur- sed by JKBL</th> <th>Not deliver ed</th> <th>Repeat ed</th> <th>Retur- ned</th> <th>Pend- ing</th> <th>Not trace- able</th> </tr> </thead> <tbody> <tr> <td>Srinagar</td> <td>573</td> <td>92</td> <td>92</td> <td>14</td> <td>74</td> <td>165</td> <td>136</td> </tr> <tr> <td>Budgam</td> <td>202</td> <td>81</td> <td>22</td> <td>0</td> <td>34</td> <td>65</td> <td>0</td> </tr> <tr> <td>Kulgam</td> <td>56</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>Shopian</td> <td>23</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>Pulwama</td> <td>26</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>Kupwara</td> <td>21</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>Baramulla</td> <td>102</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> <td>...</td> </tr> </tbody> </table>								District	Report- ed by Deptt.	Disbur- sed by JKBL	Not deliver ed	Repeat ed	Retur- ned	Pend- ing	Not trace- able	Srinagar	573	92	92	14	74	165	136	Budgam	202	81	22	0	34	65	0	Kulgam	56	...	...	...	...	...	...	Shopian	23	...	...	...	...	...	...	Pulwama	26	...	...	...	...	...	...	Kupwara	21	...	...	...	...	...	...	Baramulla	102	...	...	...	...	...	...
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		Remaining 5 districts of Kulgam, Shopian, Pulwama, Kupwara and Baramulla have not reported status.																																																																							

President (A&AP), J&K Bank may inform the latest position in the matter

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

### 1) **Meeting of Sub-Committee of J&K SLBC for Export Promotion**

A meeting of the Sub-Committee of the J&K SLBC for Export Promotion was held on 12<sup>th</sup> of December 2011 at Jammu. Minutes of the said meeting were uploaded on J&K SLBC website: [www.jkslbc.com](http://www.jkslbc.com) and also circulated vide No. JKSLBC/Export/2012-704 dated January 14, 2012. A copy of the same is enclosed for information of the members.

**Encls: 03**

### 2) **Meeting of the Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs and Credit Plus Activities:**

A meeting of the Steering Sub-committee of J&K SLBC to monitor IT enabled Financial Inclusion, FLCCs & Credit Plus Activities was held on 31<sup>st</sup> January 2012 under the chairmanship of Regional Director, Reserve Bank of India at RBI, Jammu, wherein progress achieved by the concerned banks in implementation of the Financial Inclusion Plan as well as setting up of Financial Literacy and Credit Counseling Centres was discussed. The concerned participating banks were advised to ensure coverage of all the allocated villages under ICT-based Financial Inclusion within the prescribed time lines of 31<sup>st</sup> March 2012 and also ensure setting up of FLCC Centres.

A copy of the minutes of the said meeting is enclosed for information of the house.

**Encls: Minutes**

### 3) Impact Study of Government Sponsored Schemes:

In the 82<sup>nd</sup> SLBC meeting, while deliberating on Study Report of NIRD regarding Government Sponsored Schemes It was decided to form a small team comprising of officers from three major banks, viz. J&K Bank, SBI and PNB, Industries & Commerce Dept. and Labour & Employment Dept. The said team shall visit 50-100 units established under GSS for on spot inspection after availing loans and making an impact study to ascertain the facts whether the basic purpose underlying these programmes was being achieved or not.

Accordingly, the President (A&AP), J&K Bank was requested to kindly organize the inspection visits of the team immediately and furnish a report of the Impact Study to SLBC office as soon as possible for being placed in the next SLBC meeting.

The team has completed the inspection visits of various randomly selected identified units financed by major banks and finalized its study report. The summary of findings is given as under:

- **The units financed by the banks under the Government sponsored schemes have been established and found functional as well, barring a few units;**
- **The unit holders were fully satisfied with the attitude of banks and had not faced any problem during the course of sanctioning of cases.**
- **The team members were also satisfied that the entrepreneurs are doing well and earning their livelihood besides paying the loan instalments as well.**
- **It was observed that on an average two to three persons are being provided employment by each unit.**
- **The branch heads from banks requested for help from concerned sponsoring agency in recovery of overdues in some of the cases, which have turned NPA/ potential NPA.**
- **The team members from Govt. desired that banks should claim interest subsidy claims immediately from the concerned departments, as the branches are not claiming the same timely.**
- **The team members desired that SLBC should take up the matter of recovery with Sponsoring Agencies at apex level so that effective efforts are made to get the irregular accounts regularized.**
- **Overall it was observed that the basic purpose of implementing these schemes has been fulfilled.**

A copy the detailed report is placed herewith for information of the house.

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

**Encls: 06**

**SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)****AGENDA ITEM NO: 84.01****1. 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 5 major banks for providing banking services by March 2012.

Progress achieved by the concerned participating banks in implementation of the State FIP as at the end of December 2011 is given below:

S. No	Name of Bank to which allocated	Number of villages allocated	No. of households to be covered	Progress achieved as at the end of December 2011				No. of Financial accounts opened	No. of villages yet to be covered
				BR	BC	MV	Total		
1	The J&K Bank	535	347237	2	435	...	437	137490	98
2	State Bank of India	95	42750	...	95	...	95	9963	...
3	Punjab National Bank	35	22436	...	6	...	6	3405	29
4	J&K Grameen Bank	95	34288	...	80	...	80	30146	15
5	Ellaquai Dehati Bank	35	17286	3	...	25	28	20994	7
	<b>TOTAL</b>	<b>795</b>	<b>463997</b>	<b>5</b>	<b>616</b>	<b>25</b>	<b>646</b>	<b>201998</b>	<b>149</b>

The list of 149 villages, which are yet to be covered, is enclosed for information of members.

**House is requested to deliberate**

**Encls: 02**

## 2. Observations of RBI (R.O.) on EBT

Reserve Bank of India, vide letter No. RPCD (JMU) 648/03.01.17/2011-12 dated December 02, 2011 have informed that during the recent visit of RBI Lead District Officer to some of the villages to review progress in providing services through ICT based model, in which BCs have been appointed by SBI, it was revealed that in those villages payments for MNREGA scheme, social security pensions and other social welfare schemes were being made by J&K Bank itself through its branches, which are about 10-15 kms from the villages, resulting in generation of low transactions and business volume by the BC appointed by SBI. Also the beneficiaries of such payments have to make visits to other centers causing a lot of difficulties, despite having banking outlet at the village.

In this regard RBI have stated that BC model is intended to provide greater penetration to the banks at a reasonable cost and objective of allotment of un-banked villages is to ensure provision of door-step banking to all such villages by March 2012. However, no single bank may be in a position to provide EBT payments at door-step and therefore, **it is important that through SLBC fora, banks should devise an arrangement that even if a single bank gets the EBT amount from district authorities, it should be possible to disburse this amount to the ultimate beneficiary through various banks by transferring it electronically to the different banks with whom customer's accounts are maintained in various villages.** Also the customer should have a choice of the bank with whom customer wishes to maintain the account. **Thus, one-district-many bank-one Leader Bank approach has to be followed for EBT implementation in order to ensure successful implementation of FIP in J&K State,** for which RBI have requested to initiate appropriate and requisite measures for successful implementation of EBT and its convergence with FIP as per the operational guidelines.

### **Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) and need for convergence with Financial Inclusion Plan**

Operational Guidelines on implementation of Electronic Benefit Transfer (EBT) issued by RBI vide Circular No.RBI/2011-12/153 dated August 12, 2011 were deliberated upon in 82<sup>nd</sup> meeting of J&K SLBC held on 5<sup>th</sup> September 2011 for implementation. Some main points envisaged under the said guidelines are reproduced hereunder for information of the house:

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.**

### **Gol, MoF directions regarding EBT**

Gol, MoF vide Circular dated 21.10.2011 regarding Strategy and guidelines on Financial Inclusion, have directed as under:

- (i) Presently 32 schemes are in operation funded by Gol, under which benefits are to be given directly to the beneficiaries. Transfer of such subsidies into the accounts of the beneficiaries under Electronic Benefit Transfer would enhance the efficiency of delivery of such services. Benefits in the areas covered under Financial Inclusion must be transferred electronically into the accounts of the beneficiaries. The Convenor Banks of SLBC must take up this matter in the next SLBC and the roadmap for Electronic Benefit Transfer in respect of each scheme must be finalized.
- (ii) RBI issued the operational guidelines on Electronic Benefit Transfer and its convergence with the Financial Inclusion Plan on 12.08.2011. Under this, one district-many banks-one-

leader bank model is to be adopted. While all Departments of the Government of India and State Governments may, for administrative convenience, deal with only one leader bank, such leader bank will obtain the funds through inter-bank transfer to other banks for credit to the accounts of ultimate beneficiaries. Under the service area approach, while the banks would be responsible for the Electronic Benefit Transfer to the residents in their service area, the residents would be free to choose the bank through whom they would like such transfer of benefits.

**Proposal:**

In order to ensure that issues as raised by RBI in their letter dated December 02, 2011 are resolved, it is proposed that we may pursue adoption of “**One-district-Many banks-one Leader Bank**” model for J&K State. The first step in this direction is that State Government has to select a Leader Bank for EBT implementation in consultation with RBI/SLBC in respect of a particular district and designate a nodal department for coordination at district level and sign an MOU. The detailed workflow for adopting One District-many banks-One Leader Bank Model as issued by RBI is enclosed for information of the members.

**House is requested to deliberate on the issue and approve the proposal.**

**State Government may initiate necessary measures for supporting/ adoption of the said FI / EBT model in J&K State.**

**Encls: One**

**3. Green Initiative – E-payment:**

Gol, MoF, DFS vide D.O.No.8/11/2011-FI dated 12<sup>th</sup> September 2011 addressed to Chief Secretary, J&K Govt., have advised that in all the Schemes which are being funded by the Gol, the subsidies should be given directly to the beneficiaries through e-transfer.

Subsequently, vide D.O.No.8/11/2011-FI dated 19<sup>th</sup> August 2011 addressed to Chief Secretary, J&K Govt., Gol, MoF, have advised that “**all payments to be made to beneficiaries be made by Electronic Fund Transfer to the respective accounts of beneficiaries**”. Gol has advised to ensure that w.e.f. 1<sup>st</sup> October, 2011 no payments are made or received through cheque except from such institutions which do not have Core Banking Solutions or have no access to ECS payment facility”

Necessary instructions in the matter have already been issued to all member banks of J&K SLBC as well as to all the Lead District Managers of the State.

**The member banks may ensure desired compliance of Gol directives**

**AGENDA ITEM: 84.02**

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

In terms of Indian Banks' Association (IBA) circular letter No. FI/BO/3217 dated May 20, 2011 addressed to Convenors of SLBCs, advising SLBCs to furnish State-wise, bank-wise allocation of un-banked villages having population from >1000 to <2000, the 1273 identified un-banked villages having population over 1000 and less than 2000 were allocated amongst the same five banks, which were earlier allocated the identified 795 villages (having population over 2000). The said bank-wise allocation, as volunteered by the concerned banks after consultations, stands already approved by the J&K SLBC in its 83<sup>rd</sup> meeting held on 14.12.2011, wherein the concerned banks were advised to prepare roadmaps for coverage of these villages in a time bound manner:

1. J&K Bank:		1030
2. State Bank of India	:	80
3. Punjab National Bank	:	57
4. J&K Grameen Bank:	:	66
5. Ellaquai Dehati Bank	:	<u>40</u>
Total	:	<b>1273</b>

No progress has been reported so far.

**Concerned participating banks may inform progress in the matter**

**AGENDA ITEM NO: 84.03**

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

In terms of Gol, MoF directive 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 coverage of all the identified 5 unbanked blocks in J&K State by opening new bank branches by J&K Bank, Ellaquai Dehati Bank and J&K Grameen Bank, there is no unbanked block in J&K State now.

**Strategy and Guidelines on Financial Inclusion – Opening of Bank Branches- recent directive of Gol MoF**

In terms of Gol, MoF recent directive issued vide F.No.21/13/2009-FI (Pt.) dated 8<sup>th</sup> November 2011 (copy enclosed) banks operating in J&K State have submitted their Branch Expansion Plans envisaging a total of 209 new bank-branches to be opened in J&K State, which include J&K Bank (114 branches), SBI (02 branches), PNB (05 branches) JKGB (37 branches) EDB (17 branches), HDFC Bank (33 branches) and Central Bank of India (01 branch). The said plan has been submitted to Gol, MoF, DFS, and also webcast on J&K SLBC website: [www.jkslbc.com](http://www.jkslbc.com). Out of these, 62 new bank branches are planned to be opened in the 7 identified under-banked districts of the State, viz. Anantnag, Kulgam, Doda, Ramban, Kishtwar, Kupwara and Poonch.

As per reports received from the concerned banks, out of 209 new bank branches included in the Branch Expansion Plan, banks have so far opened only 18 new bank branches, list whereof is enclosed for information of the members. The progress is slow & unsatisfactory so far.

**Concerned banks may inform the initiatives taken to improve the progress in opening of these new bank branches as per Branch Expansion Plan.**

**Encl. 1**

## **AGENDA ITEM NO: 84.04**

### **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.

Gol, MoF, vide circular bearing F.No.21/13/2009-FI (Pt) dated 21.10.2011 addressed to CMDs of all PSBs, Chairman of all RRBs and CEOs of all Pvt. Sector Banks, have issued detailed strategy/ guidelines on Financial Inclusion, which were adopted by J&K SLBC in its 83<sup>rd</sup> meeting held on 14<sup>th</sup> December 2011 for implementation in J&K State. The actionable points as envisaged under the said Financial Inclusion guidelines were flagged to all member banks/ Lead District Managers in J&K State for implementation.

Apart from above, we are in receipt of the minutes of the meeting on Financial Inclusion taken by Union Secretary, Gol, MoF, DFS at New Delhi on 3<sup>rd</sup> November 2011, which have been already circulated to all member banks/ Lead District Managers for implementation and necessary action

Some of the relevant actionable points emerging from the Gol guidelines as well as minutes of Gol, MoF meeting dated 3.11.2011 requiring action by the member banks/ LDMs are again reproduced hereunder for information of the members:

#### **Gol circular dated 21.10.2011**

1. Service Area approach would be adopted for the coverage of the entire country for financial services for financial inclusion. So far all SLBCs have allocated specific villages among the banks. As Gram Panchayats are at the Centre of various developmental and welfare schemes and would play an important role in the electronic benefit transfer, service area of the banks needs to be defined in terms of Gram Panchayats.
2. In order to develop a comprehensive framework for delivery of financial services and hence, promote Financial Inclusion, it is necessary that comprehensive Financial Services Plan for the entire district and state is also prepared.

3. The objective of the exercise is to ensure Financial Inclusion by ensuring bank account for every household, KCC to every farmer's family, General Credit Card to other households and extensive coverage under micro-finance and micro-pension scheme besides looking at the critical gap in infrastructure in terms of rural warehousing.
4. In the under-banked districts as listed by RBI, the banks shall within their service area open a regular brick & mortar branch in larger habitations with population of 5000 and above by September 2012. Such branches could initially be ultra-small having lesser staff, say 2-3 persons, with ATM facilities. The staff strength could be increased as the business grows.

#### **Minutes of meeting dated 3.11.2011**

5. All migrant labourers and other citizens in the under-privileged classes which do not have bank accounts need to get bank accounts. SLBC Convenors should take up the matter with the Lead District Managers on a periodic basis.
6. Inoperative accounts are a liability. Therefore, steps should be taken to revive these by giving them KCC/ GCC.
7. One officer from the bank branch must visit the BCs in the villages of population 2000 and above, for follow up and monitoring. It should be ensured that the BC agent is seen to be an extension of the bank. All activities of banking facilitation must be assigned to the BCs so that they not only become an effect agent of bank but their viability also improves.
8. The Branch Manager of the Service Area branch must also spend few days in a village and take the BC agents along with them to ensure that the customers get the confidence in BC agents.
9. One person in the zonal offices of the banks should be made responsible for driving the e-payments in the banks.
10. It needs to be emphasized that priority in the Financial Inclusion is to saturate the geography by banks by having an account for at least one member in the family.

**Member Banks / LDMs are advised to ensure compliance with the said Gol guideline.**

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

## **AGENDA ITEM: 84.05**

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

The performance of banks under KCC scheme vis-à-vis ACP 2011-12 as at the end of December 2011 is given in [Annexure-A and A-1](#). It is observed that as against the annual target of Rs.416.69 Crore for 64,286 beneficiaries, banks in the State have provided credit of Rs.56.51 Crore to 14,080 beneficiaries at the end of Q3 of FY 2011-12 thereby registering a meager achievement of 13.56% and 22% in financial and physical terms respectively.

### **Cumulative position of KCCs issued in J&K State**

So far only 8 banks viz. J&K Bank, SBI, PNB, Punjab & Sind Bank, Canara Bank, HDFC Bank, J&K Grameen Bank and Ellaquai Dehati Bank, have reported data regarding cumulative position of KCCs, which indicates that as on 31<sup>st</sup> December, 2011 a total of 1,01,167 KCCs have been issued by banks in J&K State involving an amount of Rs.745.06 Crore. 5 banks, viz. Union Bank of India, Vijaya bank, Dena Bank, United Bank and Corporation Bank have reported nil figures, whereas the Cooperative Banks operating in the State have not so far reported cumulative data regarding KCCs to SLBC Secretariat.

### **Gol, MoF directive as a part of Financial Inclusion that each non-defaulter farmer to be given a Kissan Credit Card by 15.10.2011 – Progress in J&K State**

J&K SLBC on accepting the recommendations of the Steering Sub-Committee to monitor flow of credit to Agriculture, in the 83<sup>rd</sup> meeting assigned to J&K Bank / SLBC Secretariat the job of simplifying the application form for Agriculture Credit / KCC (common to all banks) and arrange printing of 17.00 lakh such forms and deliver the same for distribution to all the eligible farmers in the State through the field agencies of Agriculture Production Department by utilizing the services of PRIs for ensuring 100% coverage of farmers under KCC Scheme in J&K State.

Accordingly, the said common application form for Agriculture Credit / KCC has been already simplified, which is in the process of printing. As soon as the printing process is completed these forms shall be delivered to the Agriculture Production Department for distribution. In the meanwhile the soft copy of the said approved format of application form for Agriculture Credit/ KCC has been already uploaded on J&K SLBC website:

[www.jkslbc.com](http://www.jkslbc.com) and also circulated to the concerned Government Departments/ agencies as well as to all member banks/ Lead District Managers for facilitating ready availability of forms for usage.

Since the distribution of 17.00 lakh application forms to all eligible farmers across the State is going to be a gigantic exercise, therefore, for ensuring smooth, planned and systematic distribution of the said application forms among the farmers and subsequently their collection back from the farmers and delivery to respective service area bank branches, Agriculture Production Department has been requested to designate a nodal officer for acknowledging the delivery of printed forms, who would be Incharge of the whole operation on behalf of the Govt. and would closely monitor and supervise the distribution to and collection of these forms from the farmers & delivery of same to concerned Service Area Bank branches within shortest possible time, so that the whole exercise is accomplished in a systematic and foolproof manner.

**Government may inform progress in the matter**



## **AGENDA ITEM NO: 84.06**

### **Opening of Financial Literacy and Credit Counseling (FLCC) Centres in J&K State:**

#### **Model Scheme for FLCCs:**

Reserve Bank of India circulated model scheme of FLCC Centres vide RBI Circular No. RBI/2008-09/371 dated February 4, 2009, wherein it was directed that lead banks may take the initiative for setting up FLCCs in the district headquarters to begin with and that the SLBCs could oversee the activities of FLCCs and provide support and guidance wherever required.

#### **HLC of RBI to review LBS:**

The High Level Committee (HLC) of RBI constituted to review Lead Bank Scheme (LBS) provided as under:

**Para 3.25** “Each SLBC Office may have a dedicated financial literacy division to promote financial literacy in the State. Lead banks are expected to open a Financial Literacy and Credit Counseling Centre (FLCC) in every district where they have lead responsibility.

**Para 5.18** “Each lead bank is expected to open a Financial Literacy and Credit Counseling Centre (FLCC) in every district where it has lead responsibility by following the recent guidelines issued by RBI in this regard. Suitable grant may be provided out of the Financial Inclusion Fund (FIF) to set up such centres in districts identified as being financially excluded by the Committee on Financial Inclusion (Chairman: Dr. C. Rangarajan). Necessary action may be taken by NABARD for drawing up a scheme for this purpose”.

Reserve Bank of India vide Circular No. RBI/2009-10/329 dated February 26, 2010, have advised CMDs of all SLBC Convenor Banks to initiate actions for speedy implementation of the recommendations and also closely monitor the progress made by the lead banks/ commercial banks in this regard.

#### **Progress achieved by the concerned lead banks:**

Out of the 10 lead districts allocated to State Bank of India FLCC Centres have been set up in only two districts of Jammu and Udhampur (w.e.f.15.03.2011 and 01.04.2011, as shown in the enclosed statement, whereas the J&K Bank has yet to set up the FLCCs in its 12 lead districts.

### **Representatives of J&K Bank and State Bank may inform progress**

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**AGENDA ITEM NO: 84.07**

- 1. Setting up of Rural Self-Employment Training Institutes (RSETIs) -**
- 2. Allotment of land by Government of J&K for creating permanent infrastructure for these 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 for setting up of RSETIs 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.

**1. Setting up of RSETIs -Progress achieved by J&K Bank**

J&K Bank has so far operationalized RSETIs in 10 districts of Srinagar, Budgam, Baramulla, Bandipora, Pulwama, Shopian, Anantnag, Kulgam, Poonch and Rajouri. The remaining two RSETIs in District Ganderbal and District Kupwara shall start operations very shortly. The detailed progress is given as under:

<b>S. No</b>	<b>Name of RSETI</b>	<b>Name of the Director</b>	<b>RSETI has commenced its operations w.e.f.</b>	<b>Contact Details of Director</b>
1	JKBRSETI Baramulla	Mr. Riaz Ahmad Mir, Scale-V	14.02.2011	9419038870
2	JKBRSETI Pulwama	Mr. Altaf Ahmad Sheikh, Scale-V	21.07.2011	9622460640
3	JKBRSETI Bandipora	Mir Mohammad Fayaz, Scale-V	24.07.2011	9906612204
4	JKBRSETI Kulgam	Mr. Md. Shafi Bhat, Scale-III	25.07.2011.	9419040604
5	JKBRSETI Anantnag	Mr. Mohammad Iqbal, Scale-IV	30.07.2011	9419059005
6	JKBRSETI Shopian	Mr. Aijaz Ahmad Banday, Scale-III	October 2011	9419015540
7	JKBRSETI Srinagar	Ms. Shahzadi, Scale-V	22.11.2011	9906523117
8	JKBRSETI Budgam	Mr. Tariq Ali Scale-IV	12.01,2012	9906664848
9	JKBRSETI Poonch	Mr. Suresh Gupta Scale-III	26.12.2011	9419795056
10	JKBRSETI Rajouri	Mr. Harjinder Singh Scale-IV	01.02.2012	9419130209
11	JKBRSETI Ganderbal	Mr. Altaf Hussain Mir, Scale-V	The RSETI shall start its operations shortly.	9419009756
12	JKBRSETI Kupwara	Mr. Mohd. Afzal Shah Scale-IV	The RSETI shall start its operations shortly.	9906713535

**Progress achieved by SBI**

SBI has so far operationalized 6 RSETIs in Districts Samba, Udhampur, Reasi, Jammu, Kathua and Kishtwar, details whereof are given below:

S. No	Name of District/	Name of the Director	Present status	Contact Details /Mobile No. of the Director
1	Samba	Shri M. K. Bhat	Functioning in the rented premises.	LBO Office, Vijaypur, Samba (9796486616)
2	Udhampur	Shri Amarjit Singh Raine	Functioning in the rented premises	Devika Lane, Shiv Nagar, Udhampur (9419032645)
3	Reasi	Shri S. K. Kandoo	Functioning in the rented premises	Mobile No. 9469555162
4	Kathua	Shri Mohinder Kumar	Functioning in the rented premises	Lead Bank Office, Kathua (9419156176)
5	Jammu	Shri K. K. Sharma	Functioning in the rented premises	Bantalab, Jammu (9419108743)
6	Kishtwar	Shri Bachaspati Sharma	Opened w.e.f. 12.12.2011	Mobile No. 9419113351

As reported by SBI, three more RSETI in Districts of Doda, Ramban and Leh are likely to be opened by ending March 2012.

SLBC has been given to understand that Rural Development Department of GoJK is not sponsoring trade-wise batches of candidates for skill building trainings to precisely serve the objective of RSETIs. Most of the training programmes conducted so far have been limited scope EDPs. Consequently, the investment of resources in the initiative is not being put to optimal use.

**The Rural Development Deptt. GoJK may advise the DRDAs to sponsor suitable deserving candidates for relevant skill building programmes to avail benefit under the initiative.**

## **2. Status regarding allotment of land by State Government**

The Govt. of Jammu & Kashmir has not allotted land in favour of any of the RSETIs, so far. In the 83<sup>rd</sup> meeting of J&K SLBC held on 14.12.2011 Commissioner/ Secretary, Rural Development Department, J&K Government was advised to expedite the process of allotment of land to all the RSETIs, so that by the time the next SLBC takes place, the concerned banks should be able to confirm that land has been allotted for setting up the RSETIs in all the districts and plans for construction of infrastructure for the RSETIs had been finalized.

**The Government of J&K may inform progress in the matter 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.**

**AGENDA ITEM: 84.08****Formation of Service Area Plans for each District:**

Gol, MoF, Department of Financial Services, vide D.O. No.1 (4)/2011-CP dated 7<sup>th</sup> September, 2011, followed by letters bearing F.No.11/4/2011-FI dated 24<sup>th</sup> October 2011 and F.No.11/4/2011-FI dated 24<sup>th</sup> November 2011 addressed to Chairmen / CMDs of all SLBC Convenor banks, have advised formulation of:

- a) **Service Area Plan (both District-wise and Agency wise) of each of the 22 districts (block-wise), duly approved by DCC/DLRC as per Annexure.**
- b) **Service Area Plan for State as a whole (agency-wise), duly approved by SLBC.**

The Gol, MoF has also directed that these District-wise/ Block-wise/ Agency-wise Service Area Plans be uploaded on the respective District's websites maintained by NIC.

Accordingly, all the LDMs were directed to prepare these Service Area Plans in the prescribed format of Gol and ensure uploading of the same on respective District Websites. But till date only 8 LDMs have responded. The detailed progress with regard to the 20 districts where Service Area Plan was prepared, is given below for information of the house:

S. No.	Name of the District for which SAPs were prepared	Name of Lead Bank	Whether Website available	Whether the SAP stands uploaded on website	If not uploaded, reasons therefor
	<b>Erstwhile districts</b>				
1	Srinagar	J&K Bank	Yes	Uploaded	....
2	Budgam	J&K Bank	Yes	Uploaded	....
3	Anantnag	J&K Bank	Yes	Uploaded	....
4	Pulwama	J&K Bank	Yes	Uploaded	....
5	Kupwara	J&K Bank	Yes	Uploaded	....
6	Rajouri	J&K Bank	Yes	Uploaded	....
7	Poonch	J&K Bank	Yes	Uploaded	....
8	Baramulla	J&K Bank	Yes	Not uploaded	No reasons furnished
9	Jammu	SBI	Yes	Not uploaded	No reasons furnished
10	Udhampur	SBI	Yes	Not uploaded	No reasons furnished
11	Kathua	SBI	Yes	Not uploaded	No reasons furnished
12	Doda	SBI	Yes	Not uploaded	No reasons furnished
	<b>Newly created districts</b>				
13	Ganderbal	J&K Bank	No	...	Website not available
14	Kulgam	J&K Bank	No	...	Website not available
15	Shopian	J&K Bank	No	Uploaded on Pulwama website	Website not available
16	Bandipora	J&K Bank	No	...	Website not available
17	Samba	SBI	No	...	Website not available
18	Reasi	SBI	No	...	Website not available
19	Ramban	SBI	No	...	Website not available
20	Kishtwar	SBI	No	...	Website not available

**Concerned LDMs may inform progress in the matter, so that Gol is informed accordingly**

**SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)****AGENDA ITEM: 84.09****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 December 2011.

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

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

It is manifest from the figures as shown in the Annexures that banks by the end of December 2011 have provided total credit of Rs.2,870.60 Crore in favour of 1,39,831 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 79% in financial terms and 59% 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 Q3 of FY 2011-12 with Q3 of PY 2010-11 (YoY) is given hereunder:

**(Amount in Crore of Rs.)**

Name of Bank	FY 2010-11			CFY 2011-12		
	Target	Achievement (31.12.2010)	%age of Achiev.	Target	Achievement (31.12.2011)	%age of Achiev.
J&K Bank	1103.14	1333.28	121	1492.44	2097.45	141
SBI	381.14	144.33	38	499.99	171.61	34
PNB	249.84	115.03	21	283.86	143.78	51
Other Comm. Bks.	455.09	137.83	30	402.52	113.11	28
Coop. Banks	300.40	118.69	40	396.55	132.62	33
RRBs	329.25	148.57	45	541.69	210.74	39
Other FIs	2.05	0	0	2.64	1.28	49
<b>TOTAL</b>	<b>2820.91</b>	<b>1997.73</b>	<b>71</b>	<b>3619.69</b>	<b>2870.60</b>	<b>79</b>

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

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

Against the annual target of Rs.846.06 Crore for 1,38,748 beneficiaries, banks have disbursed a total amount of Rs.640.17 Crore in favour of 54,395 beneficiaries under this sector by the end of December 2011 thereby registering an achievement of 76% and 39% in financial and physical terms respectively.

Out of this, an amount of Rs.201.81 Crore in favour of 27,556 agriculturists against a target of Rs.347.86 Crore fvg. 89,126 beneficiaries have been disbursed under Crop Loan. The achievement of banks under this segment is of the order of 58% & 31% 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-C & D](#).

While analyzing the quantum-wise disbursement based on absolute terms, the major contributors have been the J&K Bank (Rs.403.73 Crore), PNB (Rs.64.29 Crore), SBI (33.97 Crore), J&K Grameen Bank (Rs.51.07 Crore), Ellaquai Dehati Bank (Rs.36.86 Crore), Anantnag Central Coop. Bank (Rs.4.65 Crore) and Jammu Central Coop. Bank (Rs.11.76 Crore), thereby achieving 109%, 122%, 31%, 47%, 87%, 20% and 31% respectively of their individual targets. Although some other banks like United Bank, HDFC Bank and Vijaya Bank have registered achievement of 1113%, 548% and 23% 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.1725.95 Crore for 59,531 beneficiaries, banks have disbursed an amount of Rs.958.04 Crore in favour of 27,545 beneficiaries by the end of December 2011, thereby registering an achievement of 56% and 46% 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.634.21 Crore), SBI (Rs.63.54 Crore), PNB (Rs.48.73 Crore), JCC Bank (Rs.47.34 Crore), JKGB (Rs.45.05 Crore), HDFC Bank (Rs.25.89 Crore), EDB (Rs.15.48 Crore), P&S Bank (Rs.6.94 Crore), Canara Bank (Rs.5.40 Crore), BCC Bank (Rs.15.28 Crore), OBC (Rs.5.53 Crore) and Citizens' Coop. Bank (Rs.5.89 Crore).

**(III) MICRO CREDIT:**

As against the annual target of Rs.476.41 Crore in favour of 26,005 beneficiaries banks have disbursed total amount of Rs.193.26 Crore in favour of 13,639 beneficiaries by the end of December 2011. This works out to 41% achievement in financial and 51% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.67.64 Crore), J&K Grameen Bank (Rs.43.52 Crore), State Bank of India (Rs.33.64 Crore), EDB (Rs.15.02 Crore) and Punjab National Bank (Rs.11.48 Crore).

**(IV) EDUCATION:**

As against the annual target of Rs.151.36 Crore in favour of 4,686 beneficiaries banks have disbursed total amount of Rs.48.69 Crore in favour of 3,545 beneficiaries by the end of December 2011. This works out to 32% and 75% achievement in financial and physical terms respectively.

**(V) HOUSING:**

As against the annual target of Rs.419.91 Crore in favour of 8,922 beneficiaries banks have disbursed total amount of Rs.1,030.45 Crore in favour of 40,707 beneficiaries by the end of December 2011. This works out to an achievement of 245% and 456% 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 December 2011 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2011-12 are given as **Annexure-D**.

(Amount in Crores of Rupees)			
Region	Targets	Achievements	Achievement %
Kashmir	1659.23	1646.39	99
Jammu	1878.91	1184.94	63
Ladakh	81.55	39.27	48
<b>TOTAL</b>	<b>3619.69</b>	<b>2870.60</b>	<b>79</b>

**I) KASHMIR REGION:**

In the Kashmir region an amount of Rs.1,646.39 Crore against the target of Rs.1,659.23 Crores (99% achievement) has been disbursed by the end of December 2011 with a sector-wise distribution of Rs.707.42 Crore for the Housing sector (324% achievement), Rs.439.13 Crore for Small Enterprises sector (58% achievement), Rs.393.64 Crore for

the Agriculture Sector (78% achievement), Rs.80.49 Crore for Micro Credit sector (71% achievement) and Rs.25.72 Crore for the Education Sector (44% achievement).

Out of the total disbursement of Rs.1646.39 Crore in Kashmir region, Small Enterprises sector has received 27%, Housing Sector 42.96%, Agriculture Sector 23.90%, Micro Credit 4.89% and Education Sector 1.56%.

## **II) JAMMU REGION:**

In the Jammu region an amount of Rs.1,184.94 Crore has been disbursed by the end of December 2011 against the target of Rs.1,878.91 Crore (63% achievement) with a sector-wise distribution of Rs.495.23 Crore in Small Enterprises (54%), Rs.321.10 Crore in Housing sector (169%), Rs.243.80 Crore in Agriculture Sector (75%), Rs.102.49 Crore in the Micro Credit (29%) and Rs.22.31 Crore in Education Sector (25%).

Out of the total disbursement of Rs.1,184.94 Crore in Jammu region, Small Enterprises sector has received 41.79%, Housing sector 27.09%, Agriculture Sector 20.57%, Micro Credit 8.65% and Education Sector 1.88%.

## **III) LADAKH REGION:**

In the Ladakh region an amount of Rs.39.27 Crore has been disbursed by the end of December 2011 against the target of Rs.81.55 Crore (48%) with a sector-wise distribution of Small Enterprises Rs.23.69 Crore (53%), Rs.1.93 Crore for Housing sector (18%), Rs.2.72 Crore in Agriculture Sector (15%), Rs.10.28 Crore for Micro Credit (200%) and Rs.0.65 Crore in Education Sector (25%).

Out of the total disbursement of Rs.39.27 Crore in Ladakh region, Small Enterprises sector has got 60%, Housing sector 4.91%, Agriculture Sector 6.92%, Micro Credit sector 26% and Education Sector 1.66% of credit.

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

Under non-priority sector the banks have disbursed an amount of Rs.1,581.27 Crore to 53,350 beneficiaries by the end of December 2011.

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



**AGENDA ITEM: 84.10**

**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 December 2011:**

Against the Annual Action Plan 2011-12 target of Rs.214.90 Crore for 18,788 beneficiaries for all banks operating in the State, the achievement of banks at the end of December 2011 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.136.17 Crore spread over 9,563 beneficiaries in all the three regions of the State thereby registering a performance of 63% & 51% 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.96.63 Crore to 6,501 beneficiaries (being 27% of the target in financial and 22% in physical terms. The performance details under GSS are given in [Annexures E & E1](#).

**1) REGION-WISE ANALYSIS OF ACHIEVEMENTS**

**i) KASHMIR REGION:**

Banks have disbursed a total amount of Rs.90.30 Crore to 6,540 beneficiaries by the end of Q3 of FY 2011-12 under these five major Government Sponsored Schemes against the annual target of Rs.138.85 Crore for 10,571 beneficiaries, thereby achieving 65% & 62% in financial and physical terms respectively against the achievement at Rs.49.85 Crore to 3,362 beneficiaries (19% in financial & 18% in physical terms) for the corresponding period of the previous year.

**ii) JAMMU REGION**

Banks have disbursed an amount of Rs.35.68 Crore in favour of 2,704 beneficiaries by the end of Q3 of FY 2011-12 against the annual target of Rs.66.59 Crore to 7,438 beneficiaries under these schemes, which accounts for 54% and 36% achievement in financial and physical terms respectively as against achievement of banks at Rs.40.41 Crore to 2,849 beneficiaries (44% in financial and 31% physical terms) as on 31<sup>st</sup> December 2010.

**iii) LADAKH REGION**

Banks have disbursed a total amount of Rs.10.19 Crore in favour of 319 beneficiaries by the end of Q3 of FY 2011-12 under these five major Government Sponsored Schemes against annual target of Rs.9.46 Crore for 779 beneficiaries, which works out to 108% achievement in financial and 41% in physical terms, as against achievement of banks at Rs.6.38 Crore for 290 beneficiaries (28% in financial and 64% 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 December 2011 are discussed below in light of the figures annexed Scheme-wise as [Annexure F, F1, F2, F3 and F4](#).

**SGSY:** Under SGSY against a target of Rs.37.10 Crore for 7,420 beneficiaries, banks have disbursed an amount of Rs.26.09 Crore to 5,193 beneficiaries (which includes 911 pending cases of previous year) by the end of Q3 of FY 2011-12, which works out to achievement of 70% in financial and physical terms respectively. Out of the total achievement of Rs.26.09 Crore the major contributors are J&K Bank (Rs.13.16 Crore for 2,494 units), State Bank of India (Rs.2.33 Crore for 469 units), J&K Grameen bank (Rs.3.60 Crore for 821 units), Jammu Central Cooperative Bank (Rs.1.85 Crore for 357 units) and BCCB (Rs.1.76 Crore for 355 units). From the data available it is been observed that 11,802 cases were sponsored to banks against the target of 7,420 cases, out of which 5,853 cases were sanctioned, 2,727 cases were rejected/ returned and 3,222 Cases are pending for sanction with banks.

**PMEGP:** Under PMEGP Scheme against the annual target of Rs.34.20 Crore for 982 beneficiaries, banks at the end of Q3 of FY 2011-12 have disbursed an amount of Rs.39.50 Crore to 1,123 beneficiaries (which includes 284 pending cases of previous year) for setting up of employment generating units thereby achieving 114% and 116% in physical and in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 1123 units the major contributors are J&K Bank (672 units), J&K Grameen Bank (126 units), SBI (114 units), JCCB (47 units), BCCB (43 units) and PNB (39 units). From the data available it is been observed that only 2215 cases were sponsored to banks against the target of 982 cases out of which 1080 cases were sanctioned, 368 cases were rejected/ returned and 767 cases are pending for sanction with banks.

**JKSES:** Under JKSES, banks have disbursed an amount of Rs.63.44 Crore (including Rs.21.35 Crore of previous year's pending cases) to 2,703 beneficiaries by the end of Q3 of FY 2011-12 against the annual target of Rs.118.83 Crore for 6,675 beneficiaries, thus registering an achievement of 53% in financial terms and 40.49% of the physical target. Out of the total disbursement of Rs.63.44 Crore for 2703 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.42.97 Crore (1916 cases), Rs.9.13 Crore (355 cases) and Rs.3.93 Crore (159 cases), respectively. From the data available it has been observed that 6,700 cases were sponsored to banks against the target of 6,675 cases out of which 3,234 cases were sanctioned, 1238 cases were rejected/ returned and 2,228 Cases are pending for sanction with banks.

**SJSRY:** Under SJSRY, banks have disbursed an amount of Rs.4.50 Crore to 302 beneficiaries (which includes Rs.1.80 Crore of previous year's pending cases) by the end of Q3 of FY 2011-12 against the annual target of Rs.10.40 Crore for 722 beneficiaries, thus registering an achievement of 43.27% & 42% in financial and physical terms respectively. Out of the total achievement of Rs.4.50 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.2.75 Crore (166 units), Rs.0.52 Crore (37 units) and Rs.0.53 Crore (40 units) respectively. From the data available it is been observed that only 626 cases were sponsored to banks against the target of 722 cases out of which 334 cases were sanctioned, 107 cases were rejected/ returned and 185 Cases are pending for sanction with banks.

**SC/ST/OBC:** Under SC/ST/OBC banks have disbursed an amount of Rs.2.64 Crore to 242 beneficiaries (which includes Rs.1.69 Crore of previous year's pending cases) by the end of Q3 of FY 2011-12 against the annual target of Rs.14.36 Crore for 2,989 beneficiaries thereby registering an achievement of 18.38% & 8% in financial and physical terms respectively. Against the physical target of 2,989 units, only 707 cases have been sponsored, out of which 363 cases were sanctioned by Banks, 132 cases were rejected and 212 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.**

## **AGENDA ITEM: 84.11**

### **Performance under Handicrafts / Handloom as on 31st December 2011:**

The Bank-wise achievement as on 31.12.2011 under these Schemes is discussed below in light of the figures given in the [Annexures-G, H, I & J](#).

**Handlooms:** Against a target of Rs.15.84 Crore for 1,696 beneficiaries set for banks for FY 2011-12, banks in J&K State have disbursed a total amount of Rs.2.04 Crore to 310 beneficiaries by the end of Q3 of FY 2011-12, which include 38 sanctioned cases of previous year. Against the physical target of 1,696 cases 805 cases have been sponsored to various banks, out of which the banks have sanctioned 327 cases with 309 cases pending for sanction and 169 cases rejected/ returned due to various reasons.

**Handicrafts:** Against the target of Rs.25.26 Crore for 4,311 beneficiaries set for banks under this sector for the FY 2011-12, banks have disbursed a total amount of Rs.6.29 Crore to 1017 beneficiaries by the end of Q3 of FY 2011-12, which includes 53 sanctioned cases of previous year. Against the physical target of 4,311 cases, 2,643 cases have been sponsored to various banks, out of which 1136 cases were sanctioned, 518 cases were rejected and 989 cases are lying pending with the banks for sanction.

**ACC Scheme:** As per 82<sup>nd</sup> J&K SLBC decision banks were required to provide figures of achievement under Artisans Credit Card (ACC) Scheme separately. But despite timely instructions and repeated reminders data on ACC Scheme has been received from only a few Lead District Managers, as shown under [Annexure-I](#). None of the banks have provided the said data separately to SLBC Secretariat despite repeated reminders.

**Banks/ LDMS are hereby again impressed upon to ensure that separate data for flow of credit under Artisans Credit Card is provided to SLBC Secretariat for review in SLBC meetings.**

**The house is requested to deliberate.**

**AGENDA ITEM: 84.12**

**ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS AT END OF DECEMBER 2011:**

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 December 2011 is submitted as per [Annexure-K](#).

The cumulative position of achievement under SHG Scheme as of 31<sup>st</sup> December 2011 is summarized as under:

- **Total SHGs formed upto 31.12.2011 ... 6,716**
- **SHGs Savings linked upto 31.12.2011 ... 5,428**
- **SHGs Credit linked upto 31.12.2011 ... 5,341**
- **Total loans disbursed by banks upto 31.12.2011 ... Rs.35.99 Crore**

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

**Member banks are advised to ensure submission of requisite data under SHG Scheme to SLBC Secretariat strictly as per the revised format and within the timelines as prescribed under Calendar of programmes.**

**AGENDA ITEM NO: 84.13**

**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 launched ISHUP Scheme in February 2009 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 National Housing Bank (NHB) and Housing & Urban Development Corporation Limited (HUDCO) have been designated as the Nodal Agencies for administration on release of 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.
- State Urban Development Agency (SUDA) has been nominated by State Government to identify, motivate and organize beneficiaries to seek loans for building or buying houses and forward applications of eligible beneficiaries to banks/ FIs in the State.

**Progress regarding 87 cases sponsored by Srinagar Municipal Corporation:**

As conveyed by the Joint Commissioner (Adm.), Srinagar Municipal Corporation (SMC) vide their letter No. SMC/PS/JCA/1815-16 dated 03.01.2012, 87 cases have been sponsored under ISHUP Scheme to J&K Bank, Zonal Office Kashmir (Central). Progress report received from J&K Bank is mentioned below:

<b>1</b>	<b>Cases sponsored by SMC, Srinagar upto 31.12.2011</b>	<b>78</b>
<b>2</b>	<b>Cases sanctioned and disbursed upto 31.12.2011</b>	<b>11 (Amount Rs.11.60 Lacs)</b>
<b>3</b>	<b>Cases returned</b>	<b>04</b>
<b>4</b>	<b>Cases under process/ pending for required papers</b>	<b>63</b>

**House is requested to deliberate**

**AGENDA ITEM: 84.14**

## **BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE)**

### **Statistical data of various Banks in J&K State as at end of December 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 December 2010 and December 2011. [Annexure-L](#)
  - Total advances of all banks operating in the State as on 31st December 2011 stood at Rs.18,018.26 Crore against Rs.17,737.11 Crore during the corresponding period of previous year.
  - The C. D. Ratio of all banks operating in the State stood at 35.18% as on 31st December 2011 against 41.42% as on 31st December 2010.
2. Statement of Bank-wise /Sector-wise advances Outstanding against Priority Sector/ Weaker Sections of the society at the end of December 2011. [Annexure-M](#)

Out of the aggregate advances of Rs.18,018.26 Crore outstanding as on 31st December 2011 an amount of Rs.11,821.48 Crore (65.61%) has gone to Priority Sector and Rs.3,038.30 Crore out of the priority sector has gone to weaker sections of the society.

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

As is manifest from the Comparative Statement of Bank-wise Deposits and Advances ([Annexure-L](#)) J&K Bank has the largest share of Rs.12,133.52 Crore comprising 67.34% of the aggregate outstanding credit of banking sector of Rs.18,018.26 Crore in the State at the end of December 2011. The share of SBI is Rs.1,782.27 Crore comprising 9.89% and that of PNB is Rs.809.96 Crore comprising 4.49%.

The NPAs position of the major banks as reflected in [Annexure-L](#) reveals that in the total NPAs of Rs.853.69 Crore in the State at the end of December 2011 the share of

J&K Bank is to the tune of Rs.314.79 Crore, that of SBI Rs.108.29 Crore and PNB Rs.114.57 Crore.

It is also evident from [Annexure-M](#) that J&K Bank has the largest share of Rs.7,997.06 Crore aggregate outstanding credit under Priority Sector comprising 67.65% at the end of December 2011 out of the total Priority Sector Bank Credit of Rs.11,821.48 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,176.47 Crore (9.95%) and Rs.611.39 Crore (5.17%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.12,133.52 Crore in J&K State as on 31.12.2011 as against its total deposits of Rs.32,008.30 Crore, thereby achieving a C. D. Ratio of 37.91%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1,782.27 Crore and Rs.809.96 Crore respectively as against their deposits of Rs.7,401.83 Crore and Rs.3,188.35 Crore, achieving a C.D. Ratio of 24.08% and 25.40%, respectively, as on 31st December 2011. The remaining 18 Public Sector Banks put together have advanced Rs.1,319.17 Crore as against their total deposits of Rs.3,090.14 Crore, which works out to a C. D. Ratio of 42.68%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.871.35 Crore against their total deposits of Rs.2,246.40 Crore, which works out to a C. D. Ratio of 38.79% as on 31st December 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.843.52 Crore as against their total deposits of Rs.2,296.13 Crore, thereby achieving C. D. Ratio of 36.74% as on 31st December 2011.

While analyzing the Priority Sector advances it has been observed that the Small Enterprises sector dominates other sectors by absorbing major share of Rs.5,524.79 Crore followed by Housing, Agriculture and Micro Credit sector with an amount of Rs.2,916.68 Crore, Rs.2,253.03 Crore, Rs.893.26 Crore respectively and the lowest share of Rs.233.72 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 NO: 84.15**



## **Review of position as per key indicators for monitoring flow of credit in J&K State as of 31st December 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 December 2011 is enclosed as [Annexure-N](#) 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 35.18% as on 31st December 2011 as against 41.42% during the corresponding period of 2010. Decline in the C.D.Ratio is a matter of concern. Banks need to make concerted efforts to improve the same.
- Total advances of all banks operating in the State as on 31st December 2011 stood at Rs.18,018.26 Crore as against Rs.17,737.11 Crore during the corresponding period of previous year.
- The Priority Sector advances of all banks in J&K State stood at Rs.11,821.48 Crore as on 31st December 2011 constituting 65.61% as against 54.45% as of 31<sup>st</sup> December 2010, which is encouraging.
- Share of Agriculture advances to total advances in the State has increased from 11.05% as on 31.12.2010 to 12.50% as on 31st December 2011 against the benchmark of 18%, which needs to be improved.
- Lending to MSMEs sector has increased from 28.81% of total advances outstanding as on 31<sup>st</sup> December 2010 to 35.62% as on 31st December 2011.
- Share of Advances to weaker sections of society has increased from 13.27% as on 31.12.2010 to 16.86% as on 31st December 2011, which is above the benchmark of 10%.
- Total bank credit under DRI Scheme in the State as on 31st December 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.854.53 Crore representing the share of 4.75% out of the total advances as on 31st December 2011 against the benchmark of 5%.

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

**AGENDA ITEM NO: 84.16**

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

In terms of Gol, Ministry of Finance, Department of Financial Services, 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 31st December 2011) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1,399.18 Crore in favour of 26,986 beneficiaries and incremental working capital loans of Rs. 887.43 Crore in favour of 6,622 existing units.
- Banks in the State have so far restructured 6,872 MSMEs accounts involving an amount of Rs. 443.50 Crores.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.8.97 Crore in favour of 642 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.1,236.85 Crore in favour of 38,443 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.1,335.30 Crore in favour of 45,417 beneficiaries.

Details of bank-wise cumulative achievements under aforesaid MSMEs package as at the quarter ended December 2011 as well as the overall cumulative progress are given in the [Annexures-O & P](#) for information of the members.

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

**AGENDA ITEM NO: 84.17**

### **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 December 2011 is given below for information of the house:

(Amount in Crores)

Serial	Name of community	No. of Accounts		Amount outstanding	
		Prev. quarter	Current Quarter	Prev. quarter	Current Quarter
<b>A</b>	<b>Christians</b>	2	3	0.13	0.13
	<b>Muslims</b>	1133	1178	30.09	31.59
	<b>Buddhists</b>	3719	3805	94.12	95.12
	<b>Sikhs</b>	5	5	0.21	0.20
	<b>Zoroastrians</b>	...	...	...	...
	<b>TOTAL</b>	<b>4859</b>	<b>4991</b>	<b>124.56</b>	<b>127.05</b>
<b>B</b>	<b>Others</b>	<b>99</b>	<b>110</b>	<b>14.67</b>	<b>14.91</b>
<b>C</b>	<b>Total Priority Sector Advances (A+B)=C</b>	<b>4958</b>	<b>5101</b>	<b>139.23</b>	<b>141.96</b>
<b>D</b>	<b>Share of A out of C (in %)</b>	<b>98%</b>	<b>99.01%</b>	<b>89.46%</b>	<b>91.48%</b>

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

#### **SEGMENT – 4 (RECENT DEVELOPMENTS)**

**AGENDA ITEM: 84.18**

**1% interest Subvention Scheme (ISS) for housing loans upto Rs.15 lakhs with cost of the house not exceeding Rs.25 lakhs:**

National Housing Bank (NHB) vide communication No. NHB/HPC/90/244/2012 dated January 3, 2012 have informed that the 1% Interest Subvention Scheme of the GoI, MoF is in operation since October 1, 2009. The Scheme provides interest subsidy on housing loans to eligible borrowers and is being implemented throughout the country by Scheduled Commercial Banks (SCBs) and Housing Finance Companies (HFCs) registered with NHB. The subsidy amount has already been allocated and provided in the union budget for the year 2011-12.

The Scheme has been extended for FY 2011-12 with increase in the housing loan limit from the earlier Rs.10 lakh to Rs.15 lakh and the cost of unit from the earlier Rs.20 lakh to Rs.25 lakh respectively.

In terms of GoI, MoF, DFS letter No. 5(60)/2009-Dev/IF-II dated 15<sup>th</sup> December, 2011, the NHB has now been designated as the common Nodal Agency for both Banks and HFCs. Accordingly, NHB has revised the Guidelines for implementation of the Scheme incorporating the changes announced in the Union Budget 2011-12. Copy of the revised Guidelines along with the format for claiming interest subvention amount and for submitting the utilization certificate is enclosed for information of the members.

Interest subsidy of 1% is applicable for the first 12 months of eligible loans sanctioned and disbursed during the currency of the Scheme. After sanctioning and disbursing the eligible loans, the implementing agency can claim disbursement of subsidy from the Nodal Agency (NHB) on monthly basis.

The Scheme is quite simplistic in content and there is need to generate more public awareness about its benefits. NHB has requested for inclusion of a regular agenda item on implementation and monitoring of 1% Interest Subsidy Scheme in the meetings of J&K SLBC.

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

**Encls: 3**

**AGENDA ITEM: 84.19**

**(i) Revival, Reforming and Restructuring Package for Handloom Sector;**

**(ii) Comprehensive Package for Handloom Sector & (iii) Weavers' Credit Card Scheme announced by Gol, Ministry of Textiles:**

**1. Revival, Reform and Restructuring Package**

Gol, Ministry of Textiles, Office of the Development Commissioner Handlooms, vide Communication No, 6/2/99-DCH/PF/DHDS dated 28<sup>th</sup> November 2011 have informed that "the Revival, Reform and Restructuring Package for Handloom Sector" will be implemented, starting with the Current Financial year, as a new Centrally Sponsored Plan Scheme with a total outlay of Rs.3,884 Crore. The Required funds will be placed with NABARD as the implementing agency. This intervention is likely to benefit 15000 Cooperative Societies and 3 lakh Weavers across the country. Under the scheme, funds will be provided for repayment of 100% of principal and 25% interest as on date of loan becoming NPA which is overdue as on 31.03.2010 in respect of viable and potentially viable Primary Weavers Cooperative Societies and Apex Societies as well as in respect of individual handloom weavers, master weavers, Self Help Groups (SHGs) and Joint Liability Groups (JLGs) who have taken such loans for handloom weaving purposes, provided the banks agree for sanctioning fresh loans. There would be an overall ceiling of Rs.50,000 per individual beneficiary as far as funding under this scheme is concerned in respect of waiver of over dues of individual handloom weavers.

The Government has further approved an interest subvention of 3% for 3 years to be extended from the date of disbursal of the fresh loan extended by banks to the eligible handloom cooperative societies and individual handloom weavers covered under the scheme. The interest subvention would not be available after the date on which a loan becomes non-performing asset. The Government will make necessary provision towards payment of Guarantee Fee @ 1% and Annual Service Fee @ 0.50%, to be paid to CGTMSE, for credit guarantee for a period of three years for the fresh loans,

The detailed guidelines of the scheme are enclosed for information of the members.

**2. Weavers' Credit Card Scheme**

The WCC Scheme aims at providing adequate and timely assistance from the Banking institutions to the weavers to meet their credit requirements, i.e. for investment needs as well as for the working capital in a flexible and cost effective manner. The Scheme would be implemented both in rural and urban areas. Details of the Scheme are enclosed.

**3. Comprehensive Package for Handloom Sector:**

Government of India has approved the Comprehensive Package of Rs.2,362.00 Crore for Handloom Sector w.e.f. 28.12.2011 to address two critical needs of the Handloom sector viz. Credit and Yarn, as given below:

**Credit:** Weavers' Credit Cards to be issued to eligible individual weavers, who will get loan between Rs.30,000 to Rs.50,000 as working capital-cum-term loan for a period of 3 years without any collateral security. Need based enhancement will be considered within the overall limit of Rs.2.00 lakh for borrowers having satisfactory performance/ conduct of account. Interest Subsidy of 3% shall be provided by the GoI so that weavers can get loan at 7-8% rate of interest.

Margin Money Assistance @ Rs.4,200/- per weaver shall be provided which will enable the handloom weavers to leverage this amount for borrowing loans from the banks.

**Credit Guarantee:** The loan thus extended by the banks to the handloom weavers will be further guaranteed by the CGTMSE to the tune of 85% of the outstanding. For this purpose, the required guarantee fee and annual service fee will be paid by the GoI.

### **Conducting of Awareness Camps**

GoI, MoT has decided to hold Special Camps all over India to generate awareness about the new initiatives and to collect applications from the target group of weavers for registration under the Weaver Credit Card Scheme. In this context GoI, MoT vide letter dated 3.1.2012 have forwarded the tentative (state-wise) schedule of the proposed Awareness Camps to be held with the support of GoI, MoT, wherein the cost of organizing the camps will be borne by them @ Rs.40,000 per Camp for about 500 weavers in each Camps. The funds for the Camps will be provided to the Implementing Agency (i.e. NHDC/ ACASH/Lead Bank/ WSC/any other Handloom related Agency recommended by the State Government. State Governments have been requested to extend necessary cooperation in organizing these camps.

SLBC Secretariat has already directed all the LDMS to coordinate with the concerned State Government Department/ agency and extend necessary cooperation for conducting the workshops in the State.

**House is requested to deliberate the issue and decide upon the methodology for implementation of the loan waiver under the said handloom package and issuance of Weaver's Credit Cards in J&K State**

**Encls: Guidelines**