

**SEGMENT-1 (REVISION)**

**CONFIRMATION OF MINUTES OF  
84<sup>th</sup> MEETING OF J&K SLBC HELD ON 18<sup>th</sup> FEBRUARY 2012, AND  
SPECIAL MEETING OF J&K SLBC HELD ON 21<sup>ST</sup> MARCH 2012**

- 1) The minutes of 84<sup>th</sup> meeting of J&K SLBC held on 18<sup>th</sup> February 2012 at Jammu to review the performance / achievements of the banks / financial institutions operating in the State as at the end of December 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-83/2011-663 dated 28.02.2012. The actionable points have been indicated to the concerned quarters for taking desired action.
  
- 2) The minutes of Special meeting of J&K SLBC held on 21<sup>st</sup> March 2012 at Jammu on the eve of visit of the Governor, Reserve Bank of India, Dr.D.Subbarao, to J&K State to review performance of the banks operating in the State under Financial Inclusion and key indicators, 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/Spl. SLBC/2012-40 dated 11.4.2012. The actionable points have been already indicated to the concerned quarters for taking desired action.

No amendments to the said published minutes of meetings have been received from any quarter, so far.

**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:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
<b>73 (b)</b> <b>18.06.2008</b>	Removal of legal glitches to enforce SARFAESI Act in J&K State	J&K Government Commissioner/ Secretary (Law)	In the 84 <sup>th</sup> SLBC meeting the Special Secretary Finance, J&K Govt. informed that Gol. MoF has responded to the communication from Law Department, J&K Govt., wherein they continue to hold the view that there are enough safeguards available in the legislation itself that address to the concerns of State Govt. He further informed that the Ministry is likely to interact with the Chief Secretary on this issue through a Video Conference slated on 22 <sup>nd</sup> February 2012.  The Chief Secretary also endorsed that the issue has to be discussed with the Ministry of Finance, Gol in the Video Conference being held shortly, wherein both sides will share their respective viewpoints for seeking a solution to the issue.

Resolution of the issue of enforcing SARFAESI Act in J&K State will also simultaneously facilitate scope of extending Central Registry already created in J&K.

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

### 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</b> <b>dated</b> <b>5.09.2011</b>	A Sub-Committee was constituted to examine the issues and make suitable recommendations. 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. Subsequently, in terms of decision taken in 82 <sup>nd</sup> SLBC meeting the issue of exemption of the Subsidy Reserve Fund from NDTL requirement was taken up with Reserve Bank of India.	Reserve Bank of India	In the 84 <sup>th</sup> SLBC meeting RBI informed that it has not been possible for RBI to accede to that request because RBI directives are applied uniformly all over the country, whereas this exemption would be State specific.  Accordingly, the Chief Secretary advised the <b>Com./ Secretary Industries and Commerce, and Com./ Secretary, Labour &amp; Employment Department to re-look into the issue and sort it out keeping in view that JKSES is a very important Scheme for J&amp;K State.</b>

**Government may inform progress in the matter**

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

<b>Agenda Item/ Date of SLBC</b>	<b>Summary of decisions/ Action points.</b>	<b>Action taken by A&amp;AP Deptt. J&amp;K Bank / Status</b>
<b>83.03 Dated 14<sup>th</sup> Dec., 2011</b>	<p>In the 84<sup>th</sup> SLBC meeting Chief Secretary expressed displeasure that rather than ensuring that credit is actually disbursed to the deserving artisans, the focus of discussion has remained on reconciliation of the cases. Stressing on the need for evolving a proper system, adopting the cluster approach and sending cases of a particular area to the respective zonal offices of the banks in bunches, the Chief Secretary advised the officers of Handicrafts Department to personally visit the concerned zonal offices of banks and ensure that the cases found complete in all respects, should be got sanctioned and disbursed by the bank without any delay.</p> <p><b>In the said SLBC meeting it was decided that all the pending cases of artisans, which are complete in all respects must be cleared before 15<sup>th</sup> of March 2012 and be disbursed before 31<sup>st</sup> March 2012.</b></p>	<p><b>Progress Report from A&amp;AP Department of J&amp;K Bank, as of 31.3.2012 indicates as under:</b></p> <p><b>Total Cases received ... 1,422</b></p> <p><b>Cases Sanctioned ... 742</b></p> <p><b>Cases Disbursed ... 704</b></p> <p><b>Cases Returned ... 652</b></p> <p><b>Cases Pending ... 28</b></p>

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

5) Handloom package:

Agenda Item/ date	Summary of decisions/ Action points.	Action taken by A&AP Deptt. J&K Bank / Status
84.19 dated 18.2.2012	(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:	In the said 84 <sup>th</sup> SLBC the CGM, NABARD informed that for implementing the Scheme in J&K State the Gol requires the principal approval of GoJ&K that the <b><u>State Government is willing to participate in the Scheme and pay 10% share and bring in reforms in the Cooperative Sector.</u></b> If that willingness comes to Gol, then only NABARD will be able to do the special audit in the State. He stated that the commitment from the State Government is yet to be received by office of the Dev. Commissioner, Handlooms. In the meeting the <b>Chief Secretary observed that under the Scheme State Government is required to make some commitment and the banks are required to give some undertaking for enabling the scheme to take of in the State.</b> He advised the Commissioner/ Secretary, Industries & Commerce to coordinate the matter and ensure that the Handloom package is properly implemented in the State of J&K properly, so that the handloom weavers of the State are benefited.

Government may inform progress in the matter.

6) Selection of 6 districts in J&K State for planned credit flow to Agriculture:

Agenda Item/ date	Summary of decisions/ Action points.	Action taken / Status
Special SLBC held on 21.3.2012	The Hon'ble Governor, Reserve Bank of India, Dr. D. Subbarao, issued directions that six districts in the State, 3 each in Kashmir and Jammu divisions, be identified and concerted efforts are made for increasing lending in agriculture sector especially for crop loans.	The issue was discussed in the meeting of the Sub-group of SLBC held on 12 <sup>th</sup> April, 2012 at J&K Bank, Corporate Headquarters, Srinagar, wherein the following six districts were identified for special focus and planned credit flow to agriculture sector: <b><u>KASHMIR DIVISION:</u></b> Baramulla, Kulgam and Shopian <b><u>JAMMU DIVISION:</u></b> Jammu, Samba and Udhampur  All the member banks/ concerned LDMs have been advised to double the targets for agriculture sector with special focus on the identified 6 districts and providing KCCs to all eligible farmers as per directions of Gol. Hence, special consideration has been given to this aspect in DCPs/ ACP.

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

### **1) Meeting of Sub-Committee of J&K SLBC on Relaxation to Trade & Industry in J&K State:**

A meeting of the Sub-Committee of the J&K SLBC on Relaxation to Trade & Industry in J&K State to consider extension or otherwise in the period of Relaxations/ Concessions to Trade & Industry in J&K State beyond its validity period, i.e. 31<sup>st</sup> March 2012, was held on 22<sup>nd</sup> of March 2012 at Jammu. In the said meeting it was unanimously decided to recommend to Reserve Bank of India for extending the period of package by a further period of 2 years. Minutes of the said meeting were uploaded on J&K SLBC website: [www.jkslbc.com](http://www.jkslbc.com) and also circulated vide No. LBD/SLBC/262-IV/2012-154 dated May 11, 2012.

Reserve Bank of India, R. O. Jammu, vide letter No. LBD/SLBC/262-IV/2012-732 dated 28.03.2012, followed by reminder dated 11.5.2012, has already been requested to grant approval for extension of the Relaxations/ Concessions to Trade & Industry in J&K State by a further period of two years beyond 31<sup>st</sup> March 2012. But the approval of Reserve Bank of India in the matter is yet awaited.

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

### **2) Meeting of the Sub-group of J&K SLBC constituted to prepare a workable action plan for increasing Credit Deposit Ratio of J&K State by 31<sup>st</sup> March 2013:**

Pursuant to the directions of the Governor, Reserve Bank of India, Dr. D. Subbarao, issued during the Special meeting of J&K SLBC, a meeting of the Sub-group of J&K SLBC constituted to prepare a workable action plan for increasing Credit Deposit Ratio of J&K State by 31<sup>st</sup> March 2013 at J&K Bank's Corporate Headquarters, Srinagar, wherein among other things, the banks expressed their commitment to take necessary measures for enhancing the CD Ratio to the desired level of 40% by the end of March 2013. Minutes of the said meeting have been already webcast on J&K SLBC website: [www.jkslbc.com](http://www.jkslbc.com) and also circulated vide No. LBD/SLBC/Sub-group CDR/2012-111 dated April 27, 2012. A copy of the same is enclosed for information of the house.

Encls: **Minutes**

**3) Bi-annual Meeting of Chairman/ CMDs of SLBC Convenor Banks with LDMs of the State:**

Government of India, Ministry of Finance, vide communication F.No.2/6/2011-FI dated 15<sup>th</sup> March, 2012 (copy enclosed) have advised that the SLBC Convenor banks should convene a bi-annual meeting of all LDMs of the State. These meetings should be held immediately after budget, i.e. in the month of March/ April and then in the Month of October/ November to have a mid-term review of the progress. GoI, MoF have also forwarded the tentative agenda for this meeting in line with the national agenda.

In compliance with the said GoI, MoF directive the first Bi-annual meeting of Chairman/CEO, J&K Bank (Convenor, J&K SLBC) with LDMs of all the 22 districts of J&K State was convened on 3<sup>rd</sup> of May 2012 at J&K Bank, Corporate Headquarters, Srinagar.

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

**SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)****AGENDA ITEM NO: 85.01****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 un-banked villages in J&K State having population of over 2000 were identified in J&K State, which were allocated to 5 major banks for providing banking services through various ICT-based banking outlets including through BCs and the Financial Inclusion Plan of the State was accordingly drawn. The concerned participating banks were directed to complete the target by March 2012.

Progress achieved by the concerned participating banks in implementation of the State FIP as at the end of March 2012 is given below:

S. No	Name of Bank to which allocated	Number of villages allocated by J&K SLBC	No. of households to be covered	No. of villages covered and the model of banking outlet provided				No. of Financial accounts opened	No. of villages yet to be covered
				BR	BC	MV	Total		
1	The J&K Bank	535	347237	2 +1	465	...	467 (* ) +1	174766	68
2	State Bank of India	95	42750	...	95	...	95	13140	...
3	Punjab National Bank	35	22436	...	34	...	34	6283	...
4	J&K Grameen Bank	95	34288	...	95	...	95	37250	...
5	Ellaquai Dehati Bank	35	17286	8	...	27	35	23310	...
	<b>TOTAL</b>	<b>795</b>	<b>463997</b>	<b>11</b>	<b>689</b>	<b>27</b>	<b>727</b>	<b>254749</b>	<b>68</b>

(\*) As the J&K Bank had already opened its branch in March 2011 at Village Sheeri Narvaw (District Baramulla), which was basically allocated under FIP to Punjab National Bank, therefore, the said village has been reduced from allocated list of Punjab National Bank and deemed to be already covered by J&K Bank.

The list of 68 villages, which are yet to be covered, is enclosed for information of members.

**House is requested to deliberate**

**Encls: 02**

## AGENDA ITEM NO: 85.02

### Implementation of Electronic Benefit Transfer (EBT):

#### Gol, MoF directions regarding implementation of EBT

Gol, MoF vide Circular dated 21.10.2011 regarding Strategy and guidelines on Financial Inclusion, have directed that “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 EBT 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 SLBC and the roadmap for Electronic Benefit Transfer in respect of each scheme must be finalized”.

For this purpose Gol, MoF have directed that **one district-many banks-one leader bank model be adopted** in the State as envisaged under the Operational Guidelines on Electronic Benefit Transfer and its convergence with the Financial Inclusion Plan issued by Reserve Bank of India.

#### Operational Guidelines of RBI on EBT

Operational Guidelines on implementation of EBT were issued by RBI vide Circular No.RBI/2011-12/153 dated August 12, 2011. The detailed workflow for adopting **One District-many banks-One Leader Bank Model** is mentioned below for information of the members:

- **State Government to select a Leader bank for EBT implementation in respect of a particular district and designate a Nodal Department for coordination at district level;**
- **State Government to sign MOU with the Leader bank in respect of a particular district;**
- **Leader bank to make arrangements with other participating banks in the district, on revenue sharing contract;**
- **Nodal Department to give list of all beneficiaries to the Leader bank;**
- **Leader bank to distribute the list of beneficiaries among all participating banks;**
- **Participating banks to appoint to select the technology provider and deploy BC/ CSPs in all villages;**
- **BC/ CSPs to enroll all beneficiaries, participating banks to open accounts and issue Smart cards;**
- **Nodal Department to open a savings bank account with the Leader Bank;**
- **Nodal Department to provide files electronically containing details of beneficiaries each month and arrange for crediting the required amount into the Saving bank A/c with leader bank;**



- **Leader bank to arrange for crediting the amount electronically to other participating banks;**
- **Participating banks to credit the beneficiary accounts on the same day and send confirmation to the Leader bank;**
- **Leader bank will confirm credit to the Nodal Department;**
- **MIS reports to be provided by participating banks to Leader bank and leader bank in turn to submit reports to the Nodal Department;**
- **Reconciliation with the Nodal Department to be done by the leader bank preferably on daily basis, but at least on weekly basis;**
- **Developments in the implementation of EBT to be mailed to DCC/ BLBC level every month by the leader bank. Any policy or structural issues in the implementation to be discussed at SLBC level**

These operational guidelines on EBT were deliberated upon in the 84<sup>th</sup> meetings of J&K SLBC held on 18<sup>th</sup> February 2012 for adoption of “**One-district-Many banks-one Leader Bank**” model for J&K State, wherein the Chief Secretary, J&K State had advised the concerned department in J&K Government to take necessary measures in this regard immediately, so that the directive of Gol, MoF is complied with in letter and spirit to achieve the objective of the **initiative**.

Subsequently the issue again came up for deliberation in the Special SLBC meeting held on 21.3.2012 on the eve of visit of Governor, RBI to J&K State, wherein it was decided to constitute a Sub-group under the Chairmanship of Commissioner/ Secretary (IT), J&K Govt. to workout details required for implementation of the EBT Scheme in J&K State.

Accordingly, Govt. of J&K vide Order No. 137 of 2012 dated 23.04.2012 has constituted a sub-group under Secretary to Govt. Information Technology Department. The first meeting of sub-group is being held shortly.

**Government may inform progress on the issue.**

**AGENDA ITEM: 85.03****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 and <2000, 1273 such villages were identified on the basis of information provided by all the LDMs in J&K State. These villages 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.

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>

These 1273 villages include 22 villages in respect of Udhampur/ Ramban earlier forwarded by concerned LDM Udhampur/ Ramban. However, recently, LDM Udhampur/ Ramban has forwarded the modified and revised list of un-banked villages (having population 1000 to 2000) in view of previous inadvertent identification. Accordingly, the total number of un-banked villages with population >1000 & <2000 in J&K State shall stand revised as 1393. **Bank-wise allocation of these additional 120 un-banked villages (98 in District Udhampur and 22 in District Ramban) shall be decided by SLBC Secretariat subsequently with due consideration to the Service Area.**

As conveyed by Gol, MoF, vide communication F.No.3/5/2012-FI(C 52937) dated 1.5.2012, it has been decided to extend the "Swabhimaan" campaign to habitations with population of more than 1000 in northeastern and hilly States and to other habitations which have crossed population of 2000 as per Census 2011. Accordingly, Gol, MoF have directed to make concerted efforts to provide banking facilities to habitations with population of more than 1000 in a time bound manner latest by 31<sup>st</sup> March 2013.

**Concerned banks to whom these villages have been allocated are advised to ensure submission of Roadmap/ Plans to cover all these villages on the lines of previous FIP within the prescribed timelines, viz. 31<sup>st</sup> March, 2013**

**AGENDA ITEM NO: 85.04**

**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 coverage of all 5 un-banked blocks in J&K State, viz. Block Pahlu (Kulgam), Block Duggan (Kathua), Block Gundana (Doda), Blocks Wadwan and Nangseni (Kishtwar) by opening new 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**

In terms of Gol, MoF recent directive issued vide F.No.21/13/2009-FI (Pt.) dated 8<sup>th</sup> November 2011 banks operating in J&K State have submitted their Branch Expansion Plans envisaging a total of 209 new branches to be opened in the 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). The Plan also envisages 58 new bank branches to be opened in the 7 identified under-banked districts of the State, viz. Anantnag, Kulgam, Doda, Ramban, Kishtwar, Kupwara and Poonch.

**Progress achieved on Branch Expansion Plan:**

As per reports received, upto the end of 31<sup>st</sup> March 2012 banks have opened only 58 new bank branches, which include 20 branches opened in the identified under-banked districts of the State. During the month of April 2012 six more new bank branches have been opened by the banks taking the total number of branches opened under BEP to 64. The detailed month-wise progress is enclosed for information of the members.

**Progress is slow. Concerned banks need to take suitable measures to improve the progress in opening new branches as per Branch Exp. Plan.**

**Encl. 1**

## **AGENDA ITEM NO: 85.05**

### **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, SLBC, the progress achieved in implementation of 100% Financial Inclusion is required to be reviewed in the SLBC meetings as a regular agenda item.

#### **(i) Master Circular on Strategy and Guidelines on Financial Inclusion**

Gol, MoF vide F. No.21/13/2009-FI (Vol II-Pt.) dated 4<sup>th</sup> April, 2012 have issued a Master Circular on Strategy and Guidelines on Financial Inclusion (copy enclosed for ready reference) incorporating the existing guidelines / instructions issued by the Government on the subject from time to time in a consolidated form. The said Master Circular has already been circulated to all the member banks / LDMs for implementation of the Gol, MoF directives on Financial Inclusion. Main features of the said Master Circular are reproduced below for information of the members:

#### **Banking Responsibility in terms of Gram Panchayat:**

- Service Area Approach would be adopted for the coverage of entire country for financial inclusion. 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. Areas to be served by existing and to be opened branches should also be specified in terms of Gram Panchayats and other areas may be covered through the BC model.

#### **Coverage Plan & Preparation of State / District Financial Services Plan:**

- Banks must, with their service area, assign the existing BCs the area of entire Gram Panchayat, or if required, also the adjoining Gram Panchayat in accordance with Para 5.4 of the Master Circular. Banks must also assign the BCs, to be appointed as per sub Para (i) and (ii), the area of entire Gram Panchayat in which village having population of 1000 or 2000 falls, as the case may be.
- It has been decided that the District Lead Bank Officer, Officer in charge of NABARD and Nodal Officers of Public Sector Insurance Companies, both life and non-life, would prepare a comprehensive Annual District Financial Services Plan covering banking, rural development, insurance etc. These officers would also meet once every month to review the progress and resolve inter agency issues.
- At the State Level, SLBC Convenor, NABARD in-charge for the State and State in-charge of Public Sector Insurance Companies, both life and non-life, would prepare similar Annual State Financial Services Plan. At the State level also, these officers would meet once every month to review the progress and resolve inter-agency issues.

#### **Opening of Branches and Ultra Small Branches:**

- In the under-banked districts as listed by RBI, the banks shall within their service area, open a regular brick and mortar branch in larger habitations with population of 5000 and above by September 2012.

- In other districts, banks must try to open as many brick and mortar branches, in their service areas, in habitations having population of 10,000 and above by September, 2012.
- To minimize the cost of financial inclusion initiative, to see that the cost has a relationship to growth in business, and hence, the profitability of the bank, considering the need of close supervision and mentoring of business correspondent agents (BCAs) by the respective bank branch and to ensure that a range of banking services are available to the residents of such villages, it has been decided that Ultra Small Branches would be set up at all places where opening of a brick and mortar branch is presently not viable; and in all villages covered or to be covered through BC agents.
- All villages with population of 5000 or more, need to have a bank branch. However, banks can start with an Ultra Small Branch (USB) in these villages where opening of a regular brick & mortar branch is not considered viable at present and then convert it into a full-fledged branch when the branch reaches the desired level of business.

#### **Business Correspondents (BC)**

- It is necessary to ensure that the business model of BCs is commercially sound and that they become financial viable in a reasonable time, say 2 years. This would require that each BC handle a reasonable number of household accounts, keeping geographical coverage in consideration.

#### **Geographical Information System:**

- A web based application to develop a GIS for the bank branch and insurance network in the country has been launched by Department of Financial Services. The project envisages capturing existing information about bank branches, ATMs, BCs, Clearing houses and Currency Chests of Scheduled Commercial Banks and branches of Insurance Companies at village level.

#### **Kissan Credit Card as Smart Card.**

- In pursuance of announcement made by Finance Minister in his budget speech 2012-13, NABARD has issued guidelines for modifying KCC Scheme inter-alia to make KCC a smart card, which could be used at ATMs/ PoS/ Mobile Handsets. Banks have been advised to ensure KCC to every eligible farming household. While doing so, the financial inclusion account and the KCC account scheme should be merged into a single saving-cum-overdraft account.

#### **Actionable Points of Minutes of meeting held by GoI, MoF on F.I. on 3.11.2011:**

- 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.
- Inoperative accounts are a liability. Therefore, steps should be taken to revive these by giving them KCC/ GCC.
- 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.
- 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.

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

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

**(ii) Launch of campaign to ensure at least one bank Account for each family in FI villages**

Gol, MoF, vide letter F.No.8/11/2011-FI dated 15<sup>th</sup> May, 2012 (copy enclosed for ready reference) with regard to Para 7 of the aforesaid Master Circular on Strategy and Guidelines on Financial Inclusion issued on 4<sup>th</sup> April, 2012 relating to EBT, have advised that for the purpose of electronic transfer of subsidies into the accounts of beneficiaries it is important that the beneficiaries have an account in the Service Area bank in tune with the guidelines of the RBI on “**One District – Many Banks – One Leader Bank**” model. In this regard Gol, MoF have decided that:

- ✓ **Each bank will launch a campaign to ensure that each family living in the service area of a branch having rural villages attached to it has an account with the branch. If the family already has an account, no new account needs to be opened.**
- ✓ **In cases where the family already has more than one account in the name of its member(s), they may be encouraged to combine these into a Joint Family Account. However, in case the family wishes to continue with the separate account(s), they should be allowed to maintain such account(s).**
- ✓ **There are no requirements of Government of India to open separate account for each benefit, hence, no account be opened of the family scheme-wise.**
- ✓ **For this purpose, the last electoral roll of each village may be obtained and they may be assigned to respective BCA for the sub-service area assigned to them and where there is no BCA to any other staff of nearby branch for opening of bank account.**
- ✓ **Wherever the account holder has obtained an Aadhaar number, same should also be obtained at the time of opening of account and included in the account details.**
- ✓ **During the campaign, people may be motivated to get their account opened in banks considering that banks are already on the Core Banking Solution and electronic transfer of subsidies to the account of the beneficiary and its withdrawal through the huge network of branches/ATM/micro ATMs will be convenient.**
- ✓ **It needs to be ensured that opening of new account and changes in the existing account is completed by June 2012.**

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

**Encl: One**

## **AGENDA ITEM: 85.06**

### **Gol, MoF directive (as a part of Financial Inclusion) to ensure 100% coverage of farmers in J&K State under Kissan Credit Card (KCC) Scheme:**

For ensuring compliance with Gol, MoF directive of 100% coverage of farmers under KCC Scheme, the J&K SLBC in its 83<sup>rd</sup> meeting held on 14.12.2011, assigned to J&K Bank the job of simplifying the application form for Agriculture Credit/Crop Loan / KCC and arranging printing of 17.00 lakh such forms, whereas the job of distribution of the said forms among the farmers and collecting back the filled in forms and delivering the same to concerned service area bank branch was assigned to the Agriculture Production Department, J&K Govt.

#### **Action taken by J&K Bank/ SLBC Secretariat:**

- **J&K Bank/ J&K SLBC has since arranged printing of 17 lakh application forms:**
- **The printed forms have been delivered for distribution amongst the farmers to the Director Agriculture Kashmir and Director Agriculture, Jammu (designated by J&K Govt. for the purpose).**
- **Soft copy of the common format of application form has been uploaded on J&K SLBC website: [www.jkslbc.com](http://www.jkslbc.com) and stands since circulated to concerned Govt. Departments/ agencies as well as to all member banks/ LDMS for facilitating ready availability of forms for usage.**

In the Special SLBC meeting held on 21.3.2012, the house had advised that Agriculture Department should organize special camps in the villages where all the concerned functionaries of Agriculture Department, Revenue Department and Bank officials would be present to ensure on the spot sanction and delivery of the KCCs to the farmers.

Reportedly Directorate of Agriculture Department have already commenced distribution these forms among the farmers for getting these filled up. Presently they are in process of collecting these forms back and delivering the same to concerned Service Area bank branches for issuance of KCCs.

All the banks have been already advised to sensitize their branches for accepting these KCC forms and ensure issuance of KCCs to the eligible farmers. Banks have been also advised to provide data to SLBC Secretariat with regard to progress achieved in the matter, which is yet awaited.

**Directors of Agriculture (Jammu / Kashmir) may inform progress in the matter**

**Member Banks may inform progress on issuance of KCCs to farmers.**

**House is requested to deliberate the issue**

**AGENDA ITEM NO: 85.07**

**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 at Para 5.18 as under:

**“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 action 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:**

State Bank of India has so far set up FLCC Centres in four districts of Jammu and Udhampur, Doda and Kathua, as shown in the enclosed statement and has yet to set up the FLCC Centres in 6 districts whereas the J&K Bank has not so far set up any FLCC Centre in its 12 lead districts.

**Representatives of J&K Bank and State Bank may inform the timelines fixed for setting up the FLCC Centres in the remaining districts of the State**

Encls: **One**



**AGENDA ITEM NO: 85.08**

- 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.

**Progress achieved by J&K Bank**

J&K Bank has operationalized RSETIs in all 12 districts allocated to it by the J&K SLBC, as detailed 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	29.03.2012	9419009756
12	JKBRSETI Kupwara	Mr. Mohd. Afzal Shah Scale-IV	12.03.2012	9906713535

**Progress achieved by SBI**

SBI has so far operationalized RSETIs in its 6 lead Districts as detailed below:

<b>S. No</b>	<b>Name of District/</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 (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

**ii) 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.

In the 84<sup>th</sup> SLBC meeting held on 18.2.2012 the Chief Secretary expressed concern that despite clear guidelines from the GoI, MoRD, and despite lapse of a long time there has been no progress for allotment of land for these RSETIs. He advised the Special Secretary Finance to include the issue of allotment of land to RSETIs in the memorandum to be issued on his behalf to the Deputy Commissioners of the districts.

Subsequently in the Special SLBC meeting held on 21.3.2012, the Chief Secretary observed that when funds are available from GoI, MoRD for the purpose, proper infrastructure for the RSETIs should come up. He advised the Rural Development Department to look into the matter and ensure that land is allotted to all the RSETIs in J&K State. Concerned banks were also advised to pursue the issue with State Government.

**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 with creation of the RSETIs in all the districts of the State.**

**AGENDA ITEM: 85.09****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.**

As per the Gol, MoF directive all the LDMs were directed to prepare the Service Area Plans in the prescribed format and ensure uploading of the same on respective District Websites. Accordingly, LDMs of 12 districts have confirmed uploading of the SAPs on their respective District Websites. The details are 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 there for	Whether Uploaded on SLBC website
1	<b>Srinagar</b>	J&K Bank	Yes	Uploaded	....	Uploaded
2	<b>Budgam</b>	J&K Bank	Yes	Uploaded	....	Uploaded
3	<b>Anantnag</b>	J&K Bank	Yes	Uploaded	....	Uploaded
4	<b>Pulwama</b>	J&K Bank	Yes	Uploaded	....	Uploaded
5	<b>Kupwara</b>	J&K Bank	Yes	Uploaded	....	Uploaded
6	<b>Rajouri</b>	J&K Bank	Yes	Uploaded	....	Uploaded
7	<b>Poonch</b>	J&K Bank	Yes	Uploaded	....	Uploaded
8	<b>Baramulla</b>	J&K Bank	Yes	Uploaded	....	Uploaded
9	<b>Udhampur</b>	SBI	Yes	Uploaded	....	Uploaded
10	<b>Jammu</b>	SBI	...	Uploaded	....	Uploaded
11	<b>Kathua</b>	SBI	...	Uploaded	....	Uploaded
12	<b>Doda</b>	SBI	...	Uploaded	....	Uploaded
13	<b>Ganderbal</b>	J&K Bank	No	....	Website not available	Uploaded
14	<b>Kulgam</b>	J&K Bank	No	....	Website not available	Uploaded
15	<b>Shopian</b>	J&K Bank	No	Uploaded on Pulwama website	Website not available	Uploaded
16	<b>Bandipora</b>	J&K Bank	No	....	Website not available	Uploaded
17	<b>Samba</b>	SBI	No	....	Website not available	Uploaded
18	<b>Reasi</b>	SBI	No	....	Website not available	Uploaded
19	<b>Ramban</b>	SBI	No	....	Website not available	Uploaded
20	<b>Kishtwar</b>	SBI	No	....	Website not available	Uploaded

In the remaining 8 districts (which have been newly created in the year 2006-07) the district websites are not so far available. Concerned LDMs have been advised to take up the issue with DDCs for taking necessary steps to create District Websites in their respective Districts.

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

**SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)****AGENDA ITEM: 85.10****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 March 2012.

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

The Bank-wise/ Sector-wise achievements as at the end of March 2012 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2011-12 are given as [Annexure-A & B](#).

It is manifest from the figures as shown in the Annexures that banks by the end of March 2012 have provided total credit of Rs.3,880.84 Crore in favour of 1,79,180 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 107% in financial terms and 75% 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 Q4 of FY 2011-12 with Q4 of PY 2010-11 (YoY) is given hereunder:

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

Name of Bank	FY 2010-11			CFY 2011-12		
	Target	Achievement (31.03.2011)	%age of Achiev.	Target	Achievement (31.03.2012)	%age of Achiev.
J&K Bank	1103.14	2098.20	190	1492.44	2,738.94	184
SBI	381.14	241.04	63	499.99	224.06	45
PNB	249.84	148.51	59	283.86	186.13	66
Other Comm. Bks.	455.09	182.63	40	402.52	226.69	56
Coop. Banks	300.40	179.06	60	396.55	199.41	50
RRBs	329.25	198.64	60	541.69	302.09	56
Other FIs	2.05	1.01	50	2.64	3.52	133
<b>TOTAL</b>	<b>2820.91</b>	<b>3049.09</b>	<b>108</b>	<b>3619.69</b>	<b>3880.84</b>	<b>107</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.929.16 Crore in favour of 69,853 beneficiaries under this sector by the end of March 2012 thereby registering an achievement of 110% and 50% in financial and physical terms respectively.

Out of this, an amount of Rs.271.96 Crore in favour of 34,690 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 78% & 38.92% 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.600.75 Crore), PNB (Rs.79.91 Crore), SBI (42.78 Crore), J&K Grameen Bank (Rs.77.99 Crore), Ellaquai Dehati Bank (Rs.46.88 Crore), HDFC Bank (Rs.30.62 Crore), Jammu Central Coop. Bank (Rs.18.30 Crore) and Anantnag Central Coop. Bank (Rs.10.51 Crore), thereby achieving 162%, 152%, 39%, 74%, 110%, 164%, 49% and 45% respectively of their individual targets. Although some other banks like United Bank and Bank of Baroda have registered an achievement of 1113% and 79% 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.1381.81 Crore in favour of 41,996 beneficiaries by the end of March 2012, thereby registering an achievement of 80% and 70% 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.907.43 Crore), SBI (Rs.65.63 Crore), JCC Bank (Rs.73.32 Crore), JKGB (Rs.60.41 Crore), P&S Bank (Rs.8.52 Crore), PNB (Rs.62.85 Crore), EDB (Rs.25.53 Crore), BCC Bank (Rs.18.20 Crore), Citizens' Coop. Bank (Rs.11.88 Crore), J&K State Coop. Bank (Rs.12.42 Crore) and Central Bank of India (Rs.15.63 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.350.53 Crore in favour of 19,752 beneficiaries by the end of March 2012. This works out to 74% achievement in financial and 76% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.135.37 Crore), J&K Grameen Bank (Rs.69.72 Crore), State Bank of India (Rs.54.38 Crore), JCC Bank (Rs.10.97 Crore), EDB (Rs.16.87 Crore) and Punjab National Bank (Rs.20.54 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.67.69 Crore in favour of 4,096 beneficiaries by the end of March 2012. This works out to 45% and 87% 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.1151.65 Crore in favour of 43,483 beneficiaries by the end of March 2012. This works out to an achievement of 274% and 487% in financial and physical terms respectively.

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

The Region-wise/ District-wise/ Sector-wise achievements as at the end of March 2012 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2011-12 are given as **Annexure-C**.

(Amount in Crores of Rupees)			
<b>Region</b>	<b>Targets</b>	<b>Achievements</b>	<b>Achievement %</b>
Kashmir	1659.23	2053.31	124
Jammu	1878.91	1780.86	95
Ladakh	81.55	46.67	57
<b>TOTAL</b>	<b>3619.69</b>	<b>3880.84</b>	<b>107</b>

**I) KASHMIR REGION:**

In the Kashmir region an amount of Rs.2053.31 Crore against the target of Rs.1,659.23 Crores (124% achievement) has been disbursed by the end of March 2012 with a sector-wise distribution of Rs.724.42 Crore for the Housing sector (332% achievement), Rs.654.37 Crore for Small Enterprises sector (86% achievement),

Rs.538.83 Crore for the Agriculture Sector (107% achievement), Rs.105.67 Crore for Micro Credit sector (93% achievement) and Rs.30.02 Crore for the Education Sector (51% achievement).

Out of the total disbursement of Rs.2050.99 Crore in Kashmir region, Small Enterprises sector has received 31.91%, Housing Sector 35.28%, Agriculture Sector 26.27%, Micro Credit 5.15% and Education Sector 1.47%.

## **II) JAMMU REGION:**

In the Jammu region an amount of Rs.1,780.86 Crore has been disbursed by the end of March 2012 against the target of Rs.1,878.91 Crore (95% achievement) with a sector-wise distribution of Rs.707.63 Crore in Small Enterprises (77%), Rs.423.47 Crore in Housing sector (220%), Rs.384.56 Crore in Agriculture Sector (119%), Rs.228.17 Crore in the Micro Credit (64%) and Rs.37.03 Crore in Education Sector (41%).

Out of the total disbursement of Rs.1,751.64 Crore in Jammu region, Small Enterprises sector has received 39.74%, Housing sector 23.78%, Agriculture Sector 21.60%, Micro Credit 12.81% and Education Sector 2.08%.

## **III) LADAKH REGION:**

In the Ladakh region an amount of Rs.46.67 Crore has been disbursed by the end of March 2012 against the target of Rs.81.55 Crore (57%) with a sector-wise distribution of Small Enterprises Rs.19.82 Crore (44%), Housing sector Rs.3.76 Crore (34%), Agriculture Sector Rs.5.76 Crore (32%), Micro Credit Rs.16.70 Crore (325%) and Education Sector Rs.0.64 Crore (25%).

Out of the total disbursement of Rs.46.67 Crore in Ladakh region, Small Enterprises sector has got 42.46%, Housing sector 8.05%, Agriculture Sector 12.34%, Micro Credit sector 35.78% and Education Sector 1.37% of credit.

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

Under non-priority sector the banks have disbursed an amount of Rs.2,131.73 Crore to 73,796 beneficiaries by the end of March 2012.

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

**AGENDA ITEM: 85.11**

**CREDIT UNDER GOVERNMENT SPONSORED SCHEMES**

**I) Region-wise / District-wise / Scheme-wise and Bank-wise / Scheme-wise performance of various Banks under Government Sponsored Schemes upto 31st March 2012:**

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 March 2012 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.237.36 Crore spread over 15,584 beneficiaries in all the three regions of the State thereby registering a performance of 110% & 83% 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.190.49 Crore to 12,222 beneficiaries (being 52% of the target in financial and 41% in physical terms). The performance details under GSS are given in [Annexure-D & D1](#).

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

**i) KASHMIR REGION:**

Banks have disbursed a total amount of Rs.156.38 Crore to 10,216 beneficiaries by the end of Q4 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 113% & 97% in financial and physical terms respectively against the achievement at Rs.111.22 Crore to 6,904 beneficiaries (42% in financial & 35% in physical terms) for the corresponding period of the previous year.

**ii) JAMMU REGION**

Banks have disbursed an amount of Rs.68.18 Crore in favour of 4,816 beneficiaries by the end of Q4 of FY 2011-12 against the annual target of Rs.66.59 Crore to 7,438 beneficiaries under these schemes, which accounts for 102% and 65% achievement in financial and physical terms respectively as against achievement of banks at Rs.69.73 Crore to 4,817 beneficiaries (77% in financial and 52% physical terms) as on 31<sup>st</sup> March, 2011.



**iii) LADAKH REGION**

Banks have disbursed a total amount of Rs.12.79 Crore in favour of 552 beneficiaries by the end of Q4 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 135% achievement in financial and 71% in physical terms, as against achievement of banks at Rs.9.54 Crore for 501 beneficiaries (95% in financial and 49% in physical terms) for the corresponding period of the last year.

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

The Bank-wise achievements in five major Central/ State Government Sponsored Schemes as on 31st March 2012 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.37.10 Crore for 7,420 beneficiaries, banks have disbursed an amount of Rs.40.03 Crore to 8,063 beneficiaries (which includes 993 pending cases of previous year) by the end of Q4 of FY 2011-12, which works out to achievement of 108% in financial and physical terms respectively. Out of the total achievement of Rs.40.03 Crore the major contributors are J&K Bank (Rs.18.54 Crore for 3,757 units), State Bank of India (Rs.4.51 Crore for 823 units), J&K Grameen bank (Rs.6.15 Crore for 1309 units), Jammu Central Cooperative Bank (Rs.2.41 Crore for 487 units) and BCCB (Rs.2.65 Crore for 511 units). From the data available it has been observed that 14,282 cases were sponsored to banks against the target of 7,420 cases, out of which 8,500 cases were sanctioned, 5,205 cases were rejected/ returned and 577 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 Q4 of FY 2011-12 have disbursed an amount of Rs.74.13 Crore to 2,103 beneficiaries (which includes 372 pending cases of previous year) for setting up of employment generating units thereby achieving 217% and 214% in physical and in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 2,103 units the major contributors are J&K Bank (1345 units), J&K Grameen Bank (243 units), SBI (178 units), PNB (95 units), JCCB (76 units) and BCCB (55 units). From the data available it is been observed that only 3,290 cases were sponsored to banks against the target of 982 cases out of which 2,012 cases were sanctioned, 1,025 cases were rejected/ returned and 253 cases are pending for sanction with banks.

**JKSES:** Under JKSES, banks have disbursed an amount of Rs.112.85 Crore (including Rs.25.50 Crore of previous year's pending cases) to 4,408 beneficiaries by the end of Q4 of FY 2011-12 against the annual target of Rs.118.83 Crore for 6,675 beneficiaries, thus registering an achievement of 95% in financial terms and 66% of the physical target. Out of the total disbursement of Rs.112.85 Crore for 6,675 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.76.58 Crore(3086 cases), Rs.14.42 Crore (528 cases) and Rs.6.49 Crore (255 cases), respectively. From the data available it has been observed that 8,243 cases were sponsored to banks against the target of 6,675 cases out of which 4,877 cases were sanctioned, 2881 cases were rejected/ returned and 485 Cases are pending for sanction with banks.

**SJSRY:** Under SJSRY, banks have disbursed an amount of Rs.7.91 Crore to 569 beneficiaries (which includes Rs.2.25 Crore of previous year's 145 pending cases) by the end of Q4 of FY 2011-12 against the annual target of Rs.10.40 Crore for 722 beneficiaries, thus registering an achievement of 76% & 79% in financial and physical terms respectively. Out of the total achievement of Rs.7.91 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.5.20 Crore (345 units), Rs.0.73 Crore (56 units) and Rs.0.90 Crore (77 units), respectively. From the data available it is been observed that 1,167 cases were sponsored to banks against the target of 722 cases out of which 636 cases were sanctioned, 446 cases were rejected/ returned and 85 Cases are pending for sanction with banks.

**SC/ST/OBC:** Under SC/ST/OBC banks have disbursed an amount of Rs.2.44 Crore to 441 beneficiaries (which includes Rs.0.24 Crore of previous year's 59 pending cases) by the end of Q4 of FY 2011-12 against the annual target of Rs.14.37 Crore for 2,989 beneficiaries thereby registering an achievement of 17% & 15% in financial and physical terms respectively. Against the physical target of 2,989 units, only 1,043 cases have been sponsored, out of which 570 cases were sanctioned by Banks, 374 cases were rejected and 99 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: 85.12**

### **Performance under Handicrafts / Handloom as on 31st March 2012:**

The Bank-wise achievement as on 31.03.2012 under these Schemes is discussed below in light of the figures given in the [Annexure-F, G, H & I](#)

**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.2.96 Crore to 460 beneficiaries by the end of Q4 of FY 2011-12, which include 41 sanctioned cases of previous year. Against the physical target of 1,696 cases 1071 cases have been sponsored to various banks, out of which the banks have sanctioned 497 cases with 152 cases pending for sanction and 422 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.9.43 Crore to 1,541 beneficiaries by the end of Q4 of FY 2011-12, which includes 52 sanctioned cases of previous year. Against the physical target of 4,311 cases, 3,382 cases have been sponsored to various banks, out of which 1,630 cases were sanctioned, 1274 cases were rejected and 478 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. As per figures made available to SLBC Secretariat, banks have disbursed an amount of Rs.1.31 Crore favouring 316 Artisans, which includes 17 sanctioned cases of previous year. During the CFY 535 cases of ACC have been sponsored to banks, against which 311 cases have been sanctioned by the banks, 103 returned/ rejected and 121 cases are pending with various banks.

**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: 85.13**

**ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS AT END OF MARCH 2012**

Reserve Bank of India has desired to have a proper review of disbursement of credit through Self Help Groups (SHGs), as it is an effective tool for delivering credit to rural poor for their economic empowerment and social development and it is an alternative loan delivering system, which minimizes the cost of operation and transaction for the banks. Accordingly, the performance of banks as of 31st March 2012 in the format prescribed by NABARD is submitted as per [Annexure-J](#).

The cumulative position of achievement under SHG Scheme as of 31st March 2012 is summarized as under:

- **Total SHGs formed up to 31.03.2012** ... **7,463**
- **SHGs Savings linked up to 31.03.2012** ... **5,991**
- **SHGs Credit linked up to 31.03.2012** ... **5,907**
- **Total loans disbursed by banks up to 31.03.2012** ... **Rs.37.71 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: 85.14****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.
- As per Gol, MoHUPA guidelines the Scheme was to close in March 2012 being 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 achieved by the banks in J&K State upto the end of March 2012:**

As per the report received from J&K Bank in respect of three districts of Srinagar, Ganderbal and Budgam, the progress achieved by J&K Bank in the Scheme is given below for information of the house. No progress reports have been received from Jammu Zone so far:-

<b>1</b>	<b>Total No. of Cases sponsored upto 31.03.2012</b>	<b>99</b>
<b>2</b>	<b>Cases sanctioned and disbursed upto 31.03.2012</b>	<b>14 (Amount Rs.15.00 Lacs)</b>
<b>3</b>	<b>Percentage of achievement (Physical)</b>	<b>14%</b>
<b>4</b>	<b>Cases returned</b>	<b>44</b>
<b>5</b>	<b>Cases under process/ pending for required papers</b>	<b>41</b>

**House is requested to deliberate**

## **AGENDA ITEM: 85.15**

### **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 March 2012:**

Although SLBC is primarily assigned the role of facilitating and monitoring smooth flow of credit to priority sector yet the overall credit scenario in J&K State is revealing some interesting and peculiar behavioral aspects attracting attention like low CDR, low credit appetite, lack of entrepreneurship, etc. Precisely for the purpose of having some idea and understanding of and also to address and resolve such peculiar issues, the statistical data of various banks functioning in the J&K State is provided for the perusal of the house as under:

1. Comparative Statement of Bank-wise deposits and advances with Credit Deposit Ratio and Credit + Investment to Deposit Ratio and NPAs outstanding as on March 2011 and March 2012. [Annexure-K](#)
  - Total advances of all banks operating in the State as on 31st March 2012 stood at Rs.18,948.94 Crore against Rs.16,252.04 Crore during the corresponding period of previous year.
  - The C. D. Ratio of all banks operating in the State stood at 34.36% as on 31st March 2012 against 35.57% as on 31st March 2011.
2. Statement of Bank-wise /Sector-wise advances Outstanding against Priority Sector/ Weaker Sections of the society at the end of March 2012.

[Annexure-L](#)

Out of the aggregate advances of Rs.18, 948.94 Crore outstanding as on 31st March 2012 an amount of Rs.11, 133.10 Crore (58.75%) has gone to Priority Sector and Rs.3, 371.92 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-K**) J&K Bank has the largest share of Rs.12,692.04 Crore comprising 66.98% of the aggregate outstanding credit of banking sector of Rs.18,948.94 Crore in the State at the end of March 2012. The share of SBI is Rs.1, 899.16 Crore comprising 10.02% and that of PNB is Rs.858.39 Crore comprising 4.53%.

The NPAs position of the major banks as reflected in [Annexure-K](#) reveals that in the total NPAs of Rs.915.75 Crore in the State at the end of March 2012 the share of J&K Bank is to the tune of Rs.363.47 Crore, that of SBI Rs.174.33 Crore and PNB Rs.114.57 Crore.

It is also evident from [Annexure-L](#) that J&K Bank has the largest share of Rs.6,792.83 Crore aggregate outstanding credit under Priority Sector comprising 61.01% at the end of March 2012 out of the total Priority Sector Bank Credit of Rs.11,133.11 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,381.29 Crore (12.40%) and Rs.750.97 Crore (6.75%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.12,692.04 Crore in J&K State as on 31.13.2012 as against its total deposits of Rs.35,308.34 Crore, thereby achieving a C. D. Ratio of 35.95%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1,899.16 Crore and Rs.858.39 Crore respectively as against their deposits of Rs.7,321.26 Crore and Rs.3,407.91 Crore, achieving a C.D. Ratio of 25.94% and 25.19%, respectively, as on 31st March 2012. The remaining 19 Public Sector Banks put together have advanced Rs.1,377.43 Crore as against their total deposits of Rs.3,145.28 Crore, which works out to a C. D. Ratio of 43.79%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.943.87 Crore against their total deposits of Rs.2,433.30 Crore, which works out to a C. D. Ratio of 38.79% as on 31st March 2012.

The ten Cooperative Banks i.e. JCC Bank, BCC Bank, ACC Bank, Citizen's Coop. Bank, J&KSC Bank, DUCO Bank, SCARD, BMC, UCB and KMC Bank together have advanced Rs.865.66 Crore as against their total deposits of Rs.2,450.87 Crore, thereby achieving C. D. Ratio of 35.32% as on 31st March 2012.

While analyzing the Priority Sector advances it has been observed that the Small Enterprises sector dominates other sectors by absorbing major share of Rs.6,206.32 Crore followed by Agriculture, Housing, and Micro Credit sector with an amount of Rs.2,374.93 Crore, Rs.1474.83 Crore, Rs.845.08 Crore respectively and the lowest share of Rs.231.95 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: 85.16**

**Review of position as per key indicators for monitoring flow of credit in J&K State as of 31st March 2012:**

In terms of the Government of India, Ministry of Finance, Department of Financial Services directives the data containing key indicators as per the format prescribed by Gol in respect of the banks operating in J&K as on 31st March 2012 is enclosed as [Annexure-M](#) 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 34.36% as against 35.57% during the corresponding period of 2011. 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 March 2012 stood at Rs.18,948.94 Crore as against Rs.16,252.04 Crore during the corresponding period of previous year.
- The Priority Sector advances of all banks in J&K State stood at Rs.11,133.10 Crore as on 31st March 2012 constituting 58.75% as against 62.19% as of 31<sup>st</sup> March 2011.
- Share of Agriculture advances to total advances in the State has increased from 11.89% as on 31.03.2011 to 12.53% as on 31st March 2012 against the benchmark of 18%, which needs to be improved.
- Lending to MSMEs sector has increased from 32.73% of total advances outstanding as on 31<sup>st</sup> March 2011 to 37.21% as on 31st March 2012.
- Share of Advances to weaker sections of society has increased from 15.06% as on 31.03.2011 to 17.79% as on 31st March 2012, which is above the benchmark of 10%.
- Total bank credit under DRI Scheme in the State as on 31<sup>st</sup> March 2012 stood at a meager figure of Rs.1.61 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.1155.67 Crore representing the share of 6.10% out of the total advances as on 31<sup>st</sup> March 2012 against the benchmark of 5%.

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



**AGENDA ITEM NO: 85.17**

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

In terms of GoI, 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 March 2012) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1,487.88 Crore in favour of 27,761 beneficiaries and incremental working capital loans of Rs. 955.80 Crore in favour of 6,782 existing units.
- Banks in the State have so far restructured 6,804 MSMEs accounts involving an amount of Rs. 443.76 Crores.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.8.82 Crore in favour of 644 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.1,268.39 Crore in favour of 38,990 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.1,505.22 Crore in favour of 51,153 beneficiaries.

Details of bank-wise cumulative achievements under aforesaid MSMEs package as at the quarter ended March 2012 as well as the overall cumulative progress are given in the [Annexure-N](#) & [O](#) for information of the members.

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

**AGENDA ITEM NO: 85.18****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 for 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.

Accordingly, based on the data received from LDM, Leh, credit flow to Leh District under priority sector as on 31st March 2012, 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>	3	3	0.13	0.13
	<b>Muslims</b>	1178	1189	31.59	31.63
	<b>Buddhists</b>	3805	4249	95.12	101.07
	<b>Sikhs</b>	5	5	0.21	0.29
	<b>Zoroastrians</b>	...	...	...	...
	<b>TOTAL</b>	<b>4991</b>	<b>5446</b>	<b>127.05</b>	<b>133.03</b>
<b>B</b>	<b>Others</b>	<b>110</b>	<b>1294</b>	<b>14.90</b>	<b>10.02</b>
<b>C</b>	<b>Total Priority Sector Advances (A+B)=C</b>	<b>5101</b>	<b>6740</b>	<b>141.95</b>	<b>143.06</b>
<b>D</b>	<b>Share of A out of C (in %)</b>	<b>97.84%</b>	<b>80.80%</b>	<b>89.50%</b>	<b>93.00%</b>

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

**SEGMENT – 4 (RECENT DEVELOPMENTS)**

**AGENDA ITEM: 85.19**

NABARD, R. O. Jammu, vide communication No. NB(JKRO)/73/PL-2(Stamp Duty)/2012-13 dated 11 April, 2012 have requested to include two in the agenda for full house discussion by J&K SLBC:

**(i) “Registration Charges” and “Equitable Mortgage”:**

Shri D. K. Mittal, Finance secretary, Gol has written a D.O. letter to the Chief Secretary, GoJ&K bearing No. D.O.03/09/2012-AC dated 13 February 2012, conveying therein that the Revenue Department, J&K Government is charging a Registration Charge @ Rs.3.60 per thousand of loan from the farmers (Owner – operator). There is also a charge of Rs.2.50 per thousand rupees of loan specifically for creating “Equitable Mortgage” of agricultural land by farmers. In other States it is reported to be free of cost.

**SLBC is requested deliberate the issue**

**The Government of J&K is requested to look into the matter and facilitate “Registration Charge” and “Equitable Mortgage Fee” free of charge to Agriculture land holders and farmers on the lines of many other States, as indicated in D.O. Letter of Finance Secretary, Gol, addressed to the Chief Secretary.**

**(ii) Stamp Duty Structure in Jammu & Kashmir:**

In the 83<sup>rd</sup> meeting of J&K SLBC held on 14.12.2011, the Chief General Manager, NABARD, R.O. Jammu, raised the issue that the Stamp Duty levied by the Government in the J&K State on Agriculture Loans is comparatively higher than that of the other States of the country and pleaded that the said charges should be rationalized / exempted in the interests of the poor farmer families in J&K State. In response thereto the Finance Secretary, J&K Govt. advised NABARD to prepare a comparative chart of Stamp Duty levied by various States, analyze and put forward in the next SLBC meeting.

Accordingly, the CGM, NABARD had conducted the exercise and in the 84<sup>th</sup> SLBC meeting held on 18.02.2012 while briefing the house about the comparative position of the stamp duty structure applicable in J&K State and some other States of the country, he pleaded that Stamp duty levied by the Government of J&K on Agricultural loans being comparatively higher, the same be suitably reduced so that “higher stamp duty” does not become an impediment in adequate flow of credit to agriculture.

The overall stamp duty structure applicable in J&K State issued vide SRO 127 dated 31.3.2012, gist whereof is enclosed for information of the members.

**House is requested to deliberate the issue and decide**

## **AGENDA ITEM: 85.20**

### **Implementation of Crop Insurance Scheme:**

Indian Banks Association (I.B.A.) vide communication No. SB/CIR/CROP INS/5613 dated April 21, 2012 have forwarded a copy of letter dated March 7, 2012 received from Government of India, Ministry of Agriculture, regarding implementation of Pilot Weather Based Crop Insurance Scheme (WBCIS) during 2012-13 (Kharif 2012 and Rabi 2012-13), which reads as under:

Government of India has decided to continue the implementation of Pilot WBCIS during 2012-13 (both Kharif 2012 and Rabi 2012-13 seasons), on existing pattern. The pilot is continued to be implemented in twenty-one States including Jammu & Kashmir. Any addition / deletion of States may be considered by GoI based on willingness and level of preparedness of concerned State Government.

Pilot WBCIS aims to mitigate hardships of insured farmers against likelihood of financial loss on account of anticipated losses of crop resulting from incidence of adverse conditions of weather parameters like deficit or excess rainfall, high and low temperature, humidity etc. Main features of WBCIS are as under:

- Among various weather parameters like rain, temperature, wind sunshine etc. rainfall is the most important parameter in context of Indian agriculture particularly for Kharif season. Therefore, the scheme shall compensate anticipated losses in crop yield resulting from adverse rainfall incidence such as deficit rainfall or excess rainfall. On the other hand, weather parameters like un-seasonal rains, temperature, frost, humidity etc. are some of the important parameters which affect adversely the crops.
- The pilot continued to be applicable to major cereals, millets, pulses, oilseeds and commercial / horticultural crops grown during Kharif and Rabi seasons.
- All farmers, both loanee and non-loanee, are eligible for coverage under the pilot. However, insurance will be compulsory for loanee, and optional for non-loanee farmers.
- The pilot will be implemented by Agriculture Insurance Company of India Ltd. (AIC) and Private General Insurance Companies, i.e. ICICI Lombard, IFFCO-TOKIO, Cholamandalam MS and HDFC-ERGO as decided by the State Govt. for the notified areas.
- All Insurance companies (Public and Private) participating in pilot will be allowed to implement the scheme for loanee and non-loanee farmers.
- Areas, where WBCIS will be implemented, will be notified by the State Governments concerned,
- Pilot Scheme will be compulsory for loanee farmers for the crop(s) notified by the State Government in selected area(s). However, both NAIS and Pilot WBCIS will be available for non-loanee farmers and non-loanee farmers can choose between NAIS and WBCIS, and also insurance company for Pilot WBCIS.
- Insurance companies will work out their products/ schemes according to Operational Guidelines of the scheme to be issued by GoI particularly in respect of premium rates, risk coverage, sum insured, payment of claims and premium subsidy and other parameters.
- The sum insured will be broadly equivalent to cost of cultivation of notified crop, The sum insured will be same for loanee & non-loanee farmers. However, non-loanee farmers will

have flexibility to insure smaller amounts of Sum Insured, but not less than 50% of sum insured.

- Actuarial rates of premium would be worked out by insurance companies including AIC using Standard Premium Rating Methodology and rates are capped at 10% during Kharif 2012 season and 8% during Rabi 2012-13 for food crops and oilseeds. Farmers will actually pay premium for food and oilseeds crops at par with existing flat rates of NAIS. Difference between actuarial rates and flat rates in respect of food and oilseed crops shall be shared by Central and State Government on 50:50 basis.
- However, in case of annual commercial/ horticultural crops, cap of 12% on actuarial rates of premium will be applicable.
- In case of annual commercial/ horticultural crops, maximum cap of 6% on premium payable by farmers has been provided as given below:

Sr.No.	Premium slab	Subsidy by Central and State Government on 50:50 basis and premium payable by farmer
1	Upto 2%	No subsidy
2	>2% - 5%	25% subsidy subject to minimum net premium of 2% payable by farmer
3	>5% - 8%	40% subsidy subject to minimum net premium of 3.75% payable by farmer
4	>8%	50% subsidy subject to minimum net premium of 4.8% and maximum net premium of 6% payable by farmer

- All payable claims shall be responsibility of insurance company concerned.
- Private Insurance Companies will be entitled for same level of subsidy as applicable to AIC and to make risk coverage acceptable as per IRDA Regulations, Private Insurance Companies may draw funds (i.e. subsidy part of the premium) periodically from AIC as per guidelines issued by Gol, MoAgri. from time to time in this regard.

State Governments are advised to conduct the requisite number of crop cutting experiments (CCEs) in areas where WBCIS is implemented so as implementing agencies can make analytical study for assessing performance of Pilot Scheme vis-à-vis yield index based crop insurance Scheme (i.e. NAIS/ MNAIS) and Benchmarking of weather index based products.

Operation of Pilot Scheme is to be monitored closely by concerned State and implementing agencies so as to make an assessment for its effectiveness.

State Governments are requested to make necessary budgetary provision for meeting financial liability on account of premium subsidy payable to insurance companies.

State Governments, AIC and Private insurance companies implementing Pilot WBCIS are required to take necessary action for publicity and implementation of scheme during 2012-13.

**The operational guidelines of the pilot will follow.**

**House is requested to deliberate on the issue and adopt the scheme for implementation in J&K State**

**AGENDA ITEM: 85.21**

**Preparation of Annual Credit Plans (ACP) for FY 2012-13:**

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 for enabling the banks to make it a part of their respective business plans for better targeting, effective implementation and improving the performance, the District Credit Plans for the Financial Year 2012-13 have been received from all the 22 districts of J&K State.

On the basis of these District Credit Plans the consolidated Annual Credit Plan for J&K State for the FY 2012-13 for all banks operating in the State is placed for adoption by the house.

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

**Encls: 03**