

SEGMENT-1 (REVISION)

**CONFIRMATION OF MINUTES OF
85th MEETING OF J&K SLBC HELD ON 28th MAY 2012**

1) The minutes of 85th meeting of J&K SLBC held on 28th May 2012 at Srinagar to review the performance / achievements of the banks / financial institutions operating in the State as at the end of March 2012 were webcast on the website of J&K SLBC www.jkslbc.com and were also published and circulated among the members vide J&K SLBC office reference No. LBD/SLBC-85/2012-243 dated 07.06.2012. The actionable points have been indicated to the concerned quarters for taking desired action.

Subsequently, a corrigendum to the said published minutes of meetings was issued vide reference No. LBD/SLKBC/85/2012- 371 dated 24.07.2012 pursuant to the communication bearing reference No.L&E/Plan/corres/SLBC/75/10 dated 15.06.2012 received from J&K Government, Labour & Employment Department, advising to make a suitable amendment to the narration about follow-up of previous action point pertaining to the said department. A copy of the said corrigendum is enclosed for ready reference.

The house is requested to confirm the said minutes.

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

1) Legislating SARFAESI Act:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Primary responsibility	Action taken / Status
73 (b) 18.06.2008	Removal of legal glitches to enforce SARFAESI Act in J&K State	Commissioner/ Secretary (Law), J&K Govt.	<p>The Hon'ble Finance Minister in his address to the 85th SLBC meeting had stated that recently a team of senior officers of State Government including the Advocate General of the State, the Law Secretary and the Special Secretary (Finance) discussed the issue thoroughly with the Gol, MoF and some way out has been found and now there is need to make some amendments in the law without changing the spirit of the State laws to facilitate the enforcement of SARFAESI Act and to resolve matters under litigation.</p> <p>Besides, in the said meeting the Hon'ble Chief Minister stated that the issue is going to come up in the Cabinet meeting as a formal agenda point and expressed the hope that it will be resolved soon.</p>

Government of J&K State may inform progress in this regard.

2) Implementation of Handloom package:

Agenda Item/ date	Summary of decisions/ Action points.	Status
<p>84.19 dated 18.2.2012</p>	<p>(i) Revival, Reforming and Restructuring Package for Handloom Sector; (ii) Comprehensive Package for Handloom Sector & (iii) Weavers' Credit Card Scheme announced by GoI, Ministry of Textiles.</p>	<p>In the 84th SLBC meeting the CGM, NABARD informed that for implementing the Scheme in J&K State the GoI requires in principle approval of GoJ&K that the <u>State Government is willing to participate in the Scheme and pay 10% share and bring in reforms in the Cooperative Sector.</u></p> <p>The Chief Secretary observing that under the Scheme State Government is required to make commitment for participation in funding the scheme and the banks are required to give an undertaking for conceding the concessions for enabling the scheme to take off in the State, advised the Commissioner/ Secretary, Industries & Commerce to coordinate the matter and ensure that the Handloom package is implemented in the State of J&K properly, so that the handloom weavers of the State are benefited.</p> <p>Subsequently, in the 85th SLBC meeting the concerned department in J&K Government and NABARD were advised to ensure that all necessary measures are taken by the Government for implementation of the Handloom Package in the State of J&K.</p> <p>No progress has been informed thereafter.</p>

Government/ NABARD may inform progress 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 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. 31st March 2012, was held on 22nd 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 and also circulated vide No. LBD/SLBC/262-IV/2012-154 dated May 11, 2012.

Reserve Bank of India was 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 31st March 2012 vide letter No. LBD/SLBC/262-IV/2012-732 dated 28.03.2012. However, despite reminders dated 11th May 2012 and 25th June 2012 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 State Level Steering Committee for RSETIs in J&K:

A meeting of the State Level Steering Committee (SLSC) for Rural Self Employment Training Institutes (RSETIs) in J&K State to monitor and review functioning of all the RSETIs set up in the State and review the position of allotment of land by the State Government for these RSETIs was convened on 25th of July, 2012 at Srinagar. The meeting was co-chaired by the Commissioner/ Secretary, Rural Development, J&K Government and the Executive President (LBD/SLBC) of J&K Bank. The minutes of the said meeting were issued vide reference No. LBD/SLBC/SLSC-RSETIs/2012-379 dated 13.8.2012 and action points were flagged for desired action by the concerned quarters.

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

SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)**AGENDA ITEM NO: 86.01****RBI directive regarding providing of banking services in the un-banked villages having population of 2000 and above in J&K- progress as on 30.6.2012:**

In terms of RBI 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 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 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 in the matter as at the end of June 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	536	347237	2 +1	517	...	520	213085	16
2	State Bank of India	95	42750	...	95	...	95	17541	...
3	Punjab National Bank	34	22436	...	34	...	34	8387	...
4	J&K Grameen Bank	95	34288	...	95	...	95	39729	...
5	Ellaquai Dehati Bank	35	17286	8	...	27	35	23495	...
	TOTAL	795	463997	11	741	27	779	302237	16

After 30th June 2012, J&K Bank has provided banking outlets in 5 more SLBC allocated unbanked villages taking the total no. of villages covered so far to 525.

J&K Bank, Financial Inclusion Department have advised that it is impossible to provide banking outlets in 11 residual un-banked SLBC allocated villages due to lack of technology and connectivity at these sites. List of the said 11 villages is enclosed for information of members.

House is requested to deliberate and delete the said 11 villages allocated to J&K Bank from FIP so as to inform the modification in FIP to GoI / RBI

Encls: 01

AGENDA ITEM NO: 86.02

Implementation of Electronic Benefit Transfer (EBT) Scheme in J&K State:

Members may recall that GoI, MoF Circular dated 21.10.2011 regarding Strategy and guidelines on Financial Inclusion was deliberated in 82nd SLBC meeting and is continuously on the agenda of SLBC since then.

It may be pertinent to remind that the directive requires that benefits under various Government Schemes in operation funded by GoI in the areas covered under Financial Inclusion must be transferred electronically into the accounts of 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 have been advised to take up this matter in the SLBC and the roadmap for Electronic Benefit Transfer in respect of each scheme must be finalized”.

Operational Guidelines of RBI on EBT are repeated as under:

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**

In the Special SLBC meeting held on 21.3.2012 on the eve of visit of Governor, RBI to J&K State, 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 constituted a sub-group under Secretary to Govt. Information Technology Department. The first meeting of sub-group was held on 23.5.2012. But Minutes of Meeting and actionables were not circulated.

In the 85th SLBC meeting held on 28.5.2012, the house was informed that the State Government has made the beginning in this regard with MGNREGA Scheme in 10 districts of the State on a pilot basis and its coverage and scope would be widened as the initiate succeeds.

No further progress has been made thereafter for compliance of this high priority Gol directive.

Government may inform further progress in this regard

AGENDA ITEM: 86.03**Evolving Action plan for un-banked villages having population more than 1000 but less than 2000 in J&K State:**

In terms of 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 83rd meeting held on 14.12.2011.

Subsequently, additional 120 unbanked villages having population >1000 and <2000 in respect of Udhampur (98 villages) and Ramban district (22 villages) were identified & forwarded by concerned LDM taking the total number of unbanked villages under this population segment to 1393. In the 85th SLBC meeting it was decided that bank-wise allocation of the said additional 120 unbanked villages shall be made with due consideration to the service area.

Accordingly, the said 120 additional unbanked villages have been allocated amongst the participating banks and the final allocation of the aggregate 1393 villages appears as under:

S. No.	Name of the participating Bank	No. of villages initially allocated	No. of additional villages allocated	Total No. of villages allocated
1	J&K Bank	1030	63	1093
2	State Bank of India	80	32	112
3	Punjab National Bank	57	25	82
4	J&K Grameen Bank	66	...	66
5	Ellaquai Dehati Bank	40	...	40
	TOTAL	1273	120	1393

Any further modification in allocation or reallocation amongst the participating banks as may be necessitated in due course of actual rollout shall be made appropriately.

As conveyed vide communication F.No.3/5/2012-FI(C 52937) dated 1.5.2012, GoI, MoF has 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, GoI, MoF have directed to make concerted efforts to provide banking facilities to these habitations in a time bound manner latest by 31.03 2013.

Concerned participating banks may inform progress at periodical intervals regarding coverage of the identified un-banked villages for enabling SLBC to monitor / report the position to GoI / RBI

AGENDA ITEM NO: 86.04

Strategy and Guidelines on Financial Inclusion–Opening of Bank Branches

Pursuant to the Gol, MoF directive bearing F.No.21/13/2009-FI (Pt.) dated 8th November 2011 all 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.

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 30th June 2012 the concerned banks have opened only 77 new bank branches, which include 21 branches opened in the identified under-banked districts of the State. Copy of the progress report is enclosed.

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

Encl. 2

AGENDA ITEM NO: 86.05

Financial Inclusion –

(i) Opening of Ultra Small Branches (USBs), (ii) Geographical Information System (GIS) and (iii) Preparation of State / District Financial Services Plan;

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) Opening of Ultra Small Branches

Gol, MoF vide F. No.21/13/2009-FI (Vol II-Pt.) dated 4th April, 2012 have issued a Master Circular on Strategy and Guidelines on Financial Inclusion 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. The said guidelines provide for **Opening of Branches and Ultra Small Branches** as under:

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.

Progress achieved

Progress Report on status of establishing of Ultra Small Branches in all FI villages (visits, identification of space for USBs, provision of Laptop, connectivity, etc. as at the end of 30th June, 2012, is enclosed for information of the members.

Revised GoI, MoF, DFS guidelines regarding Ultra Small Branches:

GoI, MoF, DFS vide communication bearing F.No.21/13/2009-FI (Pt.) dated 1st August, 2012 (copy enclosed) have issued revised guidelines, which among other things provide that **“the USB shall be managed full time by at least one bank officer with laptop having VPN connectivity supported by BCA”**.

Concerned banks are advised to note these guidelines for implementation.

(ii) 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.

Progress achieved in J&K State

Pursuant to GoI, MoF, DFS directive vide F. No. 8/26/2011-FI dated 27th March, 2012 the data entry on the website of GoI, MoF, DFS has been already completed in respect of all the districts of J&K State.

(iii) Preparation of State / District Financial Services Plan:

GoI guidelines provide 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.

Accordingly, all the Lead District Managers in J&K State were advised to prepare the Financial Services Plans of their respective districts for enabling to prepare the consolidated State Financial Services Plan for J&K State. The said Financial Services Plan is still awaited despite persistent reminders.

The LDMS may report progress in the matter.

The house is requested to deliberate on the issue.

Encls: 2

AGENDA ITEM: 86.06

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:

Pursuant to decision taken in 83rd meeting of J&K SLBC held on 14.12.2011, the job of printing of 17.00 lakh forms for Agriculture Credit/Crop Loan / KCC was assigned to J&K Bank, 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, which 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).

Timelines for accomplishing the target of 100% coverage

In the 85th SLBC meeting held on 28.5.2012 the Hon'ble Chief Minister directed that the programme of 100% coverage of farmers under KCC should be accomplished by the end of first week of October 2012. Agriculture Production Department was advised to work with the Lead District Managers, who will act as the nodal offices for accomplishing the task.

- **The district-wise statement received from Director Agriculture (Kashmir) indicates that upto 21st July 2012 in 3753 villages of Kashmir Division 78,237 forms have been delivered to various banks.**
- **Data received from Director Agriculture Department (Jammu) reveals that 94,896 KCC forms have been sponsored to banks upto July 2012 for issuance of KCCs.**

Bank-wise cumulative position of KCCs issued in J&K State from inception of KCC Scheme

Upto the end of June 2012, banks have issued 1,28,549 Kissan Credit Cards in J&K State involving an amount of Rs.1,046.83 Crore, which includes 21,402 KCCs issued during the Q1 of the FY 2012-13 involving an amount of 208.34 Crore. The detailed bank-wise progress is given in **Annexure-O**

Directors of Agriculture (Jammu / Kashmir) may inform latest 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: 86.07

Financial Literacy Centres (FLCs) - Guidelines

Model Scheme for FLCCs:

Reserve Bank of India circulated model scheme of FLCC Centres vide 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.

RBI, C.O. Mumbai, vide Circular No. RBI/2011-12/590 dated June 6, 2012 has issued fresh guidelines regarding establishment of Financial Literacy Centres (FLCs). These guidelines are based on the study conducted on the functioning of the FLCC to evaluate the Model Scheme on FLCCs in terms of its efficacy and impact on the spread of financial literacy in the country. Some of the findings of the said study are given below:

- a) All FLCCs are located in Urban and Semi Urban areas. No FLCC is functioning in the rural areas, where the largest sections of financially excluded population reside.
- b) Awareness of existence of FLCC among local populace is limited;
- c) FLCCs are mostly serving walk in clients, whereas outdoor literacy drives by FLCCs are exceptions.
- d) The literacy material available at FLCCs is generally the publicity material pertaining to various products of sponsor banks.
- e) Even though 53% of the FLCCs are run by separate Trusts/ Societies formed for the purpose, these are actually working as institutions of sponsor banks due to their dependence for funding and administrative support. Thus the FLCCs are not in a position to maintain arms-length distance from sponsor banks as envisaged in the Model Scheme.

In view of the above and with the objective of scaling up financial literacy efforts manifold, RBI has now modified the existing FLCC Scheme, which envisages as under:

- **While the existing FLCCs would continue to function with a renewed focus on financial literacy, lead banks are advised to set up FLCs in each of the LDM offices in a time bound manner.**
- **In addition banks may consider setting up need based FLCs in other locations as well.**

- **Further the financial literacy activities will also be undertaken by all the rural branches of Scheduled Commercial Banks;**

The new guidelines envisage Financial Literacy Centres (FLCs) that will impart financial literacy in the form of simple messages like: **Why Save? Why save early in your Life? Why save with banks? Why borrow from Banks? Why borrow as far as possible for income generating activities? Why repay in time? Why insure yourself?, and Why save for your retirement?, etc.**

The FLCs would also

- i) Conduct out-door financial literacy camps with focus on financially excluded people at least once a month. For the purpose the help of experienced NGOs may also be taken;**
- ii) It will be responsibility of the officer specifically identified for the purpose in LDMs office to ensure that misselling of financial products and services does not take place;**
- iii) The officials working at FLCs should be provided training in behaviour orientation so as to enable them to work as effective trainers alongwith periodic knowledge upgradation on various banking products and services.**

Progress achieved by the concerned lead banks:

Upto the end of June 2012 against the target of 12 Centres J&K Bank has already operationalized Financial literacy Centres in 9 districts, viz. Srinagar, Budgam, Baramulla, Bandipora, Anantnag, Kulgam, Pulwama, Shopian and Rajouri.

State Bank of India has so far set up FLCC Centres in four districts of Jammu, Udhampur, Doda and Kathua against the target of 10 Centres. Details of the same are enclosed.

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

Encls: **One**

AGENDA ITEM NO: 86.08

- 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 76th 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 the 12 districts allocated to it by the J&K SLBC, as detailed as under:

S. No	Name of RSETI	Name of the Director	RSETI has commenced its operations w.e.f.	Contact Details of Director
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. Muzaffar Makhdoomi, Scale-II	30.07.2011	9419001350
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. Riyaz Hussain Baba, Scale-V	26.12.2011	9419038870
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 8 out of 10 allocated districts as detailed 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
7	Doda	Shri Lekh Raj	Opened w.e.f. March 2012	Mobile No. 9419114820
8	Ramban	Shri Jagdish Kumar	Opened w.e.f. March 2012	Mobile No. 9419237436

ii) Status regarding allotment of land by State Government

Despite vigorous persuasion, the Govt. of Jammu & Kashmir has not so far, allotted land in favour of any of the RSETIs.

In the 85th meeting of J&K SLBC the Chief Secretary, J&K Government assured to get the allotment of suitable land at all district locations expedited for enabling to proceed with creation of the RSETIs in all the districts of the State.

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.

SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)**AGENDA ITEM: 86.10****CREDIT TO PRIORITY SECTOR:**

Bank-wise/ Sector-wise, Region-wise/ Sector-wise achievements in lending to Priority Sector under Annual Credit Plan 2012-13 as at end of June 2012.

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

The Bank-wise/ Sector-wise achievements as at the end of June 2012 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are given as [Annexures- A & B](#).

It is manifest from the figures as shown in the Annexures that banks by the end of June 2012 have provided total credit of Rs.1258.91 Crore in favour of 69,219 beneficiaries against a target of Rs.6,094.50 Crore for 3,54,302 beneficiaries to the Priority Sector under Annual Action Plan 2012-13, thereby registering achievement of 21% in financial terms and 19.54% in physical terms of the annual target during financial year 2012-13.

The comparison of the achievement of banks under Priority Sector vis-à-vis their respective annual targets at the end of Q1 of FY 2012-13 with Q1 of PY 2011-12 (YoY) is given hereunder:

(Amount in Crore of Rs.)

Name of Bank	FY 2011-12			CFY 2012-13		
	Target	Achievement (30.06.2011)	%age of Achiev.	Target	Achievement 30.06.2012	%age of Achiev.
J&K Bank	1492.44	631.76	42	3123.22	780.35	25
SBI	499.99	61.72	12	641.35	158.25	25
PNB	283.86	35.68	13	433.93	58.31	13
Other Comm. Bks.	402.52	61.70	15	602.44	114.64	19
Coop. Banks	396.55	46.77	12	499.08	58.04	12
RRBs	541.69	76.79	14	792.13	89.32	11
Other FIs	2.64	0.30	11	2.35	00	0
TOTAL	3619.69	914.73	25	6094.50	1258.91	21

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

I) AGRICULTURE SECTOR:

Against the annual target of Rs.1,771.85 Crore for 2,10,675 beneficiaries, banks have disbursed a total amount of Rs.461.97 Crore in favour of 39,557 beneficiaries under this sector by the end of June 2012 thereby registering an achievement of 26% and 18.78% in financial and physical terms respectively.

Out of this, an amount of Rs.199.63 Crore in favour of 27,258 agriculturists against a target of Rs.777.46 Crore favouring 1,41,876 beneficiaries have been disbursed under Crop Loan. The achievement of banks under this segment is of the order of 26% & 19% 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.307.96 Crore), PNB (Rs.42.02 Crore), SBI (34.19 Crore), J&K Grameen Bank (Rs.30.71 Crore), Ellaquai Dehati Bank (Rs.8.40 Crore), HDFC Bank (Rs.9.79 Crore), Jammu Central Coop. Bank (Rs.8.39 Crore) and Anantnag Central Coop. Bank (Rs.11.12 Crore), thereby achieving 33%, 34%, 19%, 14%, 11%, 74%, 14% and 40% respectively of their individual targets. Although some other banks like Oriental Bank of Commerce and Syndicate Bank have registered an achievement of 54% and 83% respectively of their individual targets but this high percentage of achievement by these banks is driven by small allocation of targets.

(II) MICRO & SMALL ENTERPRISES SECTOR:

As against the annual target of Rs.2,147.61 Crore for 71,728 beneficiaries, banks have disbursed an amount of Rs.433.45 Crore in favour of 14,399 beneficiaries by the end of June 2012, thereby registering an achievement of 20% of the target in financial as well as physical terms respectively.

While analyzing Bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.264.55 Crore), SBI (Rs.52.32 Crore), OBC (Rs.25.17 Crore), JCC Bank (Rs.12.70 Crore), JKGB (Rs.12.70 Crore), HDFC Bank (Rs.9.49 Crore), State Bank of Patiala (Rs.7.59 Crore), EDB (Rs.7.19 Crore), and PNB (Rs.5.71 Crore).

(III) MICRO CREDIT:

As against the annual target of Rs.777.46 Crore in favour of 40,845 beneficiaries banks have disbursed total amount of Rs.119.44 Crore in favour of 6,086 beneficiaries by the end of June 2012. This works out to 15% achievement in financial and 14.90% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.26.71 Crore), J&K Grameen Bank (Rs.26.29 Crore), State Bank of India (Rs.46.00 Crore), Punjab National Bank (Rs.3.57 Crore), EDB (Rs.2.23 Crore) and JCC Bank (Rs.1.97 Crore).

(IV) EDUCATION:

As against the annual target of Rs.208.10 Crore in favour of 6,447 beneficiaries banks have disbursed total amount of Rs.19.57 Crore in favour of 962 beneficiaries by the end of June 2012. This works out to 9.40% and 14.92% achievement in financial and physical terms respectively.

(V) HOUSING:

As against the annual target of Rs.1,189.47 Crore in favour of 24,607 beneficiaries banks have disbursed total amount of Rs.224.48 Crore in favour of 8,215 beneficiaries by the end of June 2012. This works out to an achievement of 19% and 33.38% in financial and physical terms respectively.

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

The Region-wise/ District-wise/ Sector-wise achievements as at the end of June 2012 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are given as **Annexure-C**.

(Amount in Crores of Rupees)			
Region	Targets	Achievements	Achievement %
Kashmir	3,164.47	659.20	21
Jammu	2,810.15	586.71	21
Ladakh	119.88	13.00	11
TOTAL	6094.50	1258.91	21

I) KASHMIR REGION:

In the Kashmir region an amount of Rs.659.20 Crore against the target of Rs. 3,164.47 Crores (21% achievement) has been disbursed by the end of June 2012 with a sector-wise distribution of Rs.288.90 Crore for the Agriculture Sector (27% achievement), Rs.204.01 Crore for Micro & Small Enterprises sector (21% achievement), Rs.108.71

Crore for the Housing sector (13% achievement), Rs.51.90 Crore for Micro Credit sector (26% achievement) and Rs.5.69 Crore for the Education Sector (7% achievement).

Out of the total disbursement of Rs.659.20 Crore in Kashmir region, Micro & Small Enterprises sector has received 30.95%, Housing Sector 16.49%, Agriculture Sector 43.82%, Micro Credit 7.87% and Education Sector 0.86%.

II) JAMMU REGION:

In the Jammu region an amount of Rs.586.71 Crore has been disbursed by the end of June 2012 against the target of Rs.2,810.15 Crore (21% achievement) with a sector-wise distribution of Rs.223.68 Crore in Micro & Small Enterprises (20%), Rs.113.90 Crore in Housing sector (35%), Rs.170.64 Crore in Agriculture Sector (25%), Rs.65.24 Crore in the Micro Credit (12%) and Rs.13.25 Crore in Education Sector (11%).

Out of the total disbursement of Rs.586.71 Crore in Jammu region, Micro & Small Enterprises sector has received 38%, Housing sector 19.41%, Agriculture Sector 29%, Micro Credit 11% and Education Sector 2.25%.

III) LADAKH REGION:

In the Ladakh region an amount of Rs.13.00 Crore has been disbursed by the end of June 2012 against the target of Rs.119.88 Crore (11%) with a sector-wise distribution of Micro & Small Enterprises Rs.5.76 Crore (14%), Housing sector Rs.1.87 Crore (15%), Agriculture Sector Rs.2.43 Crore (5%), Micro Credit Rs.2.31 Crore (13%) and Education Sector Rs.0.64 Crore (17%).

Out of the total disbursement of Rs.13.00 Crore in Ladakh region, Micro & Small Enterprises sector has got 44.30%, Housing sector 14.38%, Agriculture Sector 18.69%, Micro Credit sector 17.77% and Education Sector 4.92% of credit.

(4) CREDIT TO NON-PRIORITY SECTOR:

Under non-priority sector the banks have disbursed an amount of Rs.833.13 Crore to 25,414 beneficiaries by the end of June 2012.

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

AGENDA ITEM: 86.11

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 30th June 2012:

Against the Annual Action Plan 2012-13 target of Rs.408.63 Crore for 27,362 beneficiaries for all banks operating in the State, the achievement of banks at the end of June 2012 under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.37.64 Crore spread over 2,203 beneficiaries in all the three regions of the State thereby registering a performance of 9% of the target in financial & 8% in physical terms. The achievement is not satisfactory as compared to credit delivery to GSS during the corresponding period of the previous year with disbursement of Rs.44.33 Crore to 3091 beneficiaries (being 14% of the target in financial and 11% 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.29.80 Crore to 1641 beneficiaries by the end of Q1 of FY 2012-13 under these five major Government Sponsored Schemes against the annual target of Rs.287.86 Crore for 17,634 beneficiaries, thereby achieving 10% & 9% in financial and physical terms respectively against the achievement at Rs.34.27 Crore to 2337 beneficiaries (17% in financial & 13% in physical terms) for the corresponding period of the previous year.

ii) JAMMU REGION

Banks have disbursed an amount of Rs.6.34 Crore in favour of 512 beneficiaries by the end of Q1 of FY 2012-13 against the annual target of Rs.117.18 Crore to 9,271 beneficiaries under these schemes, which accounts for 5% and 6% achievement in financial and physical terms respectively as against achievement of banks at Rs.9.14 Crore to 734 beneficiaries (10% in financial and 7% physical terms) as on 30th June, 2011.

iii) LADAKH REGION

Banks have disbursed a total amount of Rs.1.50 Crore in favour of 50 beneficiaries by the end of Q1 of FY 2012-13 under these five major Government Sponsored Schemes against annual target of Rs.3.59 Crore for 457 beneficiaries, which works out to 42% achievement in financial and 11% in physical terms, as against achievement of banks at Rs.0.91 Crore for 20 beneficiaries (9% in financial and 2% 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 30th June 2012 are discussed below in light of the figures annexed Scheme-wise as [Annexure-E](#), [E 1](#), [E2](#), [E3](#) and [E4](#)

SGSY: Under SGSY against a target of Rs.67.29 Crore for 12,505 beneficiaries, banks have disbursed an amount of Rs.4.79 Crore to 933 beneficiaries (which includes 372 pending cases of previous year) by the end of Q1 of FY 2012-13, which works out to achievement of 7% in financial and 7.46 in physical terms respectively. Out of the total achievement of Rs.4.79 Crore the major contributors are J&K Bank (Rs.2.36 Crore for 470 units), State Bank of India (Rs.0.50 Crore for 89 units), J&K Grameen bank (Rs.0.61 Crore for 113 units), Jammu Central Cooperative Bank (Rs.0.31 Crore for 63 units) and BCCB (Rs.0.36 Crore for 65 units). From the data available it has been observed that 2,343 cases were sponsored to banks against the target of 12,505 cases, out of which 951 cases were sanctioned, 165 cases were rejected/ returned and 1227 Cases are pending for sanction with banks.

PMEGP: Under PMEGP Scheme against the annual target of Rs.115.23 Crore for 2,563 beneficiaries, banks at the end of Q1 of FY 2012-13 have disbursed an amount of Rs.7.24 Crore to 178 beneficiaries (which includes 110 pending cases of previous year) for setting up of employment generating units thereby achieving 6% and 7% in physical and in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 178 units the major contributors are J&K Bank (112 units), J&K Grameen Bank (19 units), SBI (16 units), PNB (3 units). From the data available it is been observed that only 326 cases were sponsored to banks against the target of 2563 cases, out of which 129 cases were sanctioned, 55 cases were rejected/ returned and 142 cases are pending for sanction with banks.

JKSES: Under JKSES, banks have disbursed an amount of Rs.23.34 Crore (including Rs.16.48 Crore of previous year's pending cases) to 871 beneficiaries by the end of Q1 of FY 2012-13 against the annual target of Rs.197.85 Crore for 8,963 beneficiaries, thus registering an achievement of 11.70% in financial terms and 9.71% of the physical target. Out of the total disbursement of Rs.23.34 Crore for 871 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.17.37 Crore (670 cases), Rs.2.23 Crore (80 cases) and Rs.1.35 Crore (40 cases), respectively. From the data available it has been observed that 1303 cases were sponsored to banks against the target of 8,963 cases out of which 610 cases were sanctioned, 110 cases were rejected/ returned and 583 Cases are pending for sanction with banks.

SJSRY: Under SJSRY, banks have disbursed an amount of Rs.1.71 Crore to 105 beneficiaries (which includes Rs.1.18 Crore of previous year's 72 pending cases) by the end of Q1 of FY 2012-13 against the annual target of Rs.12.08 Crore for 867 beneficiaries, thus registering an achievement of 14% & 12% in financial and physical terms respectively. Out of the total achievement of Rs.1.71 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.1.25 Crore (76 units), Rs.0.23 Crore (16 units) and Rs.0.05 Crore (5 units), respectively. From the data available it has been observed that 156 cases were sponsored to banks against the target of 867 cases out of which 69 cases were sanctioned, 26 cases were rejected/ returned and 61 Cases are pending for sanction with banks.

SC/ST/OBC: Under SC/ST/OBC banks have disbursed an amount of Rs.0.55 Crore to 116 beneficiaries (which includes Rs.0.27 Crore of previous year's 66 pending cases) by the end of Q1 of FY 2012-13 against the annual target of Rs.16.19 Crore for 2,464 beneficiaries thereby registering an achievement of 3.42% & 4.70% in financial and physical terms respectively. Against the physical target of 2464 units, only 235 cases have been sponsored, out of which 110 cases were sanctioned by Banks, 30 cases were rejected and 95 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: 86.12

Performance under Handicrafts / Handloom as on 30th June 2012:

The Bank-wise achievement as on 30.06.2012 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.19.86 Crore for 2345 beneficiaries set for banks for FY 2012-13, banks in J&K State have disbursed a total amount of Rs.0.75 Crore to 116 beneficiaries by the end of Q1 of FY 2012-13, which includes 38 sanctioned cases of previous year. Against the physical target of 2345 cases 479 cases have been sponsored to various banks, out of which the banks have sanctioned 141 cases with 285 cases pending for sanction and 53 cases rejected/ returned due to various reasons.

Handicrafts: Against the target of Rs. 35.68 Crore for 4593 beneficiaries set for banks under this sector for the FY 2012-13, banks have disbursed a total amount of Rs.2.91 Crore to 363 beneficiaries by the end of Q1 of FY 2012-13, which includes 56 sanctioned cases of previous year. Against the physical target of 4593 cases, 1143 cases have been sponsored to various banks, out of which 603 cases were sanctioned, 138 cases were rejected and 402 cases are lying pending with the banks for sanction.

ACC Scheme: As per figures made available to SLBC Secretariat, against the target of Rs.15.09 Crore set for banks for FY 2012-13, banks have disbursed an amount of Rs.0.23 Crore in favour of 39 Artisans, which includes 3 sanctioned cases of previous year. During the current financial year 290 cases of Artisans Credit Cards have been sponsored to banks, against which 90 cases have been sanctioned by the banks, 47 returned/ rejected and 153 cases are pending with various banks.

In the 85th SLBC meeting it was decided that Handicrafts Deptt. shall ensure 100% coverage of the artisans clusters in Srinagar City comprising of about 70,000 artisans by organizing workshops and the job shall be coordinated by the LDM, Srinagar.

Director, Handicrafts / LDM Srinagar may inform progress in this regard.

The house is requested to deliberate.

AGENDA ITEM: 86.13

ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS AT END OF JUNE 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 30th June 2012 in the format prescribed by NABARD is submitted as per [Annexure- J](#).

The cumulative position of achievement under SHG Scheme as of 30th June 2012 is summarized as under:

- | | | |
|---|-----|----------------|
| • Total SHGs formed up to 30.06.2012 | ... | 7657 |
| • SHGs Savings linked up to 30.06.2012 | ... | 6,328 |
| • SHGs Credit linked up to 30.06.2012 | ... | 6,041 |
| • Total loans disbursed by banks up to 30.06.2012 | ... | Rs.38.83 Crore |

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

AGENDA ITEM NO: 86.14**Interest Subsidy Scheme for Housing the Urban Poor (ISHUP):**

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

Gol, Ministry of Housing & Urban Poverty Alleviation launched ISHUP Scheme in February 2009 to address urban housing shortage in the country, which provided 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. State Urban Development Agency (SUDA) was 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.

However, 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) and continuance of the scheme has not been advised by Gol, MoHUPA.

Progress achieved by the banks in J&K State upto the end of June 2012:

As per the report received 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:

1	Total No. of Cases sponsored upto 31.03.2012	99
2	Cases sanctioned and disbursed upto 31.03.2012	15 (Amount Rs.15.60 Lacs)
3	Percentage of achievement (Physical)	15%
4	Cases returned	44
5	Cases under process/ pending for required papers	40

House is requested to deliberate

AGENDA ITEM: 86.15

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 June 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 June 2011 and June 2012. [Annexure- K](#)
 - Total advances of all banks operating in the State as on 30th June 2012 stood at Rs.20,644.07 Crore against Rs.16,635.20 Crore during the corresponding period of previous year and as compared to total banking sector deposits of Rs.56,163.70 Crore.
 - The C. D. Ratio of all banks operating in the State stood at 36.76% as on 30th June 2012 against 35.84 as on 30th June 2011.
2. Statement of Bank-wise /Sector-wise advances outstanding against Priority Sector/ Weaker Sections of the society at the end of June 2012.

[Annexure- L](#)

Out of the aggregate advances of Rs.20,644.07 Crore outstanding as on 30th June 2012 an amount of Rs.11,685.63 Crore (56.60%) has gone to Priority Sector and Rs.3,093.72 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.13,526.15 Crore comprising 65.52% of the aggregate outstanding credit of banking sector of Rs.20,644.07 Crore in the State at the end of June 2012. The share of SBI is Rs.1,985.74 Crore comprising 9.62% and that of PNB is Rs.852.26 Crore comprising 4.12%.

The NPAs position of the major banks as reflected in [Annexure-K](#) reveals that in the total NPAs of Rs.1225.97 Crore in the State at the end of June 2012 the share of J&K Bank is to the tune of Rs.516.53 Crore, that of SBI Rs.202.81 Crore and PNB Rs.136.35 Crore.

It is also evident from [Annexure- L](#) that J&K Bank has the largest share of Rs.7,193.62 Crore aggregate outstanding credit under Priority Sector comprising 61.56% at the end of June 2012 out of the total Priority Sector Bank Credit of Rs.11,685.63 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,454.50 Crore (12.55%) and Rs.667.33 Crore (5.71%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.13,526.15 Crore in J&K State as on 31.06.2012 as against its total deposits of Rs.34,922.16 Crore, thereby achieving a C. D. Ratio of 38.73%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.1,985.74 Crore and Rs.852.26 Crore respectively as against their deposits of Rs.7,923.53 Crore and Rs.3,478.22 Crore, achieving a C.D. Ratio of 25.06% and 24.50%, respectively, as on 30th June 2012. The remaining 19 Public Sector Banks put together have advanced Rs.1,449.55 Crore as against their total deposits of Rs.3,565.17 Crore, which works out to a C. D. Ratio of 40.66%.

The two Regional Rural Banks operating in the State have advanced a total amount of Rs.972.61 Crore against their total deposits of Rs.2,460.19 Crore, which works out to a C. D. Ratio of 39.53% as on 30th June 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.893.69 Crore as against their total deposits of Rs.2,508.61 Crore, thereby achieving C. D. Ratio of 35.62% as on 30th June 2012.

While analyzing the Priority Sector advances it has been observed that the Micro & Small Enterprises sector dominates other sectors by absorbing major share of Rs.6,292.48 Crore followed by Agriculture, Housing, and Micro Credit sector with an amount of Rs.2,766.96 Crore, Rs.1,635.73 Crore, Rs.745.10 Crore, respectively and the lowest share of Rs.245.36 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: 86.16

Credit delivery to Micro, Small and Medium Enterprises (MSMEs) as at the end of June 2012:

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

The progress achieved by Banks on implementation of IBA package on MSMEs and other productive sectors (cumulative from the date of inception upto 30th June 2012) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1,532.97 Crore in favour of 28,475 beneficiaries and incremental working capital loans of Rs.1,044.74 Crore in favour of 7,059 existing units.
- Banks in the State have so far restructured 6,788 MSMEs accounts involving an amount of Rs. 500.19 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.1491.74 Crore in favour of 40,459 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.1,655.99 Crore in favour of 57,198 beneficiaries.

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

Flow of credit under Credit Guarantee Scheme for MSMEs as on 30.6.2012

Under the Credit Guarantee Scheme for MSMEs, the banks operating in J&K State have disbursed a cumulative amount of Rs.158.71 Crore in favour of 4,253 beneficiaries as at the end of 30th June 2012, which includes Rs.13.91 Crore disbursed in favour of 353 beneficiaries during the CFY 2012-13. Bank-wise details are given in [Annexure-P](#)

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

AGENDA ITEM NO: 86.17**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 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 30th June 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
A	Christians	3	3	0.13	0.13
	Muslims	1189	1270	31.63	34.79
	Buddhists	4249	4610	101.07	111.62
	Sikhs	5	7	0.29	0.31
	Zoroastrians
	TOTAL	5446	5890	133.03	146.85
B	Others	1294	1433	10.02	11.21
C	Total Priority Sector Advances (A+B)=C	6740	7323	143.06	158.06
D	Share of A out of C (in %)	80.80%	81.00%	93.00%	93.00%

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

SEGMENT - 4 (RECENT DEVELOPMENTS)

Agenda Item No: 86.18

Opening of one bank account per family:

Gol, MoF, DFS vide Circular bearing F. No. 8/11/2011-FI dated 15th May, 2012 advised banks to launch a campaign to ensure at least one bank account for each family in the service area of a branch having rural villages attached to it. The issue was deliberated upon in the 85th SLBC meeting held on 28.5.2012, wherein all member banks were advised to observe strict compliance of this Gol, MoF directive 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.

However, subsequently vide Circular F.No.6/23/2012-FI dated 24th July, 2012 (copy enclosed), Gol, MoF directed that since these beneficiaries are not only inhabitants of rural villages but also comprises of urban poor and slum dwellers residing in the Urban/ Metro centres, therefore, the campaign is to be launched by the bank branches to open account for the family in all villages attached to the service area of the branch and not just in FI villages.

It has also been directed by Gol, MoF that since accounts opened under the campaign would facilitate EBT including transfer of all benefits and various cash subsidies to beneficiaries by direct credit to bank accounts and the beneficiary should be able to withdraw the benefit from the BC channel, therefore banks while opening new bank accounts should also ensure to capture biometric details of the customer.

Recently Gol, MoF, DFS have issued another circular vide F.No.6/23/2012-FI dated 3rd August, 2012, whereunder modalities to accomplish the objective and to have proper monitoring of the progress have been suggested. The said Gol, MoF circular is enclosed for information of the members.

House is requested to deliberate the issue

Encls: **Gol, MoF Circulars**

Agenda Item No: 86.19

Extending Bank Credit without Collateral Security to Refugees from West Pakistan settled in J&K:

Gol, Ministry of Home Affairs (Settlement Wing) vide communication bearing F.No.31/1/2011-Settlement/47 dated 13 March, 2012 (copy enclosed) addressed to the Divisional Commissioner, Jammu, have in the backdrop of the meeting held by the Ministry with Divisional Commissioner, Jammu on 18.08.2011, intimated that the matter regarding extension of bank credit to the refugees from West Pakistan settled in J&K, without Collateral Security, was taken up with the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Mumbai, who has sent detailed guidelines/criteria regarding the scheme to the Ministry.

Accordingly, the Ministry has advised that the matter may be taken up with the Banks/ Financial Institutions operating in the State, which are enlisted as Member Lending Institutions (MLIs) for providing coverage under Credit Guarantee Scheme (CGS) to the West Pakistan Refugees. In response the CEO of CGTMSE, Mumbai has informed that credit can be provided to these people provided the loan is sanctioned by the Member Lending Institution (MLI).

The Assistant Commissioner (Central) Jammu vide his letter dated 13.06.2012 has forwarded the communication to Lead Bank Jammu with the request to take necessary action in this behalf, who have requested J&K Bank to take action in the matter.

Since the issue pertains to all the banks/ FIs operating in J&K State, J&K Bank has sought approval of the SLBC in the matter,

Home Department, J&K Government is requested to provide the list of such identified displaced families, so that banking sector can be looped in to provide the collateral-free banking facilities.

House is requested to deliberate the issue and decide

Encls: One

Agenda Item No: 86.20

Automation of interface of State Government Treasuries with banks:

Gol, MoF, DFS vide D.O. No. 7/1/2012-BO.II dated 6th March, 2012 addressed to Chief Executives of all PSBs have advised that Public Sector Banks have been providing banking services to various State Governments and have also been effecting payments on behalf of the State Government Treasuries. Traditionally the treasuries have been sending bills/authorizations to banks alongwith lists of beneficiaries in physical form for affecting credits in their accounts. The banks, in turn, manually affect the credits in the respective accounts and keep the hard copy of such bills/authorizations in their record. Some of the State Government Treasuries have adopted some technological solutions for electronically authorization to banks; the processes of the treasuries have not been fully automated to reap the benefits of technology by the State Government.

In the said D.O. letter to PSBs, it has been stated that full automation of interface of State Government Treasuries with banks has immense benefits for all stakeholders, such as, **convenient and smooth processes, instant fund transfer and quick credits to all beneficiaries accounts, elimination of risks associated with human interface, cost and time efficient transactions, quick settlement of claims, automatic instant reconciliation of transactions, substantially reduced paper work, efficient fund management, effective budgeting exercise, easy and perfect record keeping in digital form** etc.

Underlining the immense benefits associated with this process, Gol, MoF have desired to take appropriate measures for full automation of State Government Treasuries and automated interface with the concerned banks. In this regard Gol, MoF have advised as under:

- (i) State Government be requested to avail the on-line banking facilities or similar packages offered by the bank so that such processes are automated at the earliest and subsequently may be migrated to the integrated financial management system of the State Government.**
- (ii) The issue be discussed in each forthcoming meeting of the SLBC as a standing agenda.**
- (iii) Progress in this regard may be monitored on a fortnightly basis and reported to the Government.**

In the backdrop as conveyed by Reserve Bank of India vide their communication No. DAD. DPSS (JMU)/1381/04.32.14/2011-2012, Reserve Bank of India has to constitute a small **Committee comprising of senior officers from the State Government, SLBC Convenor Bank, i.e. J&K Bank Ltd. and two major banks, viz. SBI and PNB and RBI, Jammu for the J&K State**, which will monitor the progress of automation of State Government Treasuries and automated interface with the concerned banks, on a regular basis and shall also consider availment by the State Government of the on-line banking facilities or similar packages offered by the banks so that such processes are automated at the earliest. The Committee has been advised to draw up an action plan for the above and apprise RBI, Central Office of the progress at quarterly intervals.

The house is requested to deliberate the issue

Agenda Item No: 86.21

Preparation of Implementation Plan for engagement and activation of Business Correspondents Agents (BCAs) and monitoring progress thereof:

Punjab National Bank, Financial Inclusion Department, vide their communication dated 21.07.2012 have forwarded a copy of the Government of India, Ministry of Finance, Department of Financial Services Circular bearing F.No.8/25/2011-FI Vol-II dated 10.07.2012 regarding the captioned subject, requesting that the said Circular may be circulated to heads of all banks operating in the State and also placed in the next SLBC meeting.

The said Gol, MoF, DFS Circular bearing F.No. 8/25/2011-FI Vol II dated 10th July 2012 on the subject, outlining the steps to be taken by the lead bank and the other banks, has been already circulated among all the member banks of J&K SLBC. A copy of the Circular is enclosed for information of the members.

This is for information of the House

Agenda Item No: 86.22

Installation and Managed Services of Cash Dispensers (CDs) – Conveying details to SLBC Convenors and State Level Heads

Gol, MoF, DFS vide Circular letter bearing F.No.11/16/2011-FI Part dated 4th August, 2012 addressed to CMDs of all Public Sector Banks (**copy enclosed for ready reference**) regarding the RFP floated by Public Sector Banks for “outsourcing of installation and Managed Services of Cash Dispensers (CDs)” on a geographical cluster basis, have informed that after conclusion of the RFP, agreements have been signed by banks with selected vendors and SLAs have been signed by 21 banks with the 9 selected vendors.

In order to ensure timely implementation of the installation of CDs as planned, the Gol, MoF, DFS has decided as under:

- All lead banks should communicate to the SLBCs of the States concerned the details of finalization of the RFP and the award of work to the selected vendor, rates finalized, provide a copy of agreement, details of number of CDs to be installed in the State/UT, contact details of selected vendor and contact details of Lead Bank Officer for resolution of any technical or operational issues.
- SLBC Convenor must also communicate the same to all the Banks in the State and finalize the state-level roll out plan on priority.
- SLBC Convenors should also identify one pilot district in each State where the roll out of CDs would be taken up first and completed latest by 30th September 2012. This will ensure that all technical and operational issues are resolved and rollout of the CDs in the rest of the State can be completed without any difficulty.
- All banks must convey the details of state-wise targets for installation of CDs in various States to their heads in the respective State as well as the month-wise number of CDs to be installed in each State for follow up.
- Banks should also advise their State level offices to immediately finalize, in consultation with the selected vendor, the sites for installation of CDs and expedite the process of site preparation as per RFP.

This is for information of the house

Agenda Item No: 86.23

- (i) IBA Model Loan Scheme for Vocational Education and Training:**
- (ii) Revised IBA Model Educational Loan Scheme for Pursuing Higher Education in India & Abroad:**

Indian Banks' Association (IBA) vide Circular letters bearing No. CE/209 and CE/210 dated 31st May 2012 have forwarded two revised Educational Loan Schemes, viz.

- (i) 'IBA Model Loan Scheme for Vocational Education and Training'** and
- (ii) 'Revised IBA Model Educational Loan Scheme for Pursuing Higher Education in India & Abroad'** for implementation by the member banks.

Both the said Schemes have already been circulated by SLBC Secretariat to all the member banks.

Copies of the said Schemes are again placed herewith for information of the members

Encls: 11