

## **MINUTES OF 86<sup>th</sup> MEETING OF SLBC (J&K)** **HELD ON 25<sup>th</sup> AUGUST 2012 AT SRINAGAR**

The 86<sup>th</sup> meeting of J&K State Level Bankers' Committee (SLBC) was held on 25<sup>th</sup> August 2012 at Srinagar to review progress of the initiatives of Financial Inclusion and performance of banks operating in J&K State for the quarter ended June 2012 under ACP 2012-13. Mr. M.I.Khandey, Principle Secretary (Finance) Govt. of J&K State chaired the meeting, as the Chief Secretary could not attend. Chairman & CEO of J&K Bank (Convenor of J&K SLBC) Mr. Mushtaq Ahmad steered the proceedings. Top functionaries of the Government administration, regulators and banks attending the meeting included Principal Secretary Planning & Dev. Mr. B. B. Vyas, Commissioner Secretary Agriculture Production, Mr. Shaleen Kabra, Commissioner/ Secretary Industries & Commerce, Mr. Shantmanu, Commissioner/ Secretary Labour & Employment, Mr. Yadullah, Commissioner/ Secretary, Rural Development, Mr. F. A. Peer, the Director Department of Financial Services, Government of India, Ministry of Finance (Nodal Officer for J&K SLBC), Mr. Sanjeev Kumar Jindal and Chief General Manager NABARD (J&K R.O.) Mr. S. C. Rabra. List of senior officials of government, Reserve Bank of India, NABARD, various line departments, concerned development agencies and senior level representatives of major member banks and financial institutions operating in the State and other invitees who attended and participated in the meeting is enclosed as **Annexure-A**.

Commencing the proceedings Vice President J&K Bank (Convenor SLBC) Mr. M.S.Wani extended a formal welcome to the dignitaries, representatives, participants and invitees and requested the Chairman J&K Bank (Convenor) to deliver the keynote address and express his views and observations about the agenda and credit administration in J & K state during the period under review.

The Chairman J&K Bank (Convenor), Mr. Mushtaq Ahmad after extending a warm welcome to the dignitaries, invitees, members and participants expressed satisfaction that with the participation of high responsible levels the deliberations in the meeting would be fruitful and result oriented. Thereafter, he delivered the key note address, glimpses of which are captured as under:

### **Keynote address by Chairman J&K Bank (Convenor SLBC) Mr. Mushtaq Ahmad:**

Highlighting that the Financial Inclusion programme is the highest national priority, the Chairman expressed satisfaction over the progress made in respect of the Financial Inclusion Plan (FIP) of J&K State for providing of banking services in the 795 identified un-banked villages having population over 2000 allocated by SLBC, as banking outlets had been already provided to cover 784 villages. He observed that though the progress in implementation of financial inclusion plan was encouraging, yet J&K Bank has not been able to provide BC outlets in 11 residual un-banked villages for the reasons of lack of connectivity and basic infrastructure. He desired that the house would have to explore some alternatives for coverage of these 11 residual villages. Regarding the second phase of the financial inclusion programme of providing banking outlets for delivery basic services to 1393 identified un-banked villages in the population segment of 1000-2000 allocated to the same participating banks the coverage of which as per the GoI directives has to be completed by March 2013, the Chairman stated that the concerned banks have not reported any progress as yet, which needs attention during the deliberations.

The Chairman stated that the GoI, MoF directive of providing brick or mortar branches to the villages with population >5000 in the underbanked districts was being complied through implementation of the Branch Expansion Plan of J&K State. He observed that about 77 branches have been already opened by various banks in the State, which included about 46 new branches opened by the J&K Bank itself.

### **Performance of banks under ACP FY 2012-13**

Giving a brief account of the achievements made by banks in J&K State as at the end of June 2012, the Chairman stated that progress in the first quarter of the financial year usually remains

sluggish because of the late sponsorship of cases and also due to the banks being busy with preparation of business plans, balance sheets, audit, etc. Giving details, he stated that the banks have provided a total credit of Rs.1,258.91 Crore to priority sector covering 69,219 beneficiaries under Annual Action Plan 2012-13 against the annual target of Rs.6094 Crore for 3,54,302 beneficiaries, thus achieving 21% of the annual ACP target in financial terms and 20% in physical terms during Q1 of the financial year 2012-13.

Giving sector-wise analysis he stated that under Agriculture Sector the banks have provided credit aggregating to Rs.461.97 Crore to 39,557 beneficiaries against an annual target of Rs.1771.85 Crore favouring 2,10,675 beneficiaries, registering an achievement of 26% in financial terms and 19% in physical terms, during the period under review.

Under Micro & Small Enterprises Sector banks have disbursed credit aggregating to Rs.433.45 Crore in favour of 14,399 beneficiaries against the annual ACP target of Rs.2,147.61 Crore favouring 71,728 beneficiaries, thus registering an achievement of 20% in financial as well as in physical terms during the quarter under review.

Under Micro Credit Sector banks have disbursed credit aggregating to Rs.119.44 Crore in favour of 6,086 beneficiaries against the annual ACP target of Rs.777.46 for 40,845 beneficiaries, registering an achievement of 15% in financial as well as physical terms during Q1 FY 2012-13. The Chairman observed that under Micro Credit Sector we lag far behind the proportionate quarterly target.

Under Education Sector banks have provided a credit of Rs.19.57 Crore in favour of 962 beneficiaries against the annual ACP target of Rs.208.10 Crore for 6,447 beneficiaries, registering an achievement of 9.40% in financial and 15% in physical terms during the quarter under review.

Under Housing Sector banks have disbursed credit amounting to Rs.224.48 Crore in favour of 8,215 beneficiaries against the annual ACP target of Rs.1,189.47 Crore for 24,607 beneficiaries, recording an achievement of 19% in financial terms and 33% in physical terms during the quarter under review.

### **INSTITUTION-WISE CREDIT FLOW**

Commenting on bank-wise achievements, Chairman stated that except J&K Bank and SBI performance of all other banks operating in the State has remained below the desired level. Giving details he stated that out of the total priority sector credit of 1,258.91 Crore disbursed in the State upto 30<sup>th</sup> June 2012, J&K Bank alone has disbursed 780.35 Crore against the target of Rs.3,123.22 Crore, thereby achieving 25% of its annual ACP target, which accounts for a lion's share of 62% of the total flow of credit to priority sector by all banks in the State.

SBI has disbursed Rs.158.25 Crore against the target of Rs.641.35 Crore, thereby achieving 25% of its ACP target, which accounts for 12.57% of the total priority sector credit disbursed in the State.

PNB having disbursed Rs.58.31 Crore against their annual ACP target of Rs.433.93 Crore achieving just 13% of target, which accounts for 4.63% of total priority sector credit disbursed in the State.

Other Commercial Banks put together have disbursed Rs.114.64 Crore against the target of Rs.602.44 Crore achieving 19% of annual ACP target, which accounts for 9.10% of total Priority Sector credit disbursed in the State.

Similarly Cooperative Banks and RRBs have contributed 4.61% and 7.09% of total priority sector credit disbursed in the State during the period under review.

### **C.D.RATIO**

Commenting on the Credit Deposit Ratio, the Chairman stated that C. D. Ratio of banks in the State as on 30<sup>th</sup> June 2012 stood at 36.76% as compared to the C. D. Ratio of 35.84% as on

30<sup>th</sup> June, 2011, indicating a slight increase of 0.92% in the Credit Deposit Ratio, which is encouraging. He however, reminded the members that all the banks operating in J&K State are committed to the Hon'ble Governor, Reserve Bank of India and the Hon'ble Chief Minister, J&K State that the Credit Deposit Ratio of the State would be enhanced to the minimum level of 40% by the end of March 2013. Therefore, he expressed his optimism that all the banks will put in extra efforts to achieve the desired target by honouring their commitment.

**Action: All member banks**

### **Performance under Government Sponsored Schemes**

Commenting on the credit disbursement under Government Sponsored Schemes the Chairman expressed concern that the achievement of banks as at the end of June 2012 was quite dismal. Giving details he stated that against the Annual ACP target of 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 has been of the order of Rs.37.64 Crore spread over 2,203 beneficiaries in all the three regions of the State, thereby registering an achievement of 9% in financial and 8% in physical terms. The achievement is discouraging even as compared to the 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.

Attributing the low performance of banks under Govt. Sponsored Schemes among other things to the late release of subsidy component by the Government, the Chairman requested the Principal Secretary Finance and the Principal Secretary, Planning & Development, J&K Government, to look into the matter and devise some suitable mechanism whereby the subsidy component is released upfront and regulated on quarterly basis based on the cases sanctioned and disbursed by the banks.

The Chairman reiterated his concern about non-enforcement of the SARFAESI Act in the J&K State and stated that although the State Government has been quite serious in its endeavour to ensure that the issue of SARFAESI Act is resolved soon and in this regard the issue has been taken up by the State Government with the Central Government. Yet he expressed his optimism that some solution will be hammered out by the Government very soon.

- **Banks operating in the State were impressed upon to improve their performance in flow of credit in the State.**

**Action: All member banks**

- **Govt. Sponsoring Agency will devise mechanism to release and regulate the flow of subsidy on quarterly basis.**

**Action: J&K Government**

- **Low C. D. Ratio in the State is a major concern thereby underlining the need for banks to enhance flow of credit for improving the C. D. Ratio upto the desired level.**

**Action: All member banks**

Thereafter, the agenda was taken up for deliberations as under:

### **Confirmation of the minutes of 85<sup>th</sup> meeting of J&K SLBC held on 28<sup>th</sup> May 2012:**

As no further comments/ amendments from the members, participants and other concerned quarters were received regarding the minutes of the 85<sup>th</sup> SLBC meeting held on 28<sup>th</sup> May 2012, which were published vide reference No. LBD/SLBC-85/2012-243 dated 07.06.2012, and were also webcast on website of J&K SLBC [www.jkslbc.com](http://www.jkslbc.com), the said minutes were confirmed by the house.

### **Rolled over actionable points of earlier SLBC meetings (follow-up of outstanding issues)**

#### **1. Legislating SARFAESI Act:**

The Chairman pointed out that SARFAESI issue is a long pending matter and desired to have update on the issue from the State Government.

The Secretary Law Department, J&K Govt. informed that recently very fruitful deliberations on the issue were held in a meeting at New Delhi, wherein the following decisions were taken:

- (i) Government of J&K will make a provision similar to Section 13(4) which gives the banks an advantage in their State Act for protecting the legitimate interests of the banks and other financial institutes, so that they increase their credit portfolio in the State for economic growth and employment generation in the State;
- (ii) The Government of India shall in due course take steps for modifying the SARFAESI Act so that appropriately the state legislation takes place in lieu of this provision of the Central legislation; and
- (iii) Government of India shall also immediately initiate action to amend the Security Interests Enforcement Rules 2002 to provide that in case of sale of immovable property in J&K State the provisions of J&K Transfer of Property Act shall apply and prevail in J&K State.

He, therefore, stated that the first action has to be taken by the State Government and the process has been initiated in consultation with the Finance Department as the subject is primarily being administered by the Finance Department. He informed that since the next session of the Legislative Assembly is slated in the last week of September 2012, therefore, the Government contemplates to submit the issue to the cabinet very shortly for this amendment.

Clarifying the position of GoI, MoF, the Director, DFS, Mr. S. K. Jindal stated that GoI has resolved all concerns regarding this act and has already modified the rules and made the provision. The Secretary, DFS in his communication to the State Chief Secretary has sought to make similar provisions in the Act of the State. He requested the State Government to take action in the matter on a priority basis.

**Action: Principal Secretary (Finance)/ Com./Secretary Law, J&K Govt.**

## **2. Implementation of Handloom package:**

Regarding Comprehensive package for Handloom Sector and the Revival, Reforming and Restructuring Package for Handloom Sector, the Commissioner/ Secretary, Industries & Commerce stated that State Government was required to sign MOU with Ministry of Textiles and also to undergo a tripartite agreement amongst GoI, State Government and NABARD. On this account he stated that the draft MOU has been sent to the State Law Department but since there was a commitment from the State Government to amend the Cooperative Act as and when required, therefore, the matter has been discussed with the Cooperative Department where we have reached to a conclusion. He further informed that in the meanwhile letter of commitment has been sent by the State Government to the GoI 10 days back. He expressed the hope that within a week or so the matter would be resolved and the government will be in a position to sign the tripartite MOU also.

Regarding the Weavers' Credit Card Scheme, he stated that more than 2000 application forms for issuance of the WCCs have been already submitted to various banks.

The Vice President (GSS), J&K Bank stated that since the State Government has to enter into a MOU with the GoI as a precondition, as such, the cases received by J&K Bank for issuance of WCCs are not being processed yet.

Reacting to this, the Director Handlooms, J&K Government, while affirming that signing of MOU by State Government with the GoI was a pre-condition, stated that as per the Scheme the banks also have to give a financial commitment in this regard.

The Vice President (LBD/SLBC), J&K Bank, Mr. M.S.Wani clarified that as per the GoI Scheme banks have to make a financial commitment that they will agree for the waiver of the previous debt of the beneficiaries and will not charge for the intervening period till they provide the new facility.

The President (A&AP), J&K Bank joining deliberations on the issue stated that J&K Bank has already worked out the financial implications on this account. But the cases would be disposed



off only after the commitment from the State Government that the scheme will be implemented in the J&K State, which has not been done by the State Government so far.

It was resolved that first of all the MOU has to be signed by the State Government with Gol and thereafter bankers operating in the State will have to take the administrative decision about the financial commitment to be made in this regard and that how they are going to dispose of these cases.

The CGM, NABARD presenting his viewpoint on the issue stated that:

- (i) The State Government was required to give the letter of commitment, which they have already done;
- (ii) Audit of the Cooperative Societies was to be completed by the Government; and
- (iii) Banks had to give the financial commitment;

He further stated that since the Handloom Package is applicable pan-India, as such it is believed that most of the Public Sector Banks at the corporate offices level must have already taken a decision in this regard. J&K Bank is a local bank in the State, they will have to do it here. He requested all the banks to convey progress in the matter to J&K SLBC immediately.

**Action: All member banks of J&K SLBC**

The Director Handlooms, J&K Govt. informed the house that audit of 66 Handloom Cooperative Societies in the state had been already completed and conveyed to NABARD. However, only 20-30 Primary Handloom Cooperative Societies eligible under the Scheme are left without audit yet, which shall be completed very soon.

**Action: Director Handlooms, J&K Govt.**

## **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:**

The Vice President (LB/SLBC), J&K Bank pointed out that Reserve Bank of India has yet to come out with approval regarding extension of the Relaxations/ Concessions to Trade & Industry in J&K State although the recommendations for the same were given by the Sub-Committee in the month of April. He stated that J&K Bank has been allowing these relaxations/ concessions under the package even in anticipation of the approval from RBI. He requested RBI to apprise progress in the matter and asked for the reasons of delay in accord of approval this time.

Reacting to this, the DGM, RBI informed that every year this approval is given by RBI after obtaining the views of Government of India in the matter. Accordingly, the issue has been referred to the Gol this time also, but their reply is still awaited.

After a brief discussion on the issue it was decided that the matter shall be again pursued with the Reserve Bank of India and for this purpose the Director, DFS, Gol, MoF was requested to use his good offices for early disposal of the issue.

Responding to this, the Director DFS, Mr. S. K. Jindal asked for a copy of the RBI relative communication in the matter from DGM, RBI, who agreed to provide the same.

**Action: Reserve Bank of India/ Director DFS, Gol, MoF / J&K SLBC**

### **2) Meeting of the State Level Steering Committee for RSETIs in J&K:**

Minutes of the first meeting of the State Level Steering Committee for RSETIs in J&K held on 25<sup>th</sup> of July 2012 at Srinagar were taken on record and the concerned were asked to take appropriate action on the actionable points.

#### **Agenda Item No. 86.01**

#### **(1) Providing of banking services in the un-banked villages having population of 2000 and above in J&K (Swabhimaan Project):**

While reviewing the progress achieved by the concerned participating banks in implementation of the Financial Inclusion Plan (FIP) of J&K State, the house took on record that out of total 795

identified un-banked villages having population >2000 in J&K State, banking outlets have been already provided to 784 villages thereby leaving only 11 villages yet to be covered by J&K Bank due to lack of connectivity and basic infrastructure. The Chairman requested CGM, NABARD to guide for removing the impeding factors for coverage of the residual 11 villages. These villages include Tulail and Badwan Wanpora in Block Gurez of Bandipora District, 3 villages in Block Dachin and 5 villages in Block Marwah of Kishtwar District.

Responding to this the CGM, NABARD assured to look into the matter and suggest a resolution within a week's time.

**Action: CGM, NABARD, R.O., Jammu**

The Director, DFS pointed out that alternative solution of Mobile Van, off-line BCs and Mobile Phone could be explored for these 11 uncovered villages. He also suggested that solar system could be an alternative source of energy for these villages.

Reacting to this, the Vice President (LB/SLBC/FI), J&K Bank cited four issues that have become the impeding factor for the bank to provide banking services to the said 11 residual un-banked villages, i.e. Non-availability of power, Absence of road network, Connectivity not available in these villages and the banks operating in these areas are not on CBS. He pointed out that there is no possibility of electronic or technology intervention in these villages.

The Com/Secretary, Agriculture Production joining deliberations on the issue stated that putting these villages on the backburner for a long time would become a reason that why these villages would not be included financially and would not benefit from the progress of the State as a whole. Since these are the villages where electricity is a problem.

The President, T& ISD, J&K Bank clarified that J&K Bank has 3 branches operating manually, which include Daver Gurez, Dachin and Marwah. Tulail is a new branch being opened by the Bank, which is likely to be on CBS. Dachin branch is being brought on CBS by September, 2012, but in Marwah bank faces challenges on account of network connectivity, road network etc. which become the impeder in physical shipment of generators and other equipment. He stated that BSNL has raised hands and the only service provider Bharti is agreeing to provide VSAT connectivity. He further stated that the Bank is trying to get telephone connectivity through wireless but the same is not getting implemented, so far. He expressed the hope that DaverGurez, Dachin and Marwah would be on CBS soon and the villages in their vicinity would get benefited/ covered.

Summing up the discussion on the issue, the Principal Secretary (Planning), Mr. B. B. Vyas stated that the State Government shall make a critical assessment of what kind of infrastructure would be needed in these villages to facilitate their coverage under financial inclusion programme. He advised the Com./Secretary, Agriculture Production and Commissioner/Secretary, Rural Development to look into the matter and come out with suggested solutions soon.

**Action: Com./Secretary, Agriculture Production /  
Com./Secretary, RDD, J&K Govt.**

The Chairman stated that the Bank will first see what kind of facilities are being provided by the State Government in these villages. Simultaneously, J&K Bank will explore all other possibilities to see how the benefits of financial inclusion could be extended to these 11 uncovered villages.

**Action: J&K Bank/ J&K Government**

#### **Agenda Item No.86.02**

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

The Chairman informed the house that GoI, MoF, vide Circular dated 21.10.2011 have desired transfer of subsidies and other benefits under various Social Security Schemes of GoI presently under operation across the country into the accounts of the beneficiaries electronically as implementation of EBT Scheme would enhance the efficiency of delivery of such services. Accordingly, GoI, MoF have desired that SLBCs must finalize the roadmap for Electronic Benefit Transfer in respect of each scheme.

The President (T&ISD), J&K Bank stated that in the Special SLBC meeting held on 21.3.2012 a Sub-group under the Commissioner/ Secretary (IT) was constituted to workout the roadmap for implementation of the EBT Scheme in J&K State. The said Sub-group is believed to have met on 23<sup>rd</sup> of May 2012. He pointed out that in the last (85<sup>th</sup>) SLBC meeting the house was informed by the Government that beginning has been made in this regard with MGNREGA in 10 districts of the State on a pilot basis and its coverage and scope would be widened as the initiative succeeds.

The Principal Secretary Finance (Chairman of the meeting) pointed out that the said Sub-Committee was also tasked to visit other States of the country and see what is going on there, which he said has not probably been done so far.

Reacting to this, the Special Secretary (I.T.) representing Commissioner/Secretary (IT), stated that as soon as the Com./Secretary returns the issue will be discussed with him and the process of appointing the Nodal Officers for all the districts would be initiated soon. He also stated that an update on the operation of the Sub-Committee constituted for the purpose would be intimated within a week's time.

The Chairman pointed out that implementation of the EBT Scheme is a time-bound programme and in case action on the issue is not taken fast, it will tantamount to denial of the benefits to the people who have to be benefited out of this process. He, therefore, desired the IT Department, J&K Government to come with some positive achievements in the matter in the next meeting.

**Action: Commissioner/ Secretary (IT) J&K Govt.**

The Commissioner/ Secretary, Rural Development, J&K Govt. joining deliberations on the issue stated that the issue was deliberated in an in-house meeting in Finance Department recently to see whether government would be able to make this kind of intervention with MGNREGA wherein all the stakeholders including banks participated. Maintaining that the system of electronic transfer of funds is already prevailing in case of MGNREGA, he stated that under MGNREGA we have 10 lakh job card holders out of whom 6,48,000 are maintaining accounts with J&K Bank and the entire transfer of funds into these accounts takes place electronically as it comes from GoI directly to the districts, wherefrom these are electronically transferred to blocks and from blocks these go directly into the accounts of the job-card holders. He, however, pointed out that the only wire which has to be connected is that 'should the Block Development Officers be enabled to directly access his account and transfer from his account funds to various job-card holders. He stated that they were told that if this kind of intervention is possible then the EBT would be complete in case of MGNREGA. He, however, pointed out that nothing has been heard in the matter from the banks, so far.

In this regard the Chairman desired to know whether it was anyway necessary to transfer the NREGA funds to blocks rather than having a centralized system to directly transfer the entire funds to the banks at the apex level.

Reacting to this the Commissioner/ Secretary, Rural Development stated that under the Scheme the requirement is that funds have to go to the Panchayat.

The President (T&ISD), J&K Bank stated that in order to be able to evolve modalities for implementation of EBT Scheme in J&K State it was imperative to go in a methodical manner. Elaborating his view, he stated that the revised RBI guidelines provide for 'one district-many banks-one leader bank' model to be adopted for the purpose and the first thing for the Government was to select a leader bank and sign MoU with the selected leader bank. Given the position that in Chattisgarh, Madhya Pradesh and some other States implementation of EBT Scheme has already taken place, the President (T&ISD), J&K Bank suggested that the IT Department of the State Government with a representative from the J&K Bank, which has deep penetration in the State, should visit one or two States of the country to find out the modalities worked out there, so that the same could be replicated in J&K state for the purpose.

Summing up deliberations on the issue, the Principal Secretary (Finance) directed the Special Secretary (IT) that as soon as the Commissioner/ Secretary (IT) returns, a note be put up to him

that the matter had come up for discussion in the SLBC, therefore, the government has to move fast, call into session the Sub-Committee already constituted in the Special SLBC meeting for the purpose, visit some other States of the country to see what is happening there on this account and report back.

**Action: Govt. of J&K, Information & Technology Deptt.**

Director DFS, Gol, MoF stated that there is a fresh initiative from Gol, MoF that every household in the village should have an account in the bank. Until that is implemented the EBT is going to be a difficult process. He stated that banks have been given the responsibility to take a certificate from the respective Panchayats that every household has got an account with the banks in its area. He further stated that the direction of Gol was that by 30<sup>th</sup> June 2012 all the households should have opened an account with the banks but so far no progress has been indicated on this account in the agenda. He asked for the progress achieved by the banks on this account.

Reacting to this the President (T&ISD), J&K Bank suggested that these initiatives have to move in parallel. He stated that as the EBT runs, then the second part of it would be that no beneficiary under the Central Government Schemes gets money unless he has a bank account.

The Commissioner/Secretary, Agriculture Production stated that a similar thing is happening in case of the Kissan Credit Card Scheme in the State, where the number of farming families constituted almost 85%. He maintained that opening of accounts for EBT, KCCs etc. has to go simultaneously as to wait for one particular programme to happen and then to start another would only delay the process of credit flow to the people. He desired that house should set proper targets with regard to opening of bank accounts so that this initiative of the Gol, MoF would get monitored properly.

Keeping in view that the timelines fixed by Gol was 30<sup>th</sup> June, 2012, which has already expired but there has been no progress so far, the Director, DFS desired that timelines be fixed for opening of banking accounts for all households because unless proper timelines are fixed it would not be possible to accomplish the target of having a bank account for every household.

**Agenda Item No: 86.03**

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

The Chairman stated that with the allocation of additional identified 120 un-banked villages in the population segment of 1000-2000, the total number of identified unbanked villages under this population segment has gone upto 1393. The revised final allocation of these un-banked villages made after consultations has emerged as under:

J&K Bank	=	1093
SBI	=	112
PNB	=	82
J&K Grameen Bank	=	66 and
Ellaquai Dehati Bank	=	<u>40</u>
TOTAL VILLAGES	=	<u>1393</u>

He further stated that Gol, MoF have directed to make concerted efforts to provide banking facilities to these un-banked villages (having population 1000-2000) in a time-bound manner latest by 31<sup>st</sup> March 2013. He sought bank-wise progress in the matter.

DGM, SBI informed that SBI has been able to appoint CSPs for 7 villages only so far and by the end of September 2012 SBI expected to appoint 20 CSPs and SBI contemplated to complete all the allocated villages by the end of February 2013.

Vice President (FI/LB/SLBC) informed that J&K Bank has so far covered 490 villages out of the allocated number of villages to the bank.



After thorough deliberations on the issue it was decided as under:

- **The Steering Sub-Committee of J&K SLBC for IT Enabled Financial Inclusion, which stands already constituted, shall be tasked to frame out a proper bank-wise / village-wise calendar/ roadmap indicating how many villages to be covered in which quarter, so that progress in the second phase of FIP could be reviewed systematically. The said Steering Sub-Committee shall review progress on implementation of the roadmap on monthly basis.**

**Action: SLBC Secretariat / Concerned Participating Banks**

**Agenda Item No: 86.04**

**Strategy and Guidelines on Financial Inclusion–Opening of Bank Branches**

The progress achieved by the concerned banks in having opened 77 branches out of the Comprehensive Branch Expansion Plan envisaging 209 bank branches to be opened in the State, was placed on record. It was observed that the progress is slow and the concerned banks were advised to improve the position.

The Director, DFS pointed out that GoI, MoF vide Circular dated 4<sup>th</sup> April, 2012 have directed that in the underbanked districts identified by RBI banks should open brick & mortar branches in all the un-banked villages having population of 5000 and above by the end of September 2012, but no progress on that account is being reported.

- **The concerned participating banks were directed to report progress to SLBC in this regard regularly on monthly basis for onward transmission to GoI, MoF.**

**Action: Concerned participating banks**

**Agenda item No. 84.05**

**Financial Inclusion – (i) Opening of Ultra Small Branches (USBs):**

Position as at the end of June 2012 was taken on record.

Concerned participating banks were advised to take note of the GoI, MoF, DFS directive conveyed vide communication bearing F.No.21/13/2009-FI (Pt.) dated 1<sup>st</sup> August, 2012, providing that **“the Ultra Small Branches (USBs) shall be managed full time by at least one bank officer with laptop having VPN connectivity supported by BCA”** and ensure that the said directive is adhered to in letter and spirit.

The Director, DFS, GoI, MoF asked the concerned banks to confirm that the weekly visits of the USBs by the concerned bank staff are taking place regularly.

Responding to this, the President T&ISD, J&K Bank informed that the physical weekly visits of the officials from the base branch to the USBs are taking place regularly as per the directives of the GoI, MoF but these visits have to be formalized with the laptops and the VPN connectivity. He stated that for this purpose laptops have been procured for 270 USBs in the first go, which are being configured as per the GoI, MoF guidelines for having these additional security features.

The DGM, SBI stated that SBI has provided 32 laptops to the bank officers, which are covering 70 villages at the moment. He, however, pointed out that there are some IT related issues- the configuration of that is not working, but now the IT personnel of the bank from Corporate Centre are arranging to replace those laptops within this month.

**Action: All concerned participating banks**

**ii. Geographical Information System (GIS)**

The house expressed satisfaction that the GoI, MoF directive regarding uploading of the GoI, MoF website with all the information regarding number of bank branches, ATMs, Clearing Houses, etc. had been complied with.

All the LDMS were directed to ensure that the information/ data uploaded on the GoI, MoF website is updated regularly at quarterly intervals.

**Action: All Lead District Managers**

**(iii) Preparation of State / District Financial Services Plan;**

All the Lead District Managers in J&K State were advised to ensure that the Financial Services Plans of their respective districts are prepared as soon as possible in pursuance of the GoI,

MoF directive for enabling to prepare the consolidated State Financial Services Plan for J&K State.

**Action: All Lead District Managers**

**Agenda Item No: 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:**

The Com./Secretary, Agriculture Production, J&K Govt. informed that as on 18<sup>th</sup> August 2012 1,14,000 application forms for issuance of KCCs to the farmers have been sponsored by the Revenue Department after filling in necessary details, to the banks in Kashmir division, against which banks have so far issued 41,000 KCCs to the farmers. Similarly, in Jammu division 1,06,000 KCC forms have been sponsored to banks in Jammu Division, against which banks have so far issued 18000 KCCs to the farmers, accordingly an aggregate number of 2,20,000 KCC forms had been sponsored to the banks in the State against which 59000 KCCs have been issued by the banks so far. Agreeing that the performance could not be considered satisfactory given the fact that the timelines fixed by the Hon'ble Chief Minister in the last SLBC meeting for accomplishing the target of 100% coverage of farmers in J&K under KCC Scheme is 30<sup>th</sup> September, 2012, the Com./ Secretary, Agriculture production attributed the poor performance partly to lack of information with the bank branches flowing from their corporate offices. He, therefore, stressed upon the need for the banks to reiterate the directions to their operating levels with the objective of having clarity with regard to what banks actually need to do. Referring to the deliberations that took place on the issue in the last 85<sup>th</sup> SLBC meeting, the Com./ Secretary, Agriculture stated that it was decided to take up specific cases, bring them to SLBC so that focused discussion takes place on the issue.

Reacting to this, the Chairman clarified that J&K Bank has received 77000 KCC cases from the Government and in addition the bank has received 21000 cases taking the total number of cases received by the bank to 98000, out of which the bank has already sanctioned and disbursed 53,000 cases and 30,000 more cases have been sanctioned upto the end of 23<sup>rd</sup> of August 2012.

The Com./Secretary, Agriculture, Mr. Shaleen Kabra described in detail some of the main pretexts which have become impediments in issuance of the KCCs to the farmers, which include the following:

- Cases being returned by the bank branches on the grounds that the targets fixed for them had already been achieved;
- Some bank branches are asking for collateral security from the farmers as a pre-condition for issuance of the KCCs;
- Some bank branches are refusing to take the KCC forms on the grounds that they have no instructions from their controlling offices;
- Some bank branches ask the farmers to deposit some money with the bank after which the KCC would be issued;
- Some bank branches are refusing the KCC cases on the grounds of shortage of staff;
- At some bank branches the service area rationale has also become an impediment for issuance of the KCCs to the farmers;
- At most of the places the land happens to be in the name of deceased elders and no mutations have taken place, and the Revenue Authorities do not authenticate the KCC forms on this account;
- Some bank branches are refusing to issue KCCs to the farmers attaining age of more than 70 years;
- At some places Patwaris insist that the KCC forms should be forwarded for authentication through the Tehsildars, whileas in some cases they insist that the forms should be presented by the farmers themselves;
- Revenue officers in many cases are asking functionaries of the Agriculture Department to furnish Khasra No. and other revenue details on the KCC forms as a pre-condition to accepting the forms;

Responding to this the Vice President (GSS), J&K Bank clarified the position of the J&K Bank on the points raised against it and a protracted discussion ensued on the subject.

The Chairman desired that individual instances need not be discussed in the SLBC meeting and stated that it would be desirable to give some time to all the concerned banks to set things right, so that the programme is implemented smoothly.

However, the Principal Secretary (Planning), J&K Govt. stated that the purpose of highlighting the issues was to know the actual impediments in the implementation of the programme of 100% coverage of farmers under KCC in J&K State and not to raise blames on each other. He suggested that the individual instances be discussed in a Sub-Committee of SLBC and the issues be sorted out there, so that all the impeding factors are removed. He also suggested that similar discussions should take place at the district level in the DLRC meetings where the District Development Commissioners are present, so that suitable solutions would emerge in the matter. After thorough discussion, it was decided as under:

- **Since all the members of the Steering Sub-Committee of J&K SLBC for Agriculture are present in the meeting, the Steering Sub-Committee of SLBC for Agriculture (under the Chairmanship of the Commissioner/ Secretary, Agriculture production, J&K Govt.) should be called into session immediately after conclusion of the SLBC meeting and all these issue should be thoroughly deliberated in the said meeting and solutions be worked out.**

**Action: SLBC Secretariat**

The Director Agriculture (Kashmir) invited attention of the members to SRO 289 dated 3.6.1980, wherein it has been said that the Agriculture and Horticulture loans shall be exempted from Stamp duty upto a limit of Rs.25000/- whereas banks say that a minimum stamp duty of Rs.1000/- is applicable, which he said needs to be clarified. He, however, pointed out that the department has completed around 2,96,000 KCC forms, out of which nearly 2,00,000 forms are pending with the Revenue authorities for authentication of the revenue records. He stated that out of the completed KCC forms issued to banks so far, about 60000 KCC have been already issued and the department has distributed the KCCs to farmers in public functions also. He stated that the progress from J&K Bank has been satisfactory as compared to the performance of other banks. Keeping in view that the deadline for completion of 100% coverage of farmers under KCC in the State has been fixed as first week of October 2012, the Director, Agriculture Kashmir stressed that all the stakeholders, including the Revenue Deptt. and the banks, need to redouble their efforts to ensure that the target is accomplished within the prescribed timelines.

**Action: Revenue Department/ Agriculture Department/  
All member banks/ all LDMS**

CGM, NABARD stated that although there has been lot of coordination amongst the district-level officers and the banks resulting in significant progress on issuance of KCCs in the State, yet he stressed upon the Controlling offices of the banks to reiterate the Gol guidelines to their operating levels and re-emphasize them that there has to be 100% coverage of the farmers under KCC in the State and the KCC has to be issued as per the revised guidelines issued by RBI/ NABARD.

The Commissioner/ Secretary, Agriculture Production stated that rather than issuing the paper cards, banks should issue smart cards as per the directions issued by NABARD in June 2012. He stated that although none of the States in the country has yet taken up the Smart Card KCC, yet it would be better if J&K State became the first State in the country to issue the Smart Card KCC.

Responding to this, the Vice President (LBD/SLBC/FI), J&K Bank informed that J&K Bank has already finalized the technology and other requirements for the purpose and expressed optimism that by the first week of September J&K Bank would be in a position to deliver credit to farmers through Smart Card KCCs. He, however, pointed out that unless all the households get the basic parking account, the entire process cannot be taken into electronic mode. He stated

that J&K Bank has already prioritized the issue and the programme is being put in a mission mode and the bank will be doing KCC through Smart Card, giving EBT simultaneously where we have abilities to do it and the process is continuing.

After thorough deliberations on the issue it was decided as under:

- **All the stakeholders including Agriculture Department, Revenue Department, banks were directed to make strenuous efforts to ensure that the target of 100% coverage of farmers under KCC is achieved within the prescribed timelines, i.e. 1<sup>st</sup> week of October, 2012;**

**Action: Agriculture Department/ Revenue Department/  
All member banks/ All LDMS**

- **Controlling offices of all member banks operating in J&K State will ensure that guidelines issued by GoI, MoF are reiterated to all the operating levels for ensuring 100% coverage of farmers under KCC to be issued under revised RBI/ NABARD guidelines.**

**Action: All member banks**

**Agenda Item No. 86.07**

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

The Executive President, J&K Bank stated that against the target of 12 FLCCs the J&K Bank had upto the end of June 2012 set up 9 FLCC Centres and two more FLCC Centres have been set up in the month of July 2012 taking the total to 11 FLCC Centres, viz. Srinagar, Budgam, Ganderbal, Baramulla, Budgam, Kupwara, Anantnag, Kulgam, Pulwama, Shopian and Rajouri.

DGM, State Bank of India stated that out of its 10 allocated districts SBI has so far set up FLCC Centres in only 4, viz. Districts Jammu, Udhampur, Samba and Kathua and two more FLCC Centres in respect of districts Reasi and Doda are being made functional within a fortnight.

The house noted the progress achieved by the concerned banks in this regard. Both the banks were advised to ensure that FLCC Centres in respect of the remaining districts are set up as soon as possible to comply with the RBI directive and ensure reporting of progress to SLBC in the prescribed format on quarterly basis for onward transmission to RBI.

**Action: J&K Bank / State Bank of India**

**Agenda Item No.86.08**

**1) Setting up of Rural Self-Employment Training Institutes (RSETIs) -**

**2) Allotment of land by GoJ&K for creating permanent infrastructure for RSETIs:**

The Chairman informed that J&K Bank has already accomplished its target by setting up the RSETIs in all its allocated 12 districts of the State, while as SBI had so far set up the RSETIs in 8 districts only, viz. Samba, Udhampur, Reasi, Jammu, Kathua, Kishtwar, Doda and Ramban. He sought comments of the State Bank of India regarding the remaining two districts of Leh and Kargil.

Responding to this, the DGM, State Bank of India informed that they are facing difficulties in getting suitable accommodations at Leh and Kargil for setting up the RSETIs there. Assuring the house to expedite its efforts in this regard he expressed optimism that the bank would be able to establish RSETIs in Leh and Kargil districts very soon.

The Chairman, Convenor Bank stated that RSETIs and FLCCs are going to be a big support to all the products like KCC, ACC and other employment generating programmes. He desired that State Bank should take concrete steps to ensure that the RSETIs in respect of Leh and Kargil districts are made operational by the end of September 2012.

**Action: State Bank of India**

**Allotment of land by State Government for RSETIs**

The Chairman pointed out that all these RSETIs are operating from rented premises as the State Government has not so far allotted land for construction of permanent infrastructures for any of these RSETIs as required under the relevant guidelines issued by GoI, Ministry of Rural Development. He reiterated that these RSETIs would not be able to even secure reimbursement



of funds for payment of rentals from the GoI, MoRD, as the same has been made subject to production of documents regarding allotment of land by the State Governments.

- **The concerned authorities in the State Government were requested to take concrete steps immediately to ensure that land is allotted to all the RSETIs in the State without any further delay for enabling to create permanent infrastructure for the RSETIs.**

**Action: Com./Secretary Rural Dev., J&K Govt.**

**Agenda Item No: 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.**

Progress achieved by the banks in flow of credit to priority sector as at the end of June 2012 was taken on record.

Chairman informed that while J&K Bank and State bank of India have registered an achievement of 25% of their respective individual annual targets, the performance of other banks has not remained satisfactory. Giving details he stated that PNB had achieved only 13% of its individual target, Other Commercial Banks put together had achieved 19% of annual target and the Cooperative Banks and RRBs had achieved only 12% and 11% of their targets.

The Principal Secretary (Finance) expressing displeasure over the low performance of RRBs and Cooperative Banks stated that given their branch network and presence in rural areas of the State the RRBs and the Cooperative Banks should have been the best performers under Agriculture Sector. He asked for the reasons of their low performance under the priority sector.

Responding to this the representative of J&K State Cooperative Bank expressed the hope that their achievement in the next quarter will be much better. He stated that the bank has already taken necessary measures to ensure improvement in their performance and pursuant to the issuance of the revised KCC Scheme the bank has already revised the scale of finance for the agriculture loans.

The representative of Baramulla Central Cooperative Bank stated that BCCB has issued 22000 KCCs in the State involving an amount of Rs.31.00 Crore, but their achievements do not figure in the agenda papers. He assured that necessary steps would be taken to improve their performance in the next quarter.

The representative of J&K Grameen Bank assured the house that their performance would improve significantly in the next quarter.

The Vice President (LBD/SLBC) commenting on the low performance of Cooperative Banks despite their deep penetration in the rural areas of the State suggested that NABARD should supervise the Cooperative Banks and undertake frequent reviews of their performance so that these banks are activated.

Responding to a query from the Chairman, J&K Bank with regard to the NPA position of the Cooperative Banks, the CGM, NABARD stated that the position was not encouraging. He stated that Cooperative banks have to improve their performance and comply with the RBI directives, otherwise their existence would be at stake. He stated that NABARD alongwith RBI closely review performance of these cooperative banks on fortnightly basis.

- **All the low-performing Public Sector Banks, the RRBs and all the Cooperative banks operating in the State were advised to ensure that their performance in the state is substantially improved during the remaining period of the CFY.**

**Action: All concerned banks**

- **Performance Reports of the individual District Level Review Committees (DLRCs) should be included in the agenda of the SLBC meetings henceforth.**

**Action: All Lead District Managers/ SLBC Secretariat**

**Agenda Item No: 86.11**

**CREDIT UNDER GOVERNMENT SPONSORED SCHEMES**

**Region-wise / Scheme-wise and Bank-wise / Scheme-wise performance of various Banks under Government Sponsored Schemes upto 30<sup>th</sup> June 2012:**

The Chairman stated that as already mentioned in his keynote address, the achievement of banks under Government Sponsored Schemes has not been at all satisfactory. Against the Annual ACP target of 408.63 Crore for 27,362 beneficiaries, the banks at the end of June 2012 have disbursed an amount of Rs.37.64 Crore only spread over 2,203 beneficiaries under five major Government Sponsored Schemes, viz. SGSY, PMEGP, JKSES, SJSRY and SC/ST/OBC, registering an achievement of 9% in financial and 8% in physical terms.

- **All member banks were advised to take necessary measures to ensure that their performance under the Government Sponsored Schemes is substantially improved.**

**Action: All member banks**

**Agenda Item No. 86.12**

**Performance under Handicrafts/ Handlooms Schemes as on 30<sup>th</sup> June 2012:**

The progress achieved under Handicrafts and Handlooms schemes as at the end of 30<sup>th</sup> June 2012 was taken on record.

- **All the banks / Lead District Managers were advised to ensure that data regarding achievements under the Artisans Credit Card Scheme be submitted to the SLBC Secretariat regularly for facilitating review in the SLBC meeting.**

**Action: All member banks/ Lead District Manager**

**Agenda Item No. 86.13**

**Achievement under Self Help Group (SHG) Scheme as at the end of June 2012:**

The Chairman informed the house that in J&K State the cumulative position of the Self Help Groups formed in the State stood at 7657 against which only 6041 SHGs have been credit linked upto 30<sup>th</sup> June 2012 and the total loans disbursed under SHG Scheme upto the end of June 2012 stood at Rs.38.83 Crore, which was not satisfactory.

The CGM, NABARD stated that NABARD is extending support to both the RRBs operating in the State for capacity building and all other banks also have been assured of similar support. He further stated that NABARD is exploring new avenues in this regard and a number of capacity building programmes have been held for the Women's Development Corporation with proactive approach of Ms. Naheed Soz, Managing Director, Women's Development Corporation. He stated that NABARD is also in touch with the Social Welfare Department, J&K Government. He also stated that GoI, MoF had already identified District Doda for Women's Self Help Group programme and recently the programme has been extended to two more districts of the State, viz. Kupwara and Poonch. He stated that in Kupwara district NABARD is exploring some good NGOs so that they can submit proposals for formation of the SHGs while in Poonch NABARD has already entered into agreement with an NGO there and is likely to form not less than 500 SHGs there.

The CGM NABARD stated that in case the banks feel the need for capacity building programmes they should come forward and put up proposals to NABARD and assured that NABARD would extend all support and cooperation in this regard.

**Action: All member banks/ NABARD**

**Agenda Item No. 86.14**

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

The performance of banks under the scheme as at the end of June 2012 was taken on record. The Chairman observed that it has been time and again discussed that scale of finance under the scheme is very low and the beneficiaries are not getting accommodated.

The Vice President (LB/SLBC), J&K Bank informed that ISHUP was a Ministry of Housing & Urban Development programme, which has closed as on 31<sup>st</sup> of March 2012 and no further extension has come so far.

Managing Director, SC/ST/OBC informed the house that ISHUP has been closed on 31<sup>st</sup> March 2012 and in its place another new scheme 'Rajiv Awas Yojana' is being introduced by GoI, Ministry of Housing & Urban Poverty Alleviation (HUPA) in the 12<sup>th</sup> 5-year Plan for addressing the housing needs and infrastructural problems for the urban poor and in case of J&K State 6 districts have been identified for which the basic socio-economic survey is being conducted, consultants have been hired, who are on the job.

**Agenda Item No. 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:**

The Chairman informed the house that the total advances of all banks operating in the State as on 30<sup>th</sup> June 2012 stood at Rs.20,644.07 Crore against the total banking sector deposits of Rs.56,163.70 Crore, thereby registering a C. D. Ratio of 36.76% as on 30<sup>th</sup> June 2012 against 35.84% as on 30<sup>th</sup> June 2011, which was encouraging.

- However, keeping in view the target of enhancing C.D.Ratio to 40% by 31.3.2013, all the member banks / financial institutions operating in the state were impressed upon to take suitable measures immediately to ensure that the desired target is achieved.

**Action: All member banks/ financial institutions**

**Agenda Item No: 86.16**

**Credit delivery to Micro, Small and Medium Enterprises (MSMEs) as on 30<sup>th</sup> June 2012:**

The performance of banks was taken on record.

Member banks were stressed upon to ensure timely submission of the requisite data relating to recommendations of the Prime Minister's Task Force on MSMEs, as per the prescribed format to SLBC regularly for enabling its monitoring and reporting to the concerned quarters.

**Action: All member banks**

**Agenda Item No. 86.17**

**Flow of credit in Minority Concentrated Districts:**

Achievement of banks recorded in disbursement of credit to the only declared Minority Concentrated District of J&K, viz. District Leh, were taken on record.

**Agenda Item No. 86.18**

**Opening of one bank account per family:**

The Director, DFS, GoI, MoF pointed out that GoI, MoF directive has been issued in the month of May, 2012 advising the 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. But there has been no progress in this regard. However, subsequently vide GoI, MoF Circular dated 24<sup>th</sup> July 2012, it was 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 be launched to open account for the family in all the villages and not only the FI villages, which would facilitate EBT including transfer of all benefits and various cash subsidies to the beneficiaries by direct credit electronically. He desired that proper targets under this programme need to be fixed by SLBC, so that its implementation is monitored.

Reacting to this, the Vice President (LB/SLBC) stated that a comprehensive exercise is being made and the targets under this programme would be announced probably by the end of September 2012. He, however, pointed out that there would be two phases, i.e. SLBC will be giving enrolment targets only and not for the smart card as the targets for Smart Cards is going to be a long drawn process which will take some time to do.

**Action: SLBC Secretariat/ all member banks/all LDMS**

**Agenda Item No. 86.19**

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

It was observed that the issue will be disposed of after discussing the same with the Home Department, J&K Govt. and progress achieved in the matter be reported to SLBC in the next meeting.

**Action: SLBC Secretariat/ Home Deptt. J&K Govt.**

**Agenda Item No: 86.20**

**Automation of interface of State Government Treasuries with banks:**

Keeping in view that immense benefits would emerge from full automation of interface of State Government Treasuries with banks, the house observed that all the stakeholders should take necessary measures in this regard to ensure that the directive of the GoI, MoF is complied within letter and spirit. It was also decided that progress achieved in the matter shall be monitored in the next meeting of the SLBC.

**Action: J&K Government/Concerned banks**

**Agenda Item No. 86.21**

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

The Vice President (LB/SLBC/FI), J&K Bank informed that he has been participating in this process of RFP conducted by Punjab National Bank and process of selecting the vendors has been already completed and the commercials are being completed by reverse bidding process as per the directives of the Department of Financial Services, GoI, MoF. He stated that the Corporate BCs for the States of Haryana, Punjab, Himachal and J&K would be selected very soon. Stating that this process would be the complete changeover from the existing system to the new model, which has been actually given by the GoI, MoF, the Vice President (LB/SLBC) expressed optimism that by the first week of September, 2012 we will be knowing the vendors for providing services in the J&K geography.

**Agenda Item No: 86.22**

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

GoI, MoF, DFS directive dated 4<sup>th</sup> August 2012 regarding outsourcing of installation and managed services of Cash Dispensers (CDs) on geographical cluster basis was taken on record. All the stakeholders were directed to initiate necessary action in the matter immediately to ensure that the GoI, MoF directive is complied with.

**Action: All concerned**

**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:**

The house adopted the schemes for implementation in the J&K State.

The Principal Secretary (Planning & Dev.), J&K Govt. presenting his view point stated that there are 3 major initiatives, which have been taken up under the Central Government funding, viz.

(1) Udaan: The State Government is doing this in collaboration with the Union Ministry of Home Affairs and is being monitored by the Commissioner/ Secretary, Labour & Employment Department. Under this scheme graduates and technocrats are being picked up by select companies, being provided a training of 6-8 months and their employability is being enhanced in the process and most of these people is also getting absorbed against good compensation pay packages.

(2) Himayat: This is being done by the State Government in collaboration with Union Ministry of Rural Development. Under this initiative matriculates and above students are picked up by companies, being provided training for 3-4 months and thereafter they are being absorbed by those Companies against pre-fixed compensation pay packages. This scheme has done much better than 'Udaan' as about 1000 youth were employed last year.

(3) There is a scholarship scheme, which is being implemented in collaboration with the Union Ministry of Human Resources Development, GoI for pursuing higher education for Engineering and Medicine etc. Under this scheme students can avail of financial assistance, for which they have to apply to the Union Ministry for HRD.



Mr. Vyas stated that copies of these schemes shall be circulated soon, though the banks have not much of a role in it. But these schemes will give a broader perspective in which all the employment initiatives are being taken by the State Government.

These initiatives are in addition to the SKEWPY, which is being already implemented by the State Government. He stated that clearly the emphasis of the State Government is on self-employment, entrepreneurship development and enhancing the employability of the youth to enable them to take up jobs in the private Sector.

The Vice President (LB/SLBC), J&K Bank inviting attention of the house to J&KSES Scheme, which was discussed in several previous SLBC meetings, stated that the State Government, L&E Department had requested final proposals to be given by the SLBC Secretariat for resolving the NDTL and other issues which were the impellers on that revised process. The said proposals have been already given to the Government that they should either come out with the front-ended subsidy to resolve the issue or they should find out a solution of providing the subsidy individual account-wise, which will be kept as interest-bearing deposits by the banks so that the ultimate interest alongwith the principle amount of subsidy is adjusted against the residual loan at the time of adjustment of the account. He stated that the said issue has to be closed now as the previous scheme has already lapsed. He stated that although RBI and GoI have been already requested to extend the previous scheme but the approval for extension is yet awaited.

Responding to this, the Com./Secretary, L&E, confirmed that the proposals have been already received from the SLBC Secretariat, J&K Bank, which are being examined by the Government. He stated that perhaps the front-ended subsidy mechanism might not be a viable solution because of the possibility of the beneficiaries just taking the subsidy and closing the accounts. Therefore, to avoid that the government will perhaps go for back-ended subsidy. He, however, stated that the government will take advice from the Finance Department in this regard and will also place the issue before the Employment Facilitating Agency (EFA).

**Action: Commissioner/ Secretary, L&E Department**

As regards extension of the JKSES Scheme, the Com./Secretary L&E, J&K Govt. stated that the revised J&K SES Scheme has been already forwarded to GoI, MoF, who have in principle agreed to the said extension and the issue is with the Ministry of Finance in the final stage and the government is expecting a decision in this regard soon.

The Principal Secretary (Planning), joining deliberations on the issue suggested that they shall try to be a little more flexible and think in terms of allowing up-front subsidy to be released to the banks in full but the bank retain it and release the same to the beneficiary in a back-ended fashion, so that both the concerns are met.

The Com./Secretary (L&E), commenting on the Voluntary Service Allowance (VSA) of the J&K Government, stated that under that scheme some interim relief is being paid to the un-employed youth until they get entrepreneurship or employment. In this regard he stated that once these beneficiaries get employment or establish a unit, their names are supposed to be deleted from the register of the unemployed youth. Therefore, he requested all the banks operating in the State that as and when the Government Sponsored cases are actually disbursed, the list of the concerned beneficiaries indicating the DECC Registration Nos. of the beneficiaries, should be conveyed to District Employment Officer concerned instantly for enabling him to delete their names from the live register.

**Action: All member banks**

The Vice President (LB/SLBC) pointed out as under:

- 1) SLBC Secretariat is not the owner of the statistical data, but the data is only collated by it. He requested all the stakeholders to take care that statistics provided to the SLBC Secretariat is reliable, accurate and authentic and sought cooperation from all the concerned in this regard to make the discussions of the house useful and purposeful.
- 2) A segment of banks operating in the State is not cooperating in providing the statistical data regarding their performance to the SLBC, these include IndusInd Bank, HDFC Bank, Yes

Bank, Axis Bank, Syndicate Bank, Allahabad Bank and State Bank of Patiala. In this regard he requested Reserve Bank of India to issue a directive to these banks.

The Chairman, J&K Bank (Convenor Bank) advised all the banks and the LDMS to ensure that accurate, authentic and reliable data is provided to the SLBC Secretariat in time. Regarding non-submission of data by some banks, he advised that SLBC Secretariat should send a letter to the concerned banks seeking their cooperation in the matter with a copy of same to Reserve Bank of India seeking their intervention in the matter.

**Action: All member banks /FIs / LDMS**

CGM, NABARD highlighted the following issues for information of the members:

- 1) Under the Interest Subsidy Scheme of Govt, NABARD was given a target of Rs.60.00 lakh against which subsidy worth Rs.59.00 lakhs has already been sanctioned by NABARD. He pointed out that the poultry sector is not getting much impetus in the State owing to lack of response from the Insurance Companies, who are reported to be charging higher rates of premium from the borrowers. He stated that NABARD is in touch with the Insurance Companies for resolving the issue;
- 2) Under IDSSR Scheme total subsidy amount available to NABARD was Rs.90.00 lakh, out of which Rs.26.00 lakh have been already sanctioned. He, however, pointed that NABARD is not getting enough cases sponsored and requested the banks as well as to the Animal Husbandry Department to ensure that adequate cases are sponsored to NABARD for enabling to achieve the target.
- 3) Under Dairy Scheme there is pendency of subsidy worth Rs.2.00 Crore, which shall be disbursed to the concerned as and when the same is released by the Central Government.

The meeting ended with a vote of thanks to the Chair, which was presented by the Vice President (LBD/ SLBC), J&K Bank. He requested all the participants to join for a working lunch hosted by the Convenor Bank.

**(M.S. Wani)**  
**Vice President**  
**(LBD/J&K SLBC)**

## Annexure-A

### List of Participants 86<sup>th</sup> SLBC Meeting held on 25.08.2012 at Jammu

<u>Name of Participant</u>	<u>Designation</u>	<u>Organization</u>
<b><u>Convenor</u></b>		
1. Mushtaq Ahmad	Chairman & CEO,	J&K Bank
<b><u>Chairman of the meeting</u></b>		
2. M. I. Khanday	Principal Secretary	Finance Department, J&K Govt.
<b><u>Government of J&amp;K State</u></b>		
3. B. B. Vyas	Principal Secretary	Planning Department, J&K Govt.
4. Shantmanu	Com. / Secretary	Industries & Commerce Deptt.
5. Farooq Ahmad Peer	Com. / Secretary	Rural Development Department
6. Yedullah	Com. / Secretary	Labour & Employment Deptt.
7. Shaleen Kabra	Com. / Secretary	Agriculture Production Deptt.
8. G. H. Tantray	Secretary	Law, Justice & Parliamentary Affairs
9. Anal Gupta	Special Secretary	Tourism & Culture
10. D. R. Sharma	Special Secretary	Science & Technology
11. Ms. Rashim Kashyap	Director (Resources)	Finance Department
12. Meraj-uddin Kenu	Director	Industries & Commerce (Kashmir)
13. B. S. Dua	Director	Industries & Commerce (Jammu)
14. Dr. M. I. Parray	Director	Entrepreneurship Dev. Institute
15. Ajay Khajuria	Director	Agriculture Department (Jammu)
16. Farooq Ahmad Lone	Director	Agriculture Department (Kashmir)
17. Muzaffar Hussain	Director	Handicrafts Department
18. Mir Altaf Ahmad	Director	Rural Development Department
19. Mrs. Chandra Gupta	Director	Handloom Department
20. Ajaz Ahmad Bhat	Joint Director	Industries & Commerce (Kashmir)
21. M. A. Shah	Joint Director	Employment Department
22. Javaid Iqbal Mattu	Joint Director	Housing & Urban Dev. Deptt.
23. Showkat Ahmad	CEO	Urban Development Agency Kashmir
24. Dr. Shubhra Sharma	CEO	Urban Development Agency Jammu
25. R. S. Sagar	State Director	KVIC, Jammu
26. Ravinder Singh	Secretary	Khadi & Village Industries Board
27. Dr. Naheed Soz	Managing Director	J&K Women's Development Corporation
28. A. R. Makroo	Managing Director	J&K State Financial Corporation
29. M. Muazzam	Managing Director	SIDCO
30. Arshid Majid Bhat	Divisional Manager	J&K SC/ST/OBC Dev. Corporation
<b><u>Government of India</u></b>		
31. Sanjeev Jindal	Director, DFS	Ministry of Finance, Gol
<b><u>Reserve Bank of India</u></b>		
32. Ramesh Chand	DGM	Reserve Bank of India
33. Ravinder Kumar	AGM	Reserve Bank of India
<b><u>NABARD</u></b>		
34. S. C. Rabra	CGM	NABARD, R. O. Jammu
35. Des Raj	AGM	NABARD
<b><u>Convenor Bank</u></b>		
36. G. M. Sahibzada	Executive President	J&K Bank
37. B. A. Lone	President (ZOK-C)	J&K Bank
38. S. K. Bhat	President (S&BD)	J&K Bank
39. R. K. Shah	President (T&ISD)	J&K Bank
40. Abdul Rauf	President (CCD)	J&K Bank
41. Nayeem-ullah	President (A&AP-JK)	J&K Bank
42. M. S. Wani	Vice President(LB/SLBC)	J&K Bank

43. M. S. Kaboo	Vice President (ZOK-N), J&K Bank
44. Mushtaq Ahmad	Vice President (ZOK-S), J&K Bank
45. Nazir Ahmad Bhat	Vice President (GSS) J&K Bank
46. A. K. Pandita	Vice President (PS) J&K Bank
47. Altaf Ahmad Zargar	Executive Manager, FID J&K Bank

#### **PUBLIC SECTOR BANKS**

48. Ashok Gupta	DGM (Circle Head)	Punjab National Bank
49. Mir Mushtaq Ahmad	AGM/Area Manager	Punjab National Bank
50. S. L. Dhar	Regional Manager	State Bank of India
51. C. J. Tiku	AGM	SBI- RBO-3
52. Ab. Rashid Sofi	DCO	State Bank of India, Srinagar
53. Som Dass Shivgotra	Manager	Oriental Bank of Commerce
54. Anil Sharma	Regional Manager	Central Bank of India
55. N. M. Parra	Chief Manager	Canara Bank
56. S. C. Sharma	Sr. Manager	UCO Bank
57. A. K. Chhabra	AGM, Z.O. Amritsar	Bank of India
58. Sunil Sehgal	DGM,	IDBI Bank
59. Iftikhar Ahmad	Cluster Head	HDFC Bank
60. Ashish Pandotra	Cluster Head	ICICI Bank Ltd.

#### **REGIONAL RURAL BANKS**

61. A. K. Razdan	Chairman	Elaquai Dehati Bank
62. Aftab Qazi	General Manager	J&K Grameen Bank

#### **COOPERATIVE BANKS**

63. B. A. Lone	Managing Director	Baramulla Central Coop. Bank
64. Mohammad Latif Dar	Business Dev. Head	J&K State Cooperative Bank
65. B. B. Raina	Manager	Anantnag Central Coop. Bank

#### **SIDBI**

66. Anuj Jain	AGM,	SIDBI
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#### **AGRICULTURE INSURANCE CO.**

67. Ashwani Bhat	F.O. Jammu	Agriculture Insurance Company of India
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#### **LEAD DISTRICT MANAGERS**

68. Mufti Gh. Mohammad	LDM Anantnag	J&K Bank
69. Md. Saleem Wani	LDM Shopian	J&K Bank
70. Tassaduq Mohammad	LDM Srinagar	J&K Bank
71. G. R. Bhat	LDM Pulwama	J&K Bank
72. M. A. Khan	LDM Ganderbal	J&K Bank
73. Mohammad Shafi	LDM Baramulla	J&K Bank
74. Mohammad Yaqoob	LDM Budgam	J&K Bank
75. G. M. Dar	LDM Kulgam	J&K Bank
76. Arvind Kapoor	LDM Rajouri	J&K Bank
77. Gulzar Ahmad Zargar	LDM Poonch	J&K Bank
78. Gh. Hassan Wani	LDM Kupwara	J&K Bank
79. Ayub Ahmad	LDM Bandipora	J&K Bank
80. K. K. Sharma	LDM Jammu	State Bank of India
81. R. C. Sharma	LDM	Lead Bank, SBI, Adm. Office, Jammu
82. Vijay Kumar Wali	LDM Kathua	State Bank of India
83. R. L. Lochan	LDM Reasi	State Bank of India
84. I. B. Sharma	LDM	State Bank of India
85. Nirmal Singh	LDM	State Bank of India