

SEGMENT-1 (REVISION)

**CONFIRMATION OF MINUTES OF
87th MEETING OF J&K SLBC HELD ON 26th NOVEMBER 2012**

The minutes of 87th meeting of J&K SLBC held on 26th November 2012 at Jammu to review the performance / achievements of the banks / financial institutions operating in the State as at the end of September 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-87/2012-561 dated 06.12.2012. The actionable points have been indicated to the concerned quarters for taking desired action.

No amendments to the said minutes of the meeting have been advised by any of the concerned quarters.

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>In the 86th SLBC meeting Secretary Law, J&K Govt. informed the decisions taken in a meeting held at New Delhi on the subject, as under:</p> <ul style="list-style-type: none"> • Govt. of J&K will make a provision similar to Section 13(4) which gives the banks an advantage in their State Act for protecting their legitimate interests, so that they increase their credit portfolio in the State for economic growth and employment generation; • Govt 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 • Govt 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. <p>The Secretary Law, J&K Govt. stated that Govt. is contemplating to take up the issue to the cabinet very shortly for the relative amendment.</p> <p>The Director, DFS, GoI, MoF, stated that GoI has already modified the rules and made the relative provisions in this regard. He further stated that the Secretary, DFS in his communication to 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.</p> <p>In the 87th SLBC meeting the house was informed that State Government is going to take up the issue to the State Legislature in the ensuing session and probably the legislation on SARFAESI Act would be in place in the first week of April 2013. Terming it as a big relief for the banking fraternity, the Chairman expressed optimism that the matter would be resolved very 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 Gol, Ministry of Textiles.</p>	<p>In 86th SLBC meeting it was resolved that first of all MOU has to be signed by State Govt. 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.</p> <p>The CGM, NABARD stated that:</p> <ul style="list-style-type: none"> (i) The State Govt. 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; <p>In the 87th SLBC meeting held on 26.11.2012 The Additional Secretary, Industries & Commerce, J&K Govt. informed that the Letter of Commitment has been already given to the Gol. However, regarding signing of MOU he stated that since this process involved Law Department and the Cooperative Department, a meeting of the concerned departments was convened by the Government on 15th November, 2012, wherein it was found that the no major amendments are required in the State Cooperative Law as the same is more or less conforming to the requirements of MOU. He stated that necessary process has been initiated and is to be vetted by the Commissioner/ Secretary, Industries & Commerce, who is likely to come in a two weeks time and the signing of MOU is expected within the next 10-15 days.</p> <p>Regarding audit of the Cooperative Societies, another requirement for implementation of the Handloom package, the representative of NABARD informed the house that the audit had been completed.</p> <p>The Chief Secretary, J&K Govt. directed that all the processes involved in the issue should be completed within 15 days.</p>

No progress has been informed thereafter.

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

3) Publicity Thrust on Opening of Bank Account:

Agenda Item/ date	Summary of decisions/ Action points.	Status
<p>87.18 dated 26.11.2012</p>	<p>Indian Banks' Association (IBA) vide its communication FI/AC-III/Cir/6162 dated Nov. 2, 2012 forwarded a letter dated 29th October, 2012 from Gol, MoF, DFS on the subject, wherein it was informed as under: "Opening of an account is a first step towards financial inclusion. Only about 60% of the households in India avail banking services. With the objective of scaling up Financial Literacy, motivate people to open an account, inculcate the habit of savings, etc. it has been decided that each school run by Government or Private Authorities catering to lower strata of society be approached by Branch Managers to provide information to teachers and students on the following indicative items: (i) Importance of Savings (ii) Multiplication of Savings through Interest income; (iii) Need to open a Bank Account for livelihood and other purposes; (iv) Credit availability through Banks for income generating activities; (v) Need to repay loan in time; (vi) Remittances, Money Transfer facilities through Banks; (vii) Need for insurance.</p> <p>Accordingly, IBA has desired that the local office of the Directorate of Education be contacted and apprised of the strategy being undertaken by the SLBC/ LDM for financial education campaign as this would help the Directorate to issue necessary directives to the schools.</p>	<p>In the said 87th SLBC meeting all the Lead District Managers were advised to ensure adherence to the Gol, MoF directive.</p> <p>The IBA letter dated 2.11.2012 alongwith Gol, MoF communication dated 29th October, 2012 under reference were forwarded to all the Lead District Managers through Email on December 6, 2012 followed by reminder dated 10.12.2012 and January 19, 2013 for compliance.</p> <p>The LDMs were required to launch and organize the publicity campaign in the schools run by the Government or private authorities within their respective jurisdictions and provide information on the indicative items to the teachers and students and submit the Action Taken Report to SLBC for onward transmission to IBA/Gol.</p> <p>But the said Action Taken Report has been received from LDMs of 4 districts only, viz. Budgam, Pulwama, Anantnag and Kulgam. The ATR is still awaited from the remaining 18 Lead District Managers</p>

Concerned Lead District Managers to report progress in the matter

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

Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion in J&K State:

A meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion in J&K State was held on 10th December 2012 at Reserve Bank of India, R.O. Rail Head Complex, Jammu. The meeting was chaired by the Regional Director (for J&K), Reserve Bank of India, Mr. K. K. Saraf. Representatives of all members of the Steering Sub-Committee attended the meeting.

Minutes of the said SLBC meeting were webcast on J&K SLBC website: www.jkslbc.com and have been also circulated vide Ref. No. LBD/SLBC/SSCIT/2012-573 dated December 21, 2012 for desired compliance on the actionables emanating from the said meeting.

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

Encls: [Minutes](#)

SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)

AGENDA ITEM NO: 88.01

**Progress under “Swabhimaan” campaign -
(RBI directive regarding providing of banking services in the un-banked
villages having population of 2000 and above:**

Under Swabhimaan induced Financial Inclusion Plan (FIP) of J&K State 795 unbanked villages were allocated among 5 major banks for providing banking services through various ICT-based banking outlets in terms of RBI guidelines conveyed vide Circular No. RBI/2009-10/233 dated 27.11.2009 and circular No. RBI/2010-11 dated 16.9.2010. On reviewing the progress in 86th SLBC meeting held on 25.08.2012 it was taken on record that coverage of 784 unbanked villages had been completed thereby leaving 11 residual villages uncovered by J&K Bank due to infrastructure deficiency to access these locations.

Consequently CGM, NABARD was requested to guide for removing the impeding factors and suggest some resolution for coverage of these remaining 11 villages.

However, NABARD, R.O. Jammu vide their letter No. NB (J&KRO)/1491/FID-13 (Financial Literacy/2012-13 dated 08.11.2012 have informed that the issue was discussed with their Financial Inclusion Department, Head Office, who are of the view that the server can be set up only with the help of phone/ internet connectivity, which is not available in these villages to provide ICT based solution.

In the meantime J&K Bank has covered one more village, viz. Badwan Wanpora, falling in Block Tulail, District Gurez, by providing a BC outlet there w.e.f. November 2012 thereby leaving only 10 villages yet to be covered, list whereof is enclosed alongwith bank-wise details of village coverage, for information of the house.

House is requested to deliberate the issue

Encl: [List of residual 10 villages](#)

AGENDA ITEM NO: 88.02**Progress under “Extension of Swabhimaan” campaign – (Gol, MoF, DFS directive for coverage of unbanked villages having population above 1000 & below 2000):**

It may be recalled that the house deliberated in 86th meeting that Gol, MoF vide communication bearing F.No.3/5/2012-FI(C 52937) dated 1.5.2012 has decided to extend the “Swabhimaan” campaign to habitations with population of more than 1000 in northeastern and hilly States including J&K. Accordingly, directions were conveyed to make concerted efforts to provide banking facilities to these habitations in a time bound manner latest by 31.03 2013.

Consequently 1393 identified unbanked villages in the population segment of >1000 and <2000 were allocated amongst the same five participating banks, which were involved in Swabhimaan campaign for coverage of 795 villages (having population over 2000) and the concerned banks were directed to ensure coverage of the allocated villages for providing banking services within the prescribed timelines set by Gol, MoF. Progress in the matter is being monitored by Gol and RBI.

Progress achieved

Progress achieved by concerned participating banks in J&K State in providing banking services to the said villages is given as under:

S. No.	Name of the participating Bank	Total No. of villages allocated	No. of Households / target for opening a/cs	Villages covered upto 31.12.2012	%age of progress achieved	No. of FI Accounts opened till 31.12.2012
1	J&K Bank	1093	2,33,512	888	81%	43,964
2	State Bank of India	112	24,923	68	61%	14,182
3	Punjab National Bank	82	19,056	02	2.4%	678
4	J&K Grameen Bank	66	14,811	48	73%	17,518
5	Ellaquai Dehati Bank	40	7,954	38	95%	10,502
	TOTAL	1393	3,80,256	1044	75%	86,844

In terms of Gol, MoF directive the target for coverage of 1393 villages has to be accomplished by 31st March 2013.

House is requested to deliberate the issue

AGENDA ITEM NO: 88.03

- i) Gol directive - launch of campaign to ensure at least one bank account for each family;**
- ii) Preparation of Service Area Plans (SAPs) for all villages on the basis of Gram Panchayat for service delivery.**

(i) Launch of campaign to ensure at least one bank account for each family

It may be recalled that in 85th SLBC meeting held on 28.5.2012 the house deliberated that Gol, MoF, DFS vide Circular bearing F. No. 8/11/2011-FI dated 15th May, 2012 have 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.

Subsequently in the 86th SLBC meeting held on 25.08.2012 the house deliberated that Gol, MoF, DFS have further directed vide Circular F.No.6/23/2012-FI dated 24th July, 2012 that since the beneficiaries of various schemes and subsidies are not only inhabitants of rural FI villages but also comprise of urban poor and slum dwellers residing in the Urban/ Metro centers and even those other banked and unbanked rural villages, therefore, the campaign is to be launched by the bank branches to open account for every family in all villages in their allocated service area and not just in FI villages.

In this regard Gol, MoF, DFS have vide another circular bearing F.No.6/23/2012-FI dated 3rd August 2012, further directed that the following modalities to accomplish the objective and to have proper monitoring of the progress be complied:

Opening of Account:

- ii. Service area bank in rural areas and banks assigned the responsibility in specific wards in urban area would be responsible for ensuring that every house hold has one bank account. This would be achieved in collaboration with other banks in the area
- iii. Latest voter list of the area concerned may be taken as a reference for verifying that every household has a bank account.
- iv. To facilitate Electronic benefit Transfer, the names of other family members can be added to any existing account. Banks need not insist on opening a new account unless the person concerned desires a new account.
- v. Information about opening of bank accounts must be prominently displayed in the villages by the service area bank/designated bank along with the person/bank to be contacted.

(ii) Preparation of Service Area Plans (SAPs) for all villages on the basis of Gram Panchayat for service delivery.

Gol, MoF, DFS vide communication dated 7th September 2011 had directed that Service Area Plans in respect of all districts be prepared on the basis of Gram Panchayats, which would include the FI villages under “Swabhimaan” having population over 2000. Gol directed that these SAPs be uploaded on the district website. Accordingly, the said SAPs in respect of all districts of J&K State were got prepared and uploaded on the websites of all districts where the websites were available. The consolidated SAP comprising all the districts of J&K State was also webcast on the J&K SLBC website: www.jkslbc.com.

Subsequently, in view of “Extension of Swabhimaan” campaign launched by Gol, MoF to cover villages with population of 1000-2000 in northeastern and hilly States, Gol, MoF, DFS directed vide Master Circular dated 4th April, 2012 and dated 25.6.2012 that additional information may be incorporated in the existing Gram Panchayat-based District SAPs to include all the villages having population over 2000, villages having population of 1000-2000 and all other villages irrespective of population comprising the Gram Panchayat should be included in the Sub-Service Area of the BC. Therefore, in the revised SAPs all the villages in a Gram Panchayat are to be bracketed and linked with the concerned BCs and the sub-service area of the BC has to be clearly demarcated, so that the BCs/ banks to whom the service areas under Gram Panchayats are allocated would be responsible for all the financial inclusion activities in such allocated areas.

Progress achieved in J&K State:

The District-wise/ Block-wise Gram Panchayat based Service Area Plan for Financial Inclusion has been prepared and is being circulated soon. The said Service Area Plan is expected to facilitate an integrated strategy for EBT as intended under the Gol directive.

- **The concerned banks shall ensure opening of at least one bank accounts for every household and deliver other banking services to all the villages in their respective Service Area to logically implement FI initiatives.**
- **All the LDMS shall ensure uploading of the Service Area Plans of their respective districts on the district-websites after getting the SAP approved by DCC.**
- **The LDMS shall ensure that all the villages as per census records are included in the SAPs and in case it is found that any villages do not figure in the SAP, steps be immediately initiated in consultation with SLBC Secretariat to incorporate such villages in the SAPs.**

House is requested to deliberate the issue

AGENDA ITEM NO: 88.04

RBI directive for provision of banking services in villages with population below 2000 – Preparation of Roadmap:

Reserve Bank of India, vide its Circular RBI/2011-12/606 issued under RPCD.CO.LBS.BC.No.86/02.01/001/2011-12 dated June 19, 2012 have conveyed that Gol has been emphasizing the need for transferring all state benefits including MGNREGA wages and various cash subsidies to beneficiaries by direct credit to their bank accounts. However, pre-requisite for successful implementation of EBT is availability of doorstep banking services. The objective is to provide a bank account to every household throughout the country.

In view of the above, SLBCs were mandated to prepare a roadmap covering all unbanked villages of population less than 2000 and notionally allot these villages to banks for providing banking services in a time-bound manner.

Accordingly, a total of 5582 villages having population less than 2000 have been identified in J&K State, which include 1393 identified unbanked villages already incorporated under Financial Inclusion Plan-II for providing banking services under “**Extension of Swabhimaan**” programme of Gol, MoF. Bank-wise allocation of the consolidated list of 5582 villages having population <2000 is given as under:

S. No.	Name of the Bank to which allocated	Total No. of villages (with population <2000) allocated	(Out of Col.3) No. of identified unbanked villages having population 1000-2000 (already allocated under FIP-II)	Further villages with population <2000 allocated now
(1)	(2)	(3)	(4)	(5)
1	J&K Bank	3271	1093	2178
2	State Bank of India	753	112	641
3	Punjab National Bank	294	82	212
4	J&K Grameen Bank	1026	66	960
5	Ellaquai Dehati Bank	238	40	198
	TOTAL	5582	1393	4189

The detailed Bank-wise/ District-wise/ Block-wise allocation of these villages is enclosed as **Annexure-T**.

Concerned banks are required to submit year-wise plan for coverage of these villages for 100% financial inclusion. The 1,393 villages appearing under Col.(4) above have to be covered by 31st March 2013 and the remaining 4,189 villages are to be covered in the next 3 years in the ratio of 40:40:20.

House may deliberate the issue

AGENDA ITEM NO: 88.05

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

Members may recall that Strategy and guidelines on Financial Inclusion issued by GoI, MoF, DFS vide Circular dated 21.10.2011 requires that benefits and subsidies under various Government Schemes must be transferred electronically into the accounts of the beneficiaries and such basic banking accounts be opened by banks under Financial Inclusion to facilitate direct transfer of such benefits and subsidies.

The State Government has been persistently requested in last several SLBC meetings to enable the direct transfer of benefits into beneficiaries' accounts by ensuring as under:

- **The concerned Government Departments have to be ready with automation for electronic transfer of benefits under various schemes.**
- **State Govt. to select a Leader Bank for EBT implementation in respect of a particular district and designate a Nodal Deptt. for coordination at district level;**
- **State Govt. to sign MOU with the Leader Bank in respect of a particular district;**
- **Nodal Department to give list of all beneficiaries to the Leader bank;**
- **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;**

However, J&K Government has yet to enable the EBT process as per the guidelines.

In terms of the decision taken in the Special SLBC meeting held on 21.3.2012 during the visit of Governor, RBI to J&K State, Govt. of J&K vide Order No. 137 of 2012 dated 23.04.2012 formed a sub-group headed by Secretary to Govt. Information Technology to activate the process of preparations by Govt. of J&K in this regard.

In the 87th SLBC meeting it was decided that the Commissioner/ Secretary (IT), J&K Govt. should look into the matter, prepare action points on which different things have to be done, giving the status as to where we stand and where we have to reach, so that a separate meeting on this issue can be convened. In the said SLBC meeting the Commissioner/ Secretary (IT) was also directed to set up a proper Secretariat within the IT department, which can take the responsibility to carry the initiative forward.

Government may inform further progress in this regard & take necessary enabling measures for implementation of EBT as per directives of GoI /RBI

AGENDA ITEM NO: 88.06

Branch Expansion Plans of Banks in J&K State:

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 had submitted to Gol, MoF their Branch Expansion Plans for J&K State envisaging a total of 209 new branches to be opened in the State.

The Plan also envisages 62 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 upto 31st December 2012:

As per reports received, upto the end of December 2012 the concerned banks have opened only 129 new bank branches, which include 36 branches opened in the identified under-banked districts of the State, viz. Districts Anantnag, Kulgam, Kupwara, Doda, Ramban Kishtwar and Poonch.

Details of progress achieved by the concerned banks is given in the enclosed statement and the summary thereof is given as under:

S. No.	Name of the Bank	Total No. of branches under BEP		Progress achieved upto the end of Dec., 2012		No. of branches yet to be opened
		Total	In the identified unbanked districts (out of total)	Total	In the identified unbanked districts (out of total)	
1	J&K Bank	114	37	74	24	40
2	State Bank of India	2	02
3	Punjab National Bank	5	...	01	...	04
4	J&K Grameen Bank	37	5	18	2	19
5	Ellaquai Dehati Bank	17	12	04	4	13
6	HDFC Bank	33	8	31	6	02
7	Central Bank of India	01	...	01
	TOTAL	209	62	129	36	80

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

Encls: Consolidated BEP of J&K State

AGENDA ITEM NO: 88.07

(i) Opening of Ultra Small Branches (USBs); and

(ii) Geographical Information System (GIS)

(i) Opening of Ultra Small Branches

Gol, MoF Master Circular on Strategy and Guidelines on Financial Inclusion circulated vide F.No.21/13/2009-FI (Vol II-Pt.) dated 4th April 2012, provides that “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 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 (USBs)** would be set up at all places where opening of a brick and mortar branch is presently not viable; and in all villages covered/ to be covered through BCAs.

Subsequently, vide another Circular bearing F.No.21/13/2009-FI (Pt.) dated 1st August, 2012 Gol, MoF have directed that “**the USB shall be managed full time by at least one bank officer with laptop having VPN connectivity supported by BCA**”.

Progress achieved: Progress report regarding establishing of Ultra Small Branches (USBs) in all FI villages as on 31st December, 2012, is enclosed for information of the members.

Encl: One

(ii) Geographical Information System (GIS):

A web based application to develop a GIS for the bank branches and insurance network in the country has been already launched by Gol, MoF, DFS. 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. Although pursuant to Gol, MoF directive bearing F. No. 8/26/2011-FI dated 27th March, 2012 the data entry on the website of Gol, MoF, DFS has been already completed in respect of all the districts of J&K State, yet the information/ data needs to be updated on monthly basis. Accordingly, In the 87th SLBC meeting all LDMs were advised to ensure that data regarding bank branches, ATMs, BCs, Clearing Houses and Currency Chests operating in J&K State already uploaded by them on the relative Gol website is updated regularly as per guidelines of Gol, MoF, DFS.

All the LDMs to ensure desired compliance of Gol, MoF directive

AGENDA ITEM NO: 88.08

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, 17,00,000 printed application forms for issuance of KCC arranged by J&K Bank/ J&K SLBC were delivered to the Director Agriculture Kashmir and Director Agriculture, Jammu (designated by J&K Govt. for the purpose) for distribution amongst the farmers.

Timelines for accomplishing the target of 100% coverage

In 85th SLBC meeting the Hon'ble Chief Minister directed that 100% coverage of farmers under KCC should be accomplished by end of Sept. 2012 but the progress achieved in the State as on 30.09.2012 was only to the extent of 15% of the target.

Accordingly, in the 87th SLBC meeting held on 26.11.2012 the following decisions were taken to ensure that the target of 100% coverage under KCC is achieved:

- **Agriculture Department should organize and coordinate camps in different villages for issuing Kissan Credit Cards to the farmers. Deputy Commissioners to ensure that concerned people from the Revenue Department attend these camps. Panchayats to be taken on Board. One day should be kept for filling up the forms and verifying the land details etc. and the other day should be specified for distributing KCCs to the farmers;**
- **All concerned banks shall make sure to attend these camps so that sanction and issuance of KCCs to the farmers takes place on the spot. In case banks do not attend these camps and extend necessary cooperation the matter shall be again taken up in the next SLBC meeting for necessary action against the concerned banks.**

Progress achieved upto 31.12.2012 (as per data received from Agriculture Deptt.)

Agriculture Deptt. Kashmir

As per information received from Director Agriculture (Kashmir) 972 camps were organized through Kashmir Division, in which 65,985 farmers participated and 30,238 KCCs were issued to farmers during these camps.

Against the target of 6,28,266 KCCs 3,37,933 application forms have been sponsored to various banks for issuance of KCCs to farmers upto end of December 2012. Out of which banks have issued 2,24,179 KCCs to the farmers and further 1,79,539 cases are under process. The net achievement in Kashmir region is 35% of target.

Agriculture Deptt. Kashmir

No data has been received from Directorate of Agriculture, Jammu regarding organizing of camps.

As regards issuance of KCCs, against the target of 6,08,457 KCCs 2,69,688 cases have been sponsored to various banks for issuance of KCCs upto 31.12.2012, out of which banks have issued 1,59,992 KCCs to the farmers and further 1,09,696 cases are under process. Net achievement in Jammu region is 26% of target.

Bank-wise cumulative progress in issuance of KCCs issued in J&K State from inception of KCC Scheme (as per data received from concerned banks):

Upto the end of December 2012, banks have sanctioned 4,16,096 KCCs in J&K State involving an amount of Rs.1,897.36 Crore, out of which 3,47,430 KCCs have been disbursed credit amounting to Rs.1,615.50 Crore. This works out to an achievement of 34% in the State. The detailed statement indicating bank-wise cumulative progress of KCCs upto 31.12.2012 is given in [Annexure-A](#), & A1

Progress has not been satisfactory

House is requested to deliberate the issue

AGENDA ITEM NO: 88.09

Financial Literacy Centres (FLCs) – Guidelines:

RBI, C.O. Mumbai, vide Circular No. RBI/2011-12/590 dated June 6, 2012 has modified the earlier Model Scheme for FLCCs issued vide RBI/2008-09/371 dated February 4, 2009. The fresh guidelines 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 31st December 2012:

SBI has operationalized Financial Literacy Centres in all its 10 allocated districts. J&K Bank has already operationalized Financial Literacy Centres in 11 out of its 12 allocated districts. The only district yet uncovered, is District Poonch.

The details regarding setting up of FLCs with number of beneficiaries is given in [Annexure-B](#) for information of the house.

House is requested to deliberate

AGENDA ITEM NO: 88.10

- 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, the responsibility of setting up RSETIs in all the 22 districts of J&K State was assigned by J&K SLBC to J&K Bank in 12 districts and SBI in 10 districts in accordance with the lead bank responsibilities assigned to them by RBI in the State.

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. Nazir Ahmad Khan, Scale-V	21.07.2011	9419087363
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. Kandroo	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

SBI is yet to establish RSETIs in Leh and Kargil districts, which they have attributed to non-availability of suitable premises in the said two districts.

In the 87th SLBC meeting SBI was advised to take up the issue with District Development Commissioners of Leh and Kargil districts. SBI had assured that the RSETIs in respect of Leh and Kargil districts would be made operational by January 2013.

However, DGM, SBI, vide his letter dated 28.01.2013 has informed that the issue of providing some premises for RSETIs in Leh and Kargil districts was taken up with concerned DDCs, who have verbally advised that **district administration is not in a position to provide premises for this purpose**. Accordingly, SBI has sought intervention of J&K SLBC in the matter.

ii) Status regarding allotment of land by State Government

Despite vigorous persuasion, the Govt. of J&K has not so far allotted land in favour of any of the RSETIs. In the 87th meeting of J&K SLBC the Chief Secretary, J&K Government directed the Commissioner / Secretary, Rural Development as under:

- **Depute your officers to the districts to get the orders for allotment of land for RSETIs issued by the DCs in front of them;**
- **Since the matter relates to transfer of the State Land, the matter should be brought to the notice of the Chief Minister;**
- **Submit a formal note for the State Cabinet and collect all requisite revenue and other related documents in this regard, so that the issue of allotment of land for the RSETIs is got formally approved from the State Cabinet.**

Government of J&K may inform progress in the matter and give a definite timeframe for allotment of land to the RSETIs.

House may deliberate the issue

SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)**AGENDA ITEM NO: 88.11****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 December 2012.

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

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

It is manifest from the figures as shown in the Annexures that by the end of December 2012 banks have provided total credit of Rs.3,791.82 Crore in favour of 2,64,839 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 62% in financial terms and 75% 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 Q3 of FY 2012-13 with Q3 of PY 2011-12 (YoY) is given hereunder:

(Amount in Crore of Rs.)

Name of Bank	FY 2011-12			CFY 2012-13		
	Target	Achievement (31.12.2011)	%age of Achiev.	Target	Achievement 31.12.2012	%age of Achiev.
J&K Bank	1492.44	2097.45	141	3123.22	2399.12	77
SBI	499.99	171.61	34	641.35	377.02	59
PNB	283.86	143.78	51	433.93	221.12	51
Other Com. Banks	402.52	113.11	28	602.44	398.98	66
Coop. Banks	396.55	132.62	33	499.08	167.02	33
RRBs	541.69	210.74	39	792.13	227.97	29
Other FIs	2.64	1.28	49	2.35	0.59	25
TOTAL	3619.69	2870.60	79	6094.50	3791.82	62

(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.1,425.55 Crore in favour of 1,80,573 beneficiaries under this sector by the end of December 2012 thereby registering an achievement of 80% and 86% in financial and physical terms respectively.

Out of this, an amount of Rs.658.74 Crore in favour of 1,41,233 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 85% & 99.55% 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-D & E](#).

While analyzing the quantum-wise disbursement based on absolute terms, the major contributors have been the J&K Bank (Rs.890.59 Crore), PNB (Rs.178.00 Crore), SBI (78.31 Crore), J&K Grameen Bank (Rs.81.48 Crore), HDFC Bank (Rs.105.11 Crore), Ellaquai Dehati Bank (Rs.30.59 Crore), Anantnag Central Coop. Bank (Rs.15.64 Crore) and Jammu Central Coop. Bank (Rs.18.76 Crore), thereby achieving 96%, 143%, 43%, 37%, 792%, 40%, 57% and 31% respectively of their individual targets. Although some other banks like Andhra Bank & Corporation Bank have registered an achievement of 251% and 194% 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.1,346.12 Crore in favour of 38,547 beneficiaries by the end of December 2012, thereby registering an achievement of 63% of the target in financial terms and 54% in physical terms respectively.

While analyzing Bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.873.08 Crore), SBI (Rs.125.30 Crore), HDFC Bank (Rs.77.27 Crore), JKGB (Rs.54.06 Crore), JCC Bank (Rs.39.44 Crore), OBC (Rs.29.10 Crore), PNB (Rs.23.96 Crore), State Bank of Patiala (Rs.18.49 Crore) and EDB (Rs.18.12 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.255.29 Crore in favour of 16,348 beneficiaries by the end of December 2012. This works out to 33% achievement in financial and 40% in physical terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been State Bank of India (Rs.65.93 Crore), J&K Bank (Rs.48.79 Crore), Central Bank of India (Rs.34.95 Crore) J&K Grameen Bank (Rs.29.90 Crore), Allahabad Bank (Rs.23.22 Crore), Punjab National Bank (Rs.10.14 Crore), Ellaquai Dehati Bank (Rs.10.14 Crore) and JCC Bank (Rs.9.06 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.58.82 Crore in favour of 3,656 beneficiaries by the end of December 2012. This works out to 28% and 56.70% 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.706.04 Crore in favour of 25,715 beneficiaries by the end of December 2012. This works out to an achievement of 59% and 104% in financial and physical terms respectively.

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

The Region-wise/ District-wise/ Sector-wise achievements as at the end of December 2012 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are given as [Annexure-E](#).

(Amount in Crores of Rupees)			
Region	Targets	Achievements	Achievement %
Kashmir	3,164.47	1,782.92	56
Jammu	2,810.15	1,883.32	67
Ladakh	119.88	125.58	105
TOTAL	6,094.50	3,791.82	62

I) KASHMIR REGION:

In Kashmir region an amount of Rs.1782.92 Crore against the target of Rs.3,164.47 Crores (56% achievement) has been disbursed by the end of December 2012 with a sector-wise distribution of Rs.823.78 Crore for the Agriculture Sector (78%

achievement), Rs.533.70 Crore for Micro & Small Enterprises sector (54% achievement), Rs.342.52 Crore for the Housing sector (40% achievement), Rs.56.07 Crore for Micro Credit sector (28% achievement) and Rs.26.86 Crore for the Education Sector (34% achievement).

Out of the total disbursement of Rs.1782.93 Crore in Kashmir region, Micro & Small Enterprises sector has received 29.93%, Housing Sector 19.21%, Agriculture Sector 46.20%, Micro Credit 3.14% and Education Sector 1.51%.

II) JAMMU REGION:

In the Jammu region an amount of Rs.1883.32 Crore has been disbursed by the end of December 2012 against the target of Rs.2,810.15 Crore (67% achievement) with a sector-wise distribution of Rs.736.93 Crore in Micro & Small Enterprises (66%), Rs.348.24 Crore in Housing sector (107%), Rs.575.85 Crore in Agriculture Sector (85%), Rs.190.54 Crore in the Micro Credit (34%) and Rs.31.76 Crore in Education Sector (25%).

Out of the total disbursement of Rs.1,883.32 Crore in Jammu region, Micro & Small Enterprises sector has received 39%, Housing sector 18%, Agriculture Sector 31%, Micro Credit 10% and Education Sector 1.69%.

III) LADAKH REGION:

In the Ladakh region an amount of Rs.125.58 Crore has been disbursed by the end of December 2012 against the target of Rs.119.88 Crore (105%) with a sector-wise distribution of Micro & Small Enterprises Rs.75.50 Crore (188%), Housing sector Rs.15.27 Crore (126%), Agriculture Sector Rs.25.93 Crore (56%), Micro Credit Rs.8.68 Crore (49%) and Education Sector Rs.0.20 Crore (5%).

Out of the total disbursement of Rs.125.58 Crore in Ladakh region, Micro & Small Enterprises sector has got 60.12%, Housing sector 12.16%, Agriculture Sector 20.65%, Micro Credit sector 6.91% and Education Sector 0.15% of credit.

(4) CREDIT TO NON-PRIORITY SECTOR:

Under non-priority sector the banks have disbursed an amount of Rs.2726.01 Crore to 78,344 beneficiaries by the end of December 2012.

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

AGENDA ITEM NO: 88.12

CREDIT UNDER GOVERNMENT SPONSORED SCHEMES

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

Against the Annual Action Plan 2012-13 target of Rs.411.75 Crore for 27,475 beneficiaries for all banks operating in the State, the achievement of banks at the end of December 2012 under five major Government Sponsored Schemes, viz. NRLM (SGSY), PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.131.53 Crore spread over 8,372 beneficiaries in all the three regions of the State thereby registering a performance of 32% of the target in financial and 30% 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.136.17 Crore to 9,563 beneficiaries (being 63% of the target in financial and 51% in physical terms). The performance details under GSS are given in [Annexure-F & F1](#)

1) REGION-WISE ANALYSIS OF ACHIEVEMENTS

i) KASHMIR REGION:

Banks have disbursed a total amount of Rs.92.31 Crore to 6,000 beneficiaries by the end of Q3 of FY 2012-13 under these five major Government Sponsored Schemes against the annual target of Rs.290.12 Crore for 17,717 beneficiaries, thereby achieving 32% & 34% in financial and physical terms respectively against the achievement at Rs.90.30 Crore to 6,540 beneficiaries (65% in financial & 62% in physical terms) for the corresponding period of the previous year.

ii) JAMMU REGION

Banks have disbursed an amount of Rs.33.51 Crore in favour of 2,183 beneficiaries by the end of Q3 of FY 2012-13 against the annual target of Rs.111.06 Crore to 8,956 beneficiaries under these schemes, which accounts for 30% and 24% achievement in financial and physical terms respectively as against achievement of banks at Rs.35.68 Crore to 2,704 beneficiaries (54% in financial and 36% physical terms) as on 31st December, 2011.

iii) LADAKH REGION

Banks have disbursed a total amount of Rs.5.71 Crore in favour of 189 beneficiaries by the end of Q3 of FY 2012-13 under these five major Government Sponsored Schemes against annual target of Rs.10.57 Crore for 802 beneficiaries, which works out to 54% achievement in financial and 24% in physical terms, as against achievement of banks at Rs.10.19 Crore for 319 beneficiaries (108% in financial and 41% in physical terms) for the corresponding period of the last year.

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

The Bank-wise achievements in five major Central/ State Government Sponsored Schemes as on 31st December 2012 are discussed below in light of the figures annexed Scheme-wise as [Annexure-G](#), [G1](#), [G2](#), [G3](#) and [G4](#)

NRLM (SGSY): Under NRLM against a target of Rs.67.01 Crore for 12,322 beneficiaries, banks have disbursed an amount of Rs.20.55 Crore to 4,078 beneficiaries (which includes 540 pending cases of previous year) by the end of Q3 of FY 2012-13, which works out to achievement of 30.66% in financial and 33 in physical terms respectively. Out of the total achievement of Rs.20.55 Crore the major contributors are J&K Bank (Rs.9.76 Crore for 1914 units), State Bank of India (Rs.1.61 Crore for 293 units), J&K Grameen Bank (Rs.3.16 Crore for 662 units), EDB (Rs.1.47 Crore for 302 units), BCCB (Rs.1.47 Crore for 296 units) and Jammu Central Cooperative Bank (Rs.0.89 Crore for 184 units). From the data available it has been observed that 8,878 cases were sponsored to banks against the target of 12,322 cases, out of which 5,025 cases were sanctioned, 1,221 cases were rejected/ returned and 2,632 Cases are pending for sanction with banks.

PMEGP: Under PMEGP Scheme against the annual target of Rs.108.52 Crore for 2,329 beneficiaries, banks at the end of Q3 of FY 2012-13 have disbursed an amount of Rs.20.58 Crore to 531 beneficiaries (which includes 187 pending cases of previous year) for setting up of employment generating units thereby achieving 23% and 19% in physical and in financial terms respectively. Out of the total achievement (physical targets) of all banks operating in J&K State at 531 units the major contributors are J&K Bank (348 units), J&K Grameen Bank (44 units), SBI (50 units), EDB (20 units), JCCB (16 units) J&K State Coop. Bank, P&S Bank, and BCC Bank (13 units each). From the data available it is been observed that only 871 cases were sponsored to banks against the target of 2,329 cases, out of which 448 cases were sanctioned, 181 cases were rejected/ returned and 242 cases are pending for sanction with banks.

JKSES: Under JKSES, banks have disbursed an amount of Rs.82.38 Crore (including Rs.25.42 Crore of previous year's pending cases) to 3,080 beneficiaries by the end of Q3 of FY 2012-13 against the annual target of Rs.203.21 Crore for 9,234 beneficiaries, thus registering an achievement of 41% in financial terms and 33% of the physical target. Out of the total disbursement of Rs.82.38 Crore for 3,080 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.59.71 Crore (2,308 cases), Rs.9.19 Crore (323 cases) and Rs.4.41 Crore (165 cases), respectively. From the data available it has been observed that 8,697 cases were sponsored to banks against the target of 9,234 cases out of which 4,490 cases were sanctioned, 1,528 cases were rejected/ returned and 2,679 Cases are pending for sanction with banks.

SJSRY: Under SJSRY, banks have disbursed an amount of Rs.6.46 Crore to 407 beneficiaries (which includes Rs.1.81 Crore of previous year's 107 pending cases) by the end of Q3 of FY 2012-13 against the annual target of Rs.15.93 Crore for 942 beneficiaries, thus registering an achievement of 41% & 43% in financial and physical terms respectively. Out of the total achievement of Rs.6.46 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.4.05 Crore (260 units), Rs.0.79 Crore (49 units) and Rs.0.97 Crore (54 units), respectively. From the data available it has been observed that 1,276 cases were sponsored to banks against the target of 942 cases out of which 624 cases were sanctioned, 223 cases were rejected/ returned and 429 Cases are pending for sanction with banks.

SC/ST/OBC: Under SC/ST/OBC banks have disbursed an amount of Rs.1.57 Crore to 276 beneficiaries (which includes Rs.0.54 Crore of previous year's 77 pending cases) by the end of Q3 of FY 2012-13 against the annual target of Rs.17.09 Crore for 2,648 beneficiaries thereby registering an achievement of 9% & 10.42% in financial and physical terms respectively. Against the physical target of 2,648 units, only 705 cases have been sponsored, out of which 405 cases were sanctioned by Banks, 80 cases were rejected and 220 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 NO: 88.13

Performance under Handicrafts / Handloom as on 31st December 2012:

The Bank-wise achievement as on 31.12.2012 under these Schemes is discussed below in light of the figures given in the [Annexure-H, I, J & K](#).

Handlooms: Against a target of Rs.20.09 Crore for 2,404 beneficiaries set for banks for FY 2012-13, banks in J&K State have disbursed a total amount of Rs.5.54 Crore to 644 beneficiaries by the end of Q3 of FY 2012-13, which includes 47 sanctioned cases of previous year indicating an achievement of 28%. Against the physical target of 2,404 cases 1,819 cases have been sponsored to various banks, out of which the banks have sanctioned 743 cases with 783 cases pending for sanction and 293 cases rejected/ returned due to various reasons.

Handicrafts: Against the target of Rs. 36.91 Crore for 4,519 beneficiaries set for banks under this sector for the FY 2012-13, banks have disbursed a total amount of Rs.27.51 Crore to 3,363 beneficiaries by the end of Q3 of FY 2012-13, which includes 95 sanctioned cases of previous year indicating an achievement of 75%. Against the physical target of 4,519 cases, 10,026 cases have been sponsored to various banks, out of which 5,756 cases were sanctioned, 727 cases were rejected and 3,543 cases are lying pending with the banks for sanction.

Artisans' Credit Card (ACC) Scheme: As per figures made available to SLBC Secretariat, against the target of Rs.15.25 Crore set for banks for FY 2012-13, banks have disbursed an amount of Rs.11.60 Crore in favour of 1,606 Artisans by the end of Q3 of CFY, which includes 17 sanctioned cases of previous year, indicating an achievement of 76%. 5,595 cases of Artisans Credit Cards have been sponsored to banks, against which 2,836 cases have been sanctioned by the banks, 229 returned/ rejected and 2,530 cases are pending with various banks.

The house is requested to deliberate.

AGENDA ITEM NO: 88.14

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

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

- | | | |
|----------------------------------|-----|----------------|
| • Total SHGs formed | ... | 8,038 |
| • SHGs Savings linked | ... | 6,642 |
| • SHGs Credit linked | ... | 6,064 |
| • Total loans disbursed by banks | ... | Rs.40.80 Crore |

SHG – Bank Linkage Programme in Jammu & Kashmir

NABARD vide letter dated 03 January 2013 addressed to Convenor, J&K SLBC (copy enclosed for ready reference) have conveyed that in a meeting held by Hon'ble Finance Minister, Government of India on 15 November 2012 on the issues of up-scaling the SHG programme, the **Hon'ble Finance Minister addressed to all major commercial banks to upscale the Self Help Group (SHG) Bank Linkage Programme**. Number of SHGs getting credit support from banking sector every year has been on decline since the past few years despite steady growth in quantum of credit disbursed to 11.64 lakh SHGs against 11.96 lakh financed during the year 2011-12. This is probably due to banks' preference for financing existing groups and reluctance from financing new SHGs.

The Government of India has viewed this seriously; as such, NABARD has requested to place the issue during the ensuing SLBC meet and also snap shot of the banks plans and strategies to extend credit to fresh SHGs on regular basis.

GoI, MoRD directive – Strengthening of SHG-Bank Linkage

As conveyed by GoI, MoRD, vide Circular I-12011/16/2012-SGSY(C) dated October 19, 2012 (copy enclosed), National Rural Livelihoods Mission (NRLM) has been launched in the country (replacing the earlier scheme SGSY) to be implemented in a mission mode, to reach out, mobilize and support 7.00 Crore BPL households across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats consisting of 6.00 lakh villages in the country into self-managed SHGs.

NRLM aims to ensure flexible and repeat finance to all eligible SHGs. It has been indicated by Gol, MoRD that out of the estimated 7.00 Crore rural BPL households 4.5 Crore households still need to be organized into SHGs and even the existing SHGs need further strengthening.

In this backdrop Gol, MoRD has directed that the State Level Bankers' Committees (SLBC) are required to constitute separate Sub-Committee for SHG Bank Linkage, which is expected to meet every month to:

- Monitor & review the Bank-wise progress of SHG Bank Linkage programme at State-level;
- Discuss various issues and bottlenecks in implementing SHG Bank Linkage programme;
- Discuss ways to simplify the documentation procedures.

The said Gol, MoRD communication reads that at the district level presently there is no specific Sub-Committee for SHG Bank Linkage. But under the District Consultative Committee there is one Sub-Committee called SGSY Coordination Committee. Gol, MoRD have suggested that the said SGSY Coordination Committees, wherever existing, should be revived and renamed as NRLM Coordination Committee and entrusted the specific role of monitoring the SHG Bank Linkage and functioning of RSETIs at the district-level. Gol, MoRD have further directed that banks should ensure:

- **Regular participation in the meetings of the Steering Sub-Committee of J&K SLBC for SHG Bank Linkage at the State level;**
- **Regular participation in the meetings of the NRLM coordination Committees at the district level;**
- **Monitoring and reviewing on regular basis their SHG bank linkage at the state and district level.**

Status of compliance in J&K State

The Steering Sub-Committee of J&K SLBC for SHG Bank Linkage has already been constituted in the 82nd SLBC meeting held on 5th September 2011 (copy enclosed for ready reference). A meeting of the said Steering Sub-Committee is likely to be convened very soon.

As regards constitution of NRLM Coordination Committees at district level, all the Lead District Managers in J&K State have already been directed vide Ref. No. LBD/SLBC/St.Sub.Com.-SHGs/2012-580 dated December 21, 2012 to ensure immediate compliance of the said Gol, MoRD directive, so that the objective of Gol, MoRD that not a single and eligible SHG desiring credit is missed out in the credit delivery mechanism, is achieved.

Lead District Managers to inform progress in the matter

The house is requested to deliberate on the issue

Encls: 3

AGENDA ITEM NO: 88.15

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 GoI, Ministry of Housing & Urban Poverty Alleviation.

GoI, 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.

The Scheme was to close in March 2012 being the last year of the 11th Five Year Plan Period (2007-12). However, GoI, Ministry of Housing & Urban Poverty Alleviation, in its letter dated 03 September, 2012 addressed to the nodal agencies, viz. National Housing Bank and HUDCO, have informed that the Ministry is in the process of revamping of the ISHUP to be re-launched as Rajiv Rinn Yojana (RRY) for implementation during 12th 5-Year Plan period. Till such time the necessary approvals are not obtained for launching RRY, the expenditure may be incurred on the existing component of Interest Subsidy Scheme for ISHUP as per existing cost norms, pattern of expenditure etc as have been approved for their implementation during 11th Plan. Accordingly the Nodal Agencies have conveyed to the implementing agencies continuation of ISHUP Scheme during FY 2012-13.

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

As per the report received in respect of three districts of Srinagar, Ganderbal and Budgam, there has been no progress during the quarter under review and the position is same as it stood on 30.09.2012, which is given below for information of the house:

S.No.	Particulars	Progress achieved
1	Total No. of Cases sponsored upto 31.12.2012	99
2	Cases sanctioned and disbursed upto 31.12.2012	15 (Amount Rs.15.60 Lacs)
3	Percentage of achievement	15%
4	Cases returned	52
5	Cases under process/ pending for required papers	32

House is requested to deliberate

AGENDA ITEM NO: 88.16

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

Statistical data of various Banks in J&K State as at end of December 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 December 2011 and December 2012. [Annexure- M](#)
 - Total advances of all banks operating in the State as on 31st December 2012 stood at Rs.21,138.97 Crore against Rs.18,018.26 Crore during the corresponding period of previous year and as compared to total banking sector deposits of Rs.60,245.73 Crore.
 - The C. D. Ratio of all banks operating in the State stood at 35.09% as on 31st December 2012 against 35.18 as on 31st December 2011.
2. Statement of Bank-wise / Sector-wise advances outstanding against Priority Sector/ Weaker Sections of the society at the end of December 2012. [Annexure- N](#)

Out of the aggregate advances of Rs.21,138.97 Crore outstanding as on 31st December 2012 an amount of Rs.12,866.37 Crore (60.86%) has gone to Priority Sector and Rs.2,955.26 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-M](#)) J&K Bank has the largest share of Rs.14,108.85 Crore comprising 66.74% of the aggregate outstanding credit of banking sector of Rs.21,138.97 Crore in the State at the end of December 2012. The share of SBI is Rs.2,179.99 Crore comprising 10.31% and that of PNB is Rs.869.65 Crore comprising 4.11%.

The NPAs position of the major banks as reflected in [Annexure-M](#) reveals that in the total NPAs of Rs.1,279.60 Crore in the State at the end of December 2012 the share of J&K Bank is to the tune of Rs.414.39 Crore, that of SBI Rs.218.73 Crore and PNB Rs.158.18 Crore.

It is also evident from [Annexure-N](#) that J&K Bank has the largest share of Rs.8,051.35 Crore aggregate outstanding credit under Priority Sector comprising 62.58% at the end of December 2012 out of the total Priority Sector Bank Credit of Rs.12,866.37 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,535.97 Crore (11.94%) and Rs.679.52 Crore (5.28%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.14,108.85 Crore in J&K State as on 31.12.2012 as against its total deposits of Rs.37,249.47 Crore, thereby achieving a C. D. Ratio of 37.88%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.2,179.99 Crore and Rs.869.65 Crore respectively as against their deposits of Rs.8,458.14 Crore and Rs.3,756.97 Crore, achieving a C.D. Ratio of 25.77% and 23.15%, respectively, as on 31st December, 2012. The remaining 20 Public Sector Banks put together have advanced Rs.1,470.64 Crore as against their total deposits of Rs.3,742.85 Crore, which works out to a C. D. Ratio of 39.29%.

The two Regional Rural Banks operating in the State put together have advanced a total amount of Rs.1,102.09 Crore against their total deposits of Rs.2,635.41 Crore, which works out to a C. D. Ratio of 41.82% as on 31st December, 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.924.67 Crore as against their total deposits of Rs.2,629.92 Crore, thereby achieving C. D. Ratio of 35.16% as on 31st December, 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.6,829.84 Crore followed by Agriculture, Housing, and Micro Credit sector with an amount of Rs.3,270.85 Crore, Rs.1,844.87 Crore, Rs.659.35 Crore, respectively and the lowest share of Rs.261.46 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.

AGENDA ITEM NO: 88.17

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

In terms of Gol, MoF, DFS, 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 31st December 2012) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.1,890.56 Crore in favour of 36,738 beneficiaries and incremental working capital loans of Rs.1,214.84 Crore in favour of 7,601 existing units.
- Banks in the State have so far restructured 6,866 MSMEs accounts involving an amount of Rs. 520.45 Crore.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.8.90 Crore in favour of 646 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.1,637.98 Crore in favour of 42,717 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.2004.25 Crore in favour of 70,223 beneficiaries.

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

Flow of credit under Credit Guarantee Scheme for MSMEs as on 31.12.2012

Under the Credit Guarantee Scheme for MSMEs, the banks operating in J&K State have disbursed a cumulative amount of Rs.238.94 Crore in favour of 8,010 beneficiaries as at the end of 31st December 2012, which includes Rs.93.65 Crore disbursed in favour of 4,106 beneficiaries during the CFY 2012-13. Bank-wise details are given in [Annexure-Q](#)

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

AGENDA ITEM NO: 88.18

Flow of Credit in Minority Concentrated Districts:

In terms of Reserve Bank of India guidelines issued vide Master circular No.RPCD.SP.BC.12/09.10.01/2007-08 dated July 5, 2007 followed by circular No.RPCD.SP.BC.No.13/09.10.01/2007-08 dated July 16, 2007, the credit flow to minorities in 121 districts of the country notified as Minority Concentrated Districts by GOI is to be monitored for ensuring that the minority communities receive a fair and equitable portion of the credit within the overall target of the priority sector.

For J&K State only District Leh has been included in the list of minority concentrated districts.

Accordingly, based on the data received from LDM, Leh, credit flow to Leh District under priority sector as on 31st December 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	1300	1350	35.60	36.70
	Buddhists	4900	5000	124.30	130.25
	Sikhs	9	9	0.52	0.52
	Zoroastrians	0	0	0	0
	TOTAL	6212	6362	160.55	167.60
B	Others	1500	1551	13.22	14.31
C	Total Priority Sector Advances (A+B)=C	7712	7913	173.77	181.91
D	Share of A out of C (in %)	80.54%	80.39%	92.39%	92.13%

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

AGENDA ITEM NO: 88.19

Performance review of LDMs/ DLRCs & DCCs:

In the 86th meeting of J&K SLBC held on 25th August 2012 it was decided that Performance Reports of the individual District Level Review Committees (DLRCs) should be included in the agenda of the SLBC meetings henceforth.

Besides, the High Level Committee (HLC) of RBI to review Lead Bank Scheme has recommended that “various fora at lower levels should give adequate feedback to the SLBC on various issues that needed to be discussed on a wider platform. Important issues/ decisions of the BLBC, DCC and DLCC should be placed before the next meeting of the SLBC, so that these receive adequate attention at the State Level. Accordingly, all the Lead District Managers in J&K State have been advised to provide necessary feedback to SLBC for being placed in the SLBC meeting.

Conduct of DCCs and DLRCs meetings – Preparation of yearly Calendar of DCC/DLRC meetings

It has been observed that the periodicity of conducting DCC and DLRC meetings envisaged by RBI is being complied with by all the LDMs in J&K State and these meetings are being conducted regularly. The statement showing district-wise details of the DLRC / DCC meetings conducted during the quarter ended 31st December 2012, already forwarded to RBI, is **enclosed** for information of the house.

Drawing of yearly Calendar for DCC/DLRC meetings

Reserve Bank of India, vide communication bearing RPCD (JMU) No.991/03.01.01/2012-13 dated January 23, 2013 have conveyed that DCC and DLRC meetings are important coordinating fora of Lead Bank Scheme (LBS) among the Commercial Banks, Government Departments and other agencies at the district level to review and find solutions to the problems hindering the developmental activities. The participation and deliberations of all the members is, therefore, necessary in the above meetings for the development of the district.

However, RBI has observed late receipt/ non-receipt of intimation of the date of meetings, clash of dates with other events and commonalities of dates etc. hinder participation of the members in these meetings, thus undermining the prime objectivity of conducting these meetings. Hence, in order to remove such obstacles RBI has decided to prepare annual Calendar of holding DCC and DLRC meetings for all the districts at the beginning from January 01, 2013 onwards and circulate to all members as advance intimation for blocking future dates

to attend the DCC and DLRC meetings. These meetings should be conducted as per the calendar decided in the beginning of each year. Further, while preparing the Calendar it should be seen that DCC and DLRC meetings are not held simultaneously.

Accordingly, RBI has directed that all the Lead District Managers should prepare a Calendar of Programmes for DCC and DLRC meetings for each district in consultation with the Chairpersons of the meetings, Public Representatives in case of DLRC and LDO of RBI in the beginning from January 01, 2013 onwards and circulate the same to all the members under intimation to RBI.

All the Lead District Managers to ensure preparation of yearly Calendar of programmes for the district for submission to RBI.

Encls: 1

District-wise Credit Deposit Ratio

Based on the data provided by banks operating in the State, the statement showing District-wise/ Agency-wise Credit Deposit Ratio is given in [Annexure-R](#).

As is manifest, eleven districts have discouraging subdued C.D.Ratio. These districts are: District Jammu, Udhampur, Reasi, Kathua, Doda, Ramban, Kishtwar, Rajouri, Poonch, Leh and Kargil. The LDMs have been repeatedly advised to closely monitor the credit dispensation and follow up with the concerned banks to improve performance and achieve ACP targets.

As advised by RBI vide letter No. RPCD (JMU) 786/03.01.02/2011-12 dated January 11, 2012 the concerned LDMs need to consider convening of special meetings of the District Consultative Committees in the districts which are lagging behind in achieving the prescribed targets of CD Ratio to discuss the issue and ascertain remedial measures for substantially improving the CD Ratio.

Accordingly, in the 87th SLBC meeting the concerned LDMs were directed to ensure that necessary measures are taken as per RBI directives to ensure that Credit Deposit Ratio is substantially improved. But the progress report as of 31st December 2012 reveal that the most of these districts continue to have subdued C.D.Ratio.

LDMs of the districts having subdued CD Ratio to take necessary measures for improving the CD Ratio

House may deliberate the issue

SEGMENT – 4 (RECENT DEVELOPMENTS)

AGENDA ITEM NO: 88.20

Putting up of guidelines issued by Government in the DLCC meetings:

Government of India, Ministry of Finance, Department of Financial Services, vide their Circular bearing F.No.6/36/2012-FI dated 11th January, 2013 (copy enclosed for ready reference) have directed that the Lead District Managers should ensure that all the guidelines/ circulars issued by GoI, MoF, DFS from time to time (which are usually available on the website of Government of India, MoF, DFS (<http://financialservices.gov.in/ncapp/Ficircularindex.aspx>.) are placed before the DLCC meetings chaired by the District Collectors and the contents of the guidelines/ circulars are discussed during the DLCC meetings to bring the guidelines to the knowledge of all the concerned for the seamless implementation of the guidelines. GoI has also desired that feedback/ suggestions, if any, received in the DLCC meetings regarding the guidelines/ circulars should be conveyed to the department of Financial Services.

The said GoI, MoF, DFS Circular has already been forwarded vide communication dated 12.01.2013 to all the Lead District Managers in J&K State for desired compliance.

All the LDMs are advised to ensure that henceforth all the guidelines/ circulars issued by GoI, MoF, DFS from time to time are included in the agenda for DLCC meetings regularly for discussion and compliance by all concerned.

Encls: One

AGENDA ITEM NO: 88.21

Release of Additional Equity for improving CRAR – J&K Grameen Bank:

Pursuant to Gol having accepted the recommendations of Dr. K.C. Chakrabarty Committee Report on recapitalization of 40 weak RRBs to the extent of Rs. 2200 Crore for improving their CRAR, Gol approved the recapitalization of J&K Grameen Bank to the extent of **Rs. 34 Crore** to be contributed by three shareholders, viz. Government of India, Sponsor Banks and State Governments, in the prescribed proportion of their equity viz. 50:35:15 respectively, as given below: -

(Rs. in Crore)

Particulars	Shareholder- wise contribution of recapitalization amount			
	Gol (50%)	J&K Govt. (15%)	JKBL (35%)	Total
Recapitalization	17.00	5.10	11.90	34.00

In terms of sanction letter Sponsor Bank has to release its 35% share in favour of the J&K Grameen Bank once the State Government releases its 15% share and Gol is committed to release their 50% share upon release of State Government and Sponsor Bank share.

In 27th Empowered Committee of RBI on RRBs held on 11.10.2012 it was reported that J&K Govt. had already released the similar recapitalization funds in favour of Ellaquai Dehati Bank (EDB) but same is yet to be released in favour of J&K Grameen Bank.

However, despite repeated requests from NABARD as well as J&K Bank, Govt. of J&K is yet to release the said 15% share contribution of Rs. 5.10 Crore in favour of J&K Grameen Bank for enabling Gol and Sponsor Bank to contribute their respective shares as per stipulations of the sanction letter, so that the approved recapitalization of JKGB is completed at the earliest.

Government of J&K is requested to release its share of recapitalization in favour of J&K Grameen Bank at the earliest

House may deliberate the issue

Encls: One