

SEGMENT-1 (REVISION)

**CONFIRMATION OF MINUTES OF
88^h MEETING OF J&K SLBC HELD ON 16th FEBRUARY 2013
&
SPECIAL SLBC MEETING OF J&K STATE HELD ON 8TH MAY 2013**

- 1) The minutes of 88th meeting of J&K SLBC held on 16th February 2013 at Jammu to review the performance / achievements of the banks / financial institutions operating in the State as at the end of December 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-88/2013-656 dated March 2, 2013. The actionable points have been indicated to the concerned quarters for taking desired action.

- 2) The minutes of Special meeting of J&K SLBC held on 8th May 2013 at Srinagar on the eve of visit of the Governor, Reserve Bank of India, Dr. D. Subbarao, to J&K State, to review performance of the banks operating in the State under Financial Inclusion and key indicators, were webcast on the website of J&K SLBC www.jkslbc.com and were also published and circulated among the members vide J&K SLBC office letter No. LBD/Spl.SLBC/2013-55 dated 18.05.2013. The actionable points have been already indicated to the concerned quarters for taking desired action.

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

The house is requested to confirm the said minutes.

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

1) Legislating SARFAESI Act:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken / Status
73 (b) 18.06.2008	Removal of legal glitches to enforce SARFAESI Act in J&K State	In the Special SLBC meeting held on 8 th May 2013 at Srinagar, on the eve of visit of Hon'ble Governor, RBI to J&K State, the Hon'ble Chief Minister J&K State, emphasized upon the need for providing adequate comfort and protection to the lending institutions by way of necessary legislative backup against loan defaults. He observed that a discussion has taken place between State Government and the Union Finance Ministry for time-bound resolution of this concern. Necessary preparatory actions within the State Government are also nearing completion.

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

2) Stamp duty on Agriculture Credit:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken / Status
85.19 Dated 28.05.2012	<p>In 85th SLBC meeting Stamp duty levied by J&K Govt. on Agricultural loans being comparatively higher, may be suitably reduced so that "higher stamp duty" does not become an impediment in adequate flow of credit to agriculture. The issue came up for discussion again in 87th & 88th SLBC meetings.</p> <p>In the 88th meeting the representative of Finance Department, J&K Government informed that the issue is under active consideration of the State Government and expressed optimism that the issue would be resolved soon.</p>	<p>Government of J&K, Finance Department, vide Notification dated 28th March 2013 has issued SRO 144, which provides as under:</p> <p>"w.e.f. 1st April 2013 there shall be remission on stamp duty chargeable upto Rs.1.50 lakh (Rupees One lakh fifty thousand only) in case of credit facility granted under Kissan Credit Card and Artisan Credit Card Schemes".</p> <p>The Govt. of J&K Notification (copy enclosed for ready reference) has already been circulated by SLBC Secretariat on April 24, 2013 to all the banks/ Lead District Managers in J&K State for observing compliance by passing on necessary instructions to their bank branches.</p>

This is for information of the house

Encls: One

3) Release of Additional Equity in favour of J&K Grameen Bank:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken / Status
88.21 Dated 16.02.2013	Gol had approved recapitalization of J&K Grameen Bank to the extent of Rs. 34.00 Crore to be contributed by three shareholders, viz. Gol, Sponsor Banks and State Governments in the prescribed ratio of 50:35:15 respectively. Release of contribution by Sponsor Bank is held up as it has to be procedurally followed by the release of equity by the J & K Government. Delay in release of equity by the State Government is choking the growth opportunities for J & K Grameen Bank. But despite repeated requests from NABARD as well as J&K Bank, the State Govt. is yet to release the said 15% share contribution of Rs.5.10 Crore in favour of JKGB for enabling Gol and Sponsor Bank to contribute their respective shares.	In the 88 th meeting of J&K SLBC the representative of Finance Department, J&K Government informed that the issue has been taken up with the Planning Department and they are optimistic that the issue will be resolved very soon. Subsequently, Finance Department, J&K Govt. vide Letter No. FD/JKB/10/2012 dated 3.04.2013, informed that “the matter has been taken up by the department with the Planning & Development Department for release of the State Share” . NABARD, H.O. Mumbai vide D. O. letter dated 16 th April 2013 has observed that there is urgent need for strengthening the capital base of J&K Grameen Bank, for which NABARD has sought intervention of the Chairman, J&K Bank, with State Govt. for release of their 15% share of equity.

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

4) Plans for Corporate Social Responsibility of banks:

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken / Status
Special SLBC meeting dt. 8.5.2013	In the Special SLBC meeting held on 8.5.2013 at Srinagar, the Hon'ble Chief Minister of J&K State pointed out that J&K Bank has taken up a number of projects under their Corporate Social Responsibility (CSR) commitment in the State. He desired that other banks operating in the State should follow the suit and chalk out their CSR plans by the time the next SLBC meeting is convened and present the same in the meeting. The plans should include proposals of skill development of people of the State, which will have a very positive impact over the general population of the State and will also reiterate commitment of these banks in the State as well. The Hon'ble Governor, RBI directed that all banks in J&K State should draw up their plans immediately, so that in the next SLBC meeting in June, 2013, the SLBC Convenor Bank and the State Government are in a position to consolidate the aggregated CSR plans of banks for the State.	None of the banks have so far indicated their CSR Plans to SLBC.

Member banks may report progress in the matter

SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)

AGENDA ITEM NO: 89.01

FINANCIAL INCLUSION PLAN (FIP) OF J&K STATE:

- (I) **‘Swabhimaan Campaign’ for coverage of villages with population > 2000**
 (II) **Provision of banking services to villages with population below 2000**

(i) In the phase-I of Financial Inclusion Plan (FIP) of J&K State (under ‘Swabhimaan’ campaign of GoI), 795 identified unbanked villages (having population over 2000) were allocated among 5 major banks for providing banking services through various ICT-based banking outlets in terms of RBI 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 the Special SLBC meeting held on 8th May, 2013 it was taken on record that coverage of 786 unbanked villages had been completed thereby leaving only 9 residual villages uncovered by J&K Bank due to lack of connectivity and other infrastructure deficiency to access these locations.

(ii) In the phase-II of Financial Inclusion Plan (FIP) in terms of Reserve Bank of India guidelines conveyed vide Circular RBI/2011-12/606 dated June 19, 2012; a total of 5582 villages (having population less than 2000) were identified, which were allocated among the same 5 participating banks. The objective is to provide a bank account to every household throughout the State for facilitating transfer of all state benefits including MGNREGA and various other cash benefits to the accounts of the beneficiaries directly.

The detailed bank-wise/ year-wise Roadmap submitted by the respective banks for coverage of the said 5582 allocated villages has been already submitted to RBI, a brief summary thereof alongwith progress achieved by concerned banks is given below for information of the house:

S. No.	Name of the Bank to which allocated	Total No. of villages allocated	Target/ Plan for coverage of villages				Progress achieved as on 31 st March 2013	Progress achieved during April, 2013	Total Progress as on 30 th April, 2013
			31 st Mar. 2013	31 st Mar. 2014	31 st Mar. 2015	Beyond March 2015			
1	J&K Bank	3271	1103	497	800	871	987	114	1101
2	State Bank of India	753	111	196	215	231	94	...	94
3	Punjab National Bank	294	6	137	81	70	2	...	2
4	J&K Grameen Bank	1026	54	350	329	293	65	...	65
5	Ellaquai Dehati Bank	238	40	79	79	40	40	...	40
	TOTAL	5582	1314	1259	1504	1505	1188	114	1302

The details of district-wise/ bank-wise achievements are given in [Annexure-A](#) for information of the house

House may deliberate the issue

AGENDA ITEM NO: 89.02

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

Strategy and guidelines on Financial Inclusion issued by Gol, 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.

Operational Guidelines on EBT were issued by Reserve Bank of India in August 2011, in terms of which the State Government has to ensure 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;**

Recently Government of J&K has formed a Committee headed by Principal Secretary Finance to work out modalities with regard to implementation of Electronic Benefit Transfer (EBT) Scheme and its convergence with Financial Inclusion Plan (FIP). The Committee held its maiden meeting on 25th April 2013 at Jammu, wherein a number of decisions were taken for ensuring implementation of EBT in the State.

Consequent upon decisions taken in the said meeting as well as subsequently in the Special SLBC meeting held on 8th May, 2013, the Finance Department, J&K Govt. vide communication No.FD/BKG/12/2010 dated 20.05.2013 have conveyed as under:

- **Finance Department, J&K Govt. to be the umbrella department**, instead of Information Technology Deptt., to coordinate, oversee and facilitate the roll out of EBT in the State on a fast track basis. **The concerned Administrative Department I/C of the Economic Growth oriented/ other Social Security Benefit Schemes to be the Nodal Departments.**
- **J&K Bank to be the Leader Bank in 12 districts of the State, viz. Anantnag, Bandipora, Baramulla, Budgam, Ganderbal, Kulgam, Kupwara, Poonch, Pulwama, Rajouri, Shopian and Srinagar.**
- **State Bank of India to be the Leader Bank in remaining 10 districts, viz. Doda, Jammu, Kargil, Kathua, Kishtwar, leh, Ramban, Reasi, Samba and Udhampur.**
- Nodal Departments to open savings accounts in their name in the bank branches of Leader Banks and other Participating Banks at the district headquarters for electronic transfer of beneficiaries entitlements into the savings accounts by the Treasury Bank of

the State Government at the District level for, in turn, electronic transfer of the benefit to the beneficiaries accounts opened in various bank branches in the district.

- Nodal Department to send instructions to Leader Bank in each district together with Government entitlements to each beneficiary in electronic form;
- State IT Department to take responsibility of building a comprehensive architecture for a sustainable and robust Government entitlements disbursement mechanism across the State through the J&K Bank / SBI for ensuring transfer of moneys electronically into the savings accounts opened by the concerned Nodal Department I/C of the economic growth oriented / other social security Benefit Schemes, with the Leader Bank through the concerned District Treasury Bank route.
- EBT to be rolled out in a phased manner with 6 districts of Ganderbal, Jammu, Kargil, Leh, Rajouri and Srinagar to be covered in the first phase, on pilot basis, for which the target date is 31st July, 2013. This is as per the decision taken in Special SLBC meeting held on 08.05.2013 at SKICC, Srinagar;
- The EBT roll out to be under the twin approach, both district and multi-schemes oriented rather than district and one scheme specific like NREGS of Rural Development Department or NOAPS of Social Welfare Department.
- **MoU to be signed between Finance Department and the Leader Bank, as per the mutually agreed upon format for the hassle-free implementation of EBT Scheme.**
- Mr. Ravi Magotra, Chief Financial Consultant in the Finance Department to henceforth look after the issue and work out basic modalities regarding implementation of EBT and Financial Inclusion.

Government may inform progress regarding signing of MOU with the Leader Banks;

LDMs to ensure that digitized database of EBT beneficiaries under various schemes is made available by concerned Nodal Department of State Govt. to concerned Banks for ensuring that bank accounts of all the beneficiaries are opened for EBT.

House may deliberate the issue

AGENDA ITEM NO: 88.03

100% coverage of farmers in J&K State under Kissan Credit Card (KCC)

Scheme:

In terms of GoI, MoF guidelines dated 19.08.2011 the common format of application form for KCC was approved by the Steering Sub-Committee of SLBC to monitor flow of credit to Agriculture in its first meeting held on 13.12.2011 and 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 J&K State directed that 100% coverage of farmers under KCC should be accomplished **by end of Sept. 2012**. However, subsequently, in the 88th meeting of J&K SLBC held on 16.2.2013, Chairman informed the house that Hon'ble Union Finance Minister on observing that J&K State was lagging far behind in 100% coverage of farmers under KCC Scheme has extended the timeline to **30th of June 2013**.

Progress achieved (as per reports received from banks)

Upto the end of **April 2013**, banks have sanctioned 6,64,955 KCCs in J&K State, which include KCC cases sponsored by Agriculture Department as well as the cases taken up by banks directly. This works out to an achievement of 52% of the target of 12.84 lakh farm-operating families in the State. 67,822 cases have been rejected and 41217 cases are pending with banks.

Out of the total KCCs sanctioned by banks, **about 50% has been contributed by J&K Bank alone having sanctioned 3,25,024 KCCs. Other major players include JKGB with 1,08,355 KCCs, SBI with 57,709 KCCs, EDB with 57,692 KCCs & PNB with 36,964 KCCs.**

Against the said sanctioned cases 4,80,202 KCCs have been disbursed credit amounting to Rs.1,973.09 Crore. The detailed progress is given in [Annexure-B](#)

Progress achieved upto 31.03.2013 (as per data received from Agriculture Deptt.)

Agriculture Deptt. Kashmir

Against the target of 6,75,317 KCCs 3,43,232 application forms have been sponsored to various banks, out of which banks have sanctioned and disbursed 1,75,211 KCCs to the farmers upto end of March 2013. 7,992 cases have been rejected and 1,60,029 cases are pending with the banks. The net achievement in Kashmir region is 23% of target and 47% of the cases sponsored.

Agriculture Deptt. Jammu

Against the target of 5,46,790 KCCs 3,10,377 application forms have been sponsored to various banks, out of which banks have sanctioned 2,30,927 and disbursed 2,12,707 KCCs to the farmers upto end of March 2013. 17,729 cases have been rejected and 61,721 cases are pending with the banks. The net achievement in Jammu region is 42% of target and 74% of the cases sponsored.

Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture Sector in J&K State:

A meeting of the Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture Sector in J&K State was held on 28th March 2013 at Civil Secretariat, Jammu, particularly to review progress achieved in 100% coverage of farmers under KCC Scheme, which was chaired by the Commissioner/ Secretary to Government, Agriculture Production Department. A number of decisions were taken in the meeting to ensure achievement of the target of 100% coverage under KCC by the prescribed timelines of 30th June 2013. Some of the decisions are enumerated below for information of the members:

- **Banks will ensure that all sanctioned KCC cases, which are pending disbursement so far, are cleared by 30th of April, 2013;**
- **Agriculture Department and the banks will reconcile the number of KCC forms sponsored by the department and the KCC forms actually received by the banks at district-level as well as at the State-level within 15 days to clear out difference in claims made by different agencies;**
- **All leading banks in collaboration with Agriculture Department will organize KCC camps at least twice a month at the block-level, for making the farmers aware about the KCCs, filling-up the KCC forms and on-the spot issuance of KCCs adopting single-window approach, so as to expedite 100% coverage of farmers under KCC Scheme in the State.**
- **Banks will ensure 100% coverage of eligible farmer families by their branches in the respective service area within the timelines of 30th June 2013 as fixed by the Union Finance Minister.**
- **Banks will take all necessary measures to substantially enhance credit disbursement to Agriculture Sector, particularly through the KCC medium, as per the targets envisaged under the Annual Credit Plan, taking care that the credit delivery is commensurate with grower's season, to give much needed fillip to the investment in Agriculture.**

A copy of the minutes of the said SLBC meeting circulated vide Ref. No. LBD/SLBC/Steering Sub-Com.Agr/2013-17 dated April 16, 2013 is enclosed for information of the House

House is requested to deliberate the issue

Encls: 3

AGENDA ITEM NO: 89.04**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.

Progress achieved upto 31st March 2013:

As per reports received, upto the end of March 2013 the concerned banks have opened only 161 new bank branches. Village-wise 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	No. of branches under BEP	Progress achieved upto the end of March 2013	Backlog / No. of branches yet to be opened	No. of villages (having population <2000) under FIP planned to be covered through Brick & mortar model in the remaining 3 years period)			
					Mar. 2014	Mar. 2015	Mar. 2016	Total
I	II	III	V	VII				
1	J&K Bank	114	99	15	41	30	34	105
2	State Bank of India	02	02	...	5	13	12	30
3	Punjab National Bank	05	02	03	1	2	2	5
4	J&K Grameen Bank	37	18	19	6	8	9	23
5	Ellaquai Dehati Bank	17	06	11	3	6	3	12
6	HDFC Bank	33	33	...	...	...	...	...
7	Central Bank of India	01	01	...	...	...	...	...
	TOTAL	209	161	48	56	59	60	175

Bank-wise details are given in [Annexure-C](#) for information of members.

Fresh Branch Expansion Plans for J&K State for FY 2013-14

All the banks operating in J&K State have been recently advised by J&K SLBC to draw fresh Branch Expansion Plans for J&K State for the FY 2013-14. While drawing the Branch Expansion Plan the following factors shall be taken into consideration:

- i) Backlog of the previous Branch Expansion Plan is included in BEPs for FY 2013-14,
- ii) 5% of the villages (having population less than 2000) planned by the concerned banks to be covered through Brick & Mortar model in the Financial Inclusion Plan for coverage of allocated villages having population < 2000.
- iii) 25% of branches to be opened by the bank should be opened in the villages having population less than 10,000.

Till date no feedback in this regard has been received from any bank operating in the State.

House is requested to deliberate the issue

AGENDA ITEM NO: 89.05

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 envisage that **“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”**.

The new guidelines also envisage that Financial Literacy Centres (FLCs) 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.**
- ii) It will be the 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 March 2013:

J&K Bank has already operationalized Financial Literacy Centres in all the 12 allocated districts.

SBI has operationalized Financial Literacy Centres in all its 10 allocated districts.

The details regarding setting up of FLCs with number of Indoor/ Outdoor activities conducted by the FLCs and the people benefited there-from is given in [Annexure-D](#) for information of the house.

House is requested to deliberate

AGENDA ITEM NO: 89.06

- 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 Gol, MoRD guidelines issued under No. I.12011/19/2008-SGSY(C) dated 07.01.2009, the responsibility of setting up RSETIs in all the districts of J&K State was assigned by J&K SLBC to J&K Bank in 12 districts and to SBI in 10 districts in accordance with the lead bank responsibilities assigned to them by RBI in the State.

Progress achieved as on 31.3.2013

J&K Bank has operationalized RSETIs in all the 12 districts allocated to it by the J&K SLBC, viz. Districts Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Rajouri and Poonch.

State Bank of India has operationalized RSETIs in 9 out of its 10 allocated districts, viz. Districts Jammu, Samba, Udhampur, Reasi, Kathua, Doda, Ramban, Kishtwar and Leh, leaving one District Kargil yet to be covered. Details are given in [Annexure-E](#).

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 last (88th) SLBC meeting held on 16th Feb. 2013, the Commissioner/ Secretary, Rural Development stated that as per the MoRD guidelines the land for construction of permanent infrastructure for the RSETIs has to be properly transferred to the concerned banks, for which all the District Development Commissioners would need to prepare proper document of land and after routing these through the concerned Divisional Commissioners, the issue has to be placed before the State Cabinet for clearance. He assured the house that the issue is being vigorously pursued and expressed optimism that by the end of March, 2013 Government may be able to register some progress in the matter.

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

House may deliberate the issue

SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)**AGENDA ITEM NO: 88.07****CREDIT TO PRIORITY SECTOR:**

Bank-wise/ Sector-wise/ Region-wise achievements in lending to Priority Sector under Annual Credit Plan 2012-13 as at end of March 2013.

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

The Bank-wise/ Sector-wise achievements as at the end of March 2013 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are given as [Annexures- F](#), [Annexure-G](#), [Annexure-H](#) & [Annexure-I](#)

It is manifest from the figures as shown in the Annexures that by the end of March 2013 banks have provided total credit of Rs.4,918.14 Crore in favour of 3,79,676 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 81% in financial terms and 107% in physical terms.

Considering the directions of the Hon'ble Governor, Reserve Bank of India during the Special SLBC meeting held on 21.3.2012, the aggregate targets for priority sector lending for the FY 2012-13 were substantially increased (from Rs.3619.69 Crore of FY 2011-12 to Rs.6094.50 Crore for FY 2012-13).

The comparison of the achievement of banks under Priority Sector vis-à-vis their respective annual targets at the end of Q4 of FY 2012-13 with Q4 of PY 2011-12 (YoY) is given hereunder:

(Amount in Crore)

Name of Bank	FY 2011-12			FY 2012-13		
	Target	Achievement (31.03.2012)	%age of Achiev.	Target	Achievement (31.03.2013)	%age of Achiev.
J&K Bank	1492.44	2,738.94	184	3123.22	3225.67	103
SBI	499.99	224.06	45	641.35	450.26	70
PNB	283.86	186.13	66	433.93	289.90	67
Other Com. Banks	402.52	226.69	56	602.44	432.24	72
Coop. Banks	396.55	199.41	50	499.08	228.26	46
RRBs	541.69	302.09	56	792.13	290.72	37
Other FIs	2.64	3.52	133	2.35	1.09	46
TOTAL	3619.69	3880.84	107	6094.50	4918.14	81

J&K Bank has overachieved its target under ACP, while as SBI has been able to achieve only 70%, PNB 67% & Other Com. banks together 72% of the target. Performance of RRBs and Cooperative Banks has remained dismally poor at 37% & 46%, respectively.

(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.1758.63 Crore in favour of 2,66,419 beneficiaries under this sector by the end of March 2013 thereby registering an achievement of 99% and 126% in financial and physical terms respectively.

Out of this, an amount of Rs.882.94 Crore in favour of 2,15,373 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 114% & 151% 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-G](#) & [H](#).

While analyzing the quantum-wise disbursement in Agriculture Sector based on absolute terms, the major contributors have been the J&K Bank (Rs.1210.20 Crore), PNB (Rs.134.35 Crore), J&K Grameen Bank (Rs.118.28 Crore), SBI (98.41 Crore), HDFC Bank (Rs.52.71 Crore), Ellaquai Dehati Bank (Rs.34.42 Crore), P&S Bank (Rs.28.83 Crore), Jammu Central Coop. Bank (Rs.26.72 Crore) and Anantnag Central Coop. Bank (Rs.16.02 Crore), thereby achieving 131%, 108%, 53%, 54%, 397%, 45%, 281%, 45%, and 58% respectively of their individual targets. Although some other banks like Andhra Bank & Corporation Bank have registered an achievement of 251% and 234% 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.1,725.33 Crore in favour of 55,121 beneficiaries by the end of March 2013, thereby registering an achievement of 80% of the target in financial terms and 77% in physical terms.

While analyzing Bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.1034.95 Crore), SBI (Rs.155.32 Crore), PNB (Rs.99.20 Crore), Punjab & Sind Bank (Rs.74.30 Crore), JKGB (Rs.64.77 Crore), JCC Bank (Rs.59.49 Crore), HDFC Bank (Rs.41.84 Crore), EDB (Rs.34.58 Crore) and OBC (Rs.31.59 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.444.75 Crore in favour of 20,857 beneficiaries by the end of March 2013. This works out to 57% achievement in financial terms.

While analyzing bank-wise achievements (quantum-wise), the major contributors have been J&K Bank (Rs.220.34 Crore), State Bank of India (Rs.75.43 Crore), Punjab National Bank (Rs.39.25 Crore), J&K Grameen Bank (Rs.19.88 Crore), Ellaquai Dehati Bank (Rs.14.03 Crore) State Bank of Patiala (Rs.13.19 Crore) and JCC Bank (Rs.11.46 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.78.65 Crore in favour of 4556 beneficiaries by the end of March 2013. This works out to 38% achievement in financial terms.

(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.910.78 Crore in favour of 32,723 beneficiaries by the end of March 2013. This works out to an achievement of 77% in financial terms.

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

The Region-wise/ District-wise/ Sector-wise achievements as at the end of March 2013 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are given as [Annexure-I](#).

(Amount in Crores of Rupees)			
Region	Targets	Achievements	Achievement %
Kashmir	3,164.47	2,372.49	75
Jammu	2,810.15	2,380.61	85
Ladakh	119.88	165.04	138
TOTAL	6,094.50	4,918.14	81

I) KASHMIR REGION:

In Kashmir region an amount of Rs.2,372.49 Crore against the target of Rs.3,164.47 Crores (75% achievement) has been disbursed by the end of March 2013 with a sector-wise distribution of Rs.1088.60 Crore for the Agriculture Sector (104% achievement), Rs.717.68 Crore for Micro & Small Enterprises sector (73% achievement), Rs.424.71 Crore for the Housing sector (50% achievement), Rs.108.81

Crore for Micro Credit sector (55% achievement) and Rs.32.69 Crore for the Education Sector (41% achievement).

Out of the total disbursement of Rs.2,372.49 Crore in Kashmir region, Micro & Small Enterprises sector has received 30.25%, Housing Sector 17.90%, Agriculture Sector 45.88%, Micro Credit 4.59% and Education Sector 1.38%.

II) JAMMU REGION:

In the Jammu region an amount of Rs.2380.61 Crore has been disbursed by the end of March 2013 against the target of Rs.2,810.15 Crore (85% achievement) with a sector-wise distribution of Rs.920.17 Crore in Micro & Small Enterprises (82%), Rs.470.70 Crore in Housing sector (144%), Rs.620.04 Crore in Agriculture Sector (92%), Rs.323.96 Crore in the Micro Credit (58%) and Rs.45.74 Crore in Education Sector (36%).

Out of the total disbursement of Rs.2,380.61 Crore in Jammu region, Micro & Small Enterprises sector has received 38.64%, Housing sector 19.77%, Agriculture Sector 26.06%, Micro Credit 13.61% and Education Sector 1.92%.

III) LADAKH REGION:

In the Ladakh region an amount of Rs.165.04 Crore has been disbursed by the end of March 2013 against the target of Rs.119.88 Crore (138%) with a sector-wise distribution of Micro & Small Enterprises Rs.87.49 Crore (218%), Housing sector Rs.15.36 Crore (127%), Agriculture Sector Rs.49.99 Crore (109%), Micro Credit Rs.11.97 Crore (67%) and Education Sector Rs.0.22 Crore (6%).

Out of the total disbursement of Rs.165.04 Crore in Ladakh region, Micro & Small Enterprises sector has got 53.01%, Housing sector 9.31%, Agriculture Sector 30.30%, Micro Credit sector 7.25% and Education Sector 0.13% of credit.

(4) CREDIT TO NON-PRIORITY SECTOR:

Under non-priority sector the banks have disbursed an amount of Rs.3,342.52 Crore to 96,290 beneficiaries by the end of March 2013 against the target of Rs.2900.37 Crore, thereby registering an achievement of 115%.

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

AGENDA ITEM NO: 89.08

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 March 2013:

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 March, 2013 under five major Government Sponsored Schemes, viz. NRLM (SGSY), PMEGP, JKSES, SJSRY and SC/ST/OBC is of the order of Rs.205.27 Crore spread over 12,757 beneficiaries in all the three regions of the State thereby registering a performance of 50% of the target in financial and 46% 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.237.36 Crore to 15,584 beneficiaries (being 110% of the target in financial and 83% in physical terms). The performance details under GSS are given in [Annexure-J](#) & [Annexure-K](#)

1) REGION-WISE ANALYSIS OF ACHIEVEMENTS

i) KASHMIR REGION:

Banks have disbursed a total amount of Rs.133.51 Crore to 8,483 beneficiaries by the end 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 46% & 48% in financial and physical terms respectively against the achievement at Rs.156.38 Crore to 10,216 beneficiaries (113% in financial & 97% in physical terms) for the corresponding period of the previous year.

ii) JAMMU REGION

Banks have disbursed an amount of Rs.59.07 Crore in favour of 3753 beneficiaries by the end of FY 2012-13 against the annual target of Rs.111.06 Crore to 8,956 beneficiaries under these schemes, which accounts for 53% and 42% achievement in financial and physical terms respectively as against achievement of banks at Rs.68.18 Crore to 4816 beneficiaries (102% in financial and 65% physical terms) as on 31st March 2012.

iii) LADAKH REGION

Banks have disbursed a total amount of Rs.12.70 Crore in favour of 521 beneficiaries by the end 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 120% achievement in financial and 65% in physical terms, as against achievement of banks at Rs.12.80 Crore for 552 beneficiaries (135% in financial and 71% in physical terms) for the corresponding period of the last year.

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

The Bank-wise achievements in five major Central/ State Government Sponsored Schemes as on 31st March 2013 is enumerated below in light of the figures annexed Scheme-wise as **Annexure-L, L1, L2, L3 and L4**.

NRLM (SGSY): Under NRLM against a target of Rs.67.01 Crore for 12,322 beneficiaries, banks have disbursed an amount of Rs.31.03 Crore to 6026 beneficiaries (which includes 642 pending cases of previous year) by the end of Q4 of FY 2012-13, which works out to achievement of 46.31% in financial and 49% in physical terms respectively. Out of the total achievement of Rs.31.03 Crore the major contributors are J&K Bank (Rs.15.19 Crore for 2920 units), State Bank of India (Rs.2.55 Crore for 491 units), J&K Grameen Bank (Rs.4.53 Crore for 927 units), EDB (Rs.1.95 Crore for 372 units), BCCB (Rs.1.89 Crore for 379 units), JKSCB (Rs.1.09 Crore for 189 units) and Jammu Central Cooperative Bank (Rs.1.57 Crore for 315 units). From the data available it has been observed that 10,837 cases were sponsored to banks against the target of 12,322 cases, out of which 6,779 cases were sanctioned, 3,208 cases were rejected/ returned and 850 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 Q4 of FY 2012-13 have disbursed an amount of Rs.34.31 Crore to 822 beneficiaries (which includes 207 pending cases of previous year) for setting up of employment generating units thereby achieving 32% and 35% in physical and in financial terms respectively. Out of total achievement (physical targets) of all banks operating in J&K State at 822 units the major contributors are J&K Bank (552 units), J&K Grameen Bank (79 units), SBI (60 units), EDB (28 units), JCCB (23 units) J&K State Coop Bank (16 units), P&S Bank (20 units) and BCC Bank (18 units). From the data available it has been observed that only 1309 cases were sponsored to

banks against the target of 2,329 cases, out of which 793 cases were sanctioned, 372 cases were rejected/ returned and 144 cases are pending for sanction with banks.

JKSES: Under JKSES, banks have disbursed an amount of Rs.127.31 Crore (including Rs.27.62 Crore of previous year's pending cases) to 4,797 beneficiaries by the end of Q4 of FY 2012-13 against the annual target of Rs.203.21 Crore for 9,234 beneficiaries, thus registering an achievement of 63% in financial terms and 52% of the physical target. Out of the total disbursement of Rs.127.31 Crore for 4,797 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.93.93 Crore (3610 cases), Rs.12.51 Crore (469 cases) and Rs.5.80 Crore (215 cases), respectively. From the data available it has been observed that 9,963 cases were sponsored to banks against the target of 9,234 cases out of which 6131 cases were sanctioned, 3031 cases were rejected/ returned and 801 Cases are pending for sanction with banks.

SJSRY: Under SJSRY, banks have disbursed an amount of Rs.9.94 Crore to 633 beneficiaries (which includes Rs.2.02 Crore of previous year's 122 pending cases) by the end of Q4 of FY 2012-13 against the annual target of Rs.15.93 Crore for 942 beneficiaries, thus registering an achievement of 62% & 67% in financial and physical terms respectively. Out of the total achievement of Rs.9.94 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.5.90 Crore (387 units), Rs.1.19 Crore (82 units) and Rs.1.54 Crore (85 units), respectively. From the data available it has been observed that 1,631 cases were sponsored to banks against the target of 942 cases out of which 966 cases were sanctioned, 459 cases were rejected/ returned and 206 Cases are pending for sanction with banks.

SC/ST/OBC: Under SC/ST/OBC banks have disbursed an amount of Rs.2.67 Crore to 479 beneficiaries (which includes Rs.0.57 Crore of previous year's 86 pending cases) by the end of Q4 of FY 2012-13 against the annual target of Rs.17.09 Crore for 2,648 beneficiaries thereby registering an achievement of 16% & 18% in financial and physical terms respectively. Against the physical target of 2,648 units, only 1070 cases have been sponsored, out of which 653 cases were sanctioned by Banks, 281 cases were rejected and 136 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: 89.09

Performance under Handicrafts / Handloom as on 31st March 2013:

The Bank-wise achievement as on 31.03.2013 under these Schemes is discussed below in light of the figures given in the [Annexures-M, N, O & P](#).

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.7.76 Crore to 868 beneficiaries by the end of Q4 of FY 2012-13, which includes 52 sanctioned cases of previous year indicating an achievement of 39%. Against the physical target of 2,404 cases 1,989 cases have been sponsored to various banks, out of which the banks have sanctioned 992 cases with 385 cases pending for sanction and 612 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.64.13 Crore to 8,260 beneficiaries by the end of Q4 of FY 2012-13, which includes 184 sanctioned cases of previous year indicating an achievement of 173%. Against the physical target of 4,519 cases, 10,883 cases have been sponsored to various banks, out of which 6,615 cases were sanctioned, 1,625 cases were rejected and 2,643 cases are lying pending with the banks for sanction.

Artisans' Credit Card (ACC) Scheme: Out of the total achievement under Handicrafts Sector, an amount of Rs.30.67 Crore has been disbursed by banks under Artisans Credit Card Scheme in favour of 4,243 Artisans (against the target of Rs.15.25 Crore) indicating an achievement of 201%. Under Artisans' Credit Card Scheme 8,737 cases were sponsored to banks, against which 6,458 cases have been sanctioned by the banks, 1383 returned/ rejected and 896 cases are pending with various banks.

The house is requested to deliberate.

AGENDA ITEM NO: 89.10

ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS on 31st MAR., 2013:

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, cumulative position of achievement under Self Help Group (SHG) Scheme as at the end of March 2013 is summarized as under:

- | | | |
|----------------------------------|-----|----------------|
| • Total SHGs formed | ... | 8,632 |
| • SHGs Savings linked | ... | 7,096 |
| • SHGs Credit linked | ... | 6,607 |
| • Total loans disbursed by banks | ... | Rs.45.14 Crore |

The Bank-wise details of the performance as of 31st March 2013 is submitted as per [Annexure-Q](#).

Gol, MoRD directive – Strengthening of SHG-Bank Linkage

In the backdrop of Gol, MoRD communication bearing No.I-12011/16/2012-SGSY(C) dated October 19, 2012 advising that National Rural Livelihoods Mission (NRLM) has been launched in the country (replacing the earlier scheme SGSY) to be implemented in a mission mode, all the Lead District Managers were advised in the 88th SLBC meeting to:

- i) Take necessary measures for constituting the District-level SGSY Sub-Committees immediately to monitor and review on regular basis SHG bank linkage at the district level and report compliance to the SLBC.**
- ii) Prepare a roadmap for enhancing SHG-bank linkage in J&K State and also indicate how this programme could be disaggregated at the block-level and submit the same to NABARD, so that NABARD can take a review of the same and make whatever interventions are required.**

LDMs to report progress

The house is requested to deliberate on the issue

AGENDA ITEM NO: 89.11

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

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

Gol, Ministry of Housing & Urban Poverty Alleviation launched ISHUP Scheme in February 2009 to address urban housing shortage in the country, which provided for interest subsidy of 5% per annum on loan amount of upto Rs.1.00 lakh for the economically weaker section (EWS) and lower income group (LIG) in the urban areas for acquisition/ construction of houses. State Urban Development Agency (SUDA) was nominated by State Government to identify, motivate and organize beneficiaries to seek loans for building or buying houses and forward applications of eligible beneficiaries to banks/ FIs in the State.

The Scheme was to close in March 2012 being the last year of the 11th Five Year Plan Period (2007-12). However, Gol, 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 March 2013:

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 31.12.2012, which is given below for information of the house:

S.No.	Particulars	Progress achieved
1	Total No. of Cases sponsored upto 31.03.2013	99
2	Cases sanctioned and disbursed upto 31.03.2013	15 (Amount Rs.15.60 Lacs)
3	Percentage of achievement	15%
4	Cases returned	51
5	Cases under process/ pending for required papers	33

House is requested to deliberate

AGENDA ITEM NO: 89.12

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

Statistical data of various Banks in J&K State as at end of March 2013:

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

1. **Comparative Statement of Bank-wise deposits and advances with Credit Deposit Ratio and Credit + Investment to Deposit Ratio and NPAs outstanding as on March 2012 and March 2013.** [Annexure- R](#)
 - **Total advances of all banks operating in the State as on 31st March 2013 stood at Rs.23,542.32 Crore against Rs.18,948.94 Crore during the corresponding period of previous year and as compared to total banking sector deposits of Rs.64,479.70 Crore.**
 - **The C. D. Ratio of all banks operating in the State stood at 36.51% as on 31st March 2013 against 34.36% as on 31st March 2012.**
2. **Statement of Bank-wise / Sector-wise advances outstanding against Priority Sector/ Weaker Sections of the society at the end of March 2013.** [Annexure- S](#)

Out of the aggregate advances of Rs.23,542.32 Crore outstanding as on 31st March 2013 an amount of Rs.13,708.74 Crore (58.22%) has gone to Priority Sector and Rs.3218.59 Crore out of the priority sector has gone to weaker sections of the society constituting 23.48% of Priority Sector Advance.

CREDIT SHARING OF MAJOR PLAYERS IN J&K STATE:

As is manifest from the Comparative Statement of Bank-wise Deposits and Advances (**Annexure-R**) J&K Bank has the largest share of Rs.15,888.65 Crore comprising 66.74% of the aggregate outstanding credit of banking sector of Rs.23,545.32 Crore in the State at the end of March 2013. The share of SBI is Rs.2,247.13 Crore comprising 9.54% and that of PNB is Rs.887.70 Crore comprising 3.77%.

The NPAs position of the major banks as reflected in **Annexure-S** reveals that in the total NPAs of Rs.1,216.75 Crore in the State at the end of March 2013 the share of J&K Bank is to the tune of Rs.444.59 Crore, that of SBI Rs.180.90 Crore and PNB Rs.151.71 Crore.

It is also evident from **Annexure-S** that J&K Bank has the largest share of Rs.8,519.81 Crore aggregate outstanding credit under Priority Sector comprising 62.14% at the end of March 2013 out of the total Priority Sector Bank Credit of Rs.13,708.74 Crore in the State. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,591.59 Crore (11.61%) and Rs.837.12 Crore (6.10%) respectively.

From the Annexure, it will be observed that J&K Bank alone has made total advances of Rs.15,888.65 Crore in J&K State as on 31.03.2013 as against its total deposits of Rs.40,870.19 Crore, thereby achieving a C. D. Ratio of 38.88%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.2247.13 Crore and Rs.887.70 Crore respectively as against their deposits of Rs.8,396.01 Crore and Rs.3,848.24 Crore, achieving a C.D. Ratio of 26.76% and 23.07%, respectively, as on 31st March, 2013. The remaining 20 Public Sector Banks put together have advanced Rs.1,794.16 Crore as against their total deposits of Rs.3,995.77 Crore, which works out to a C. D. Ratio of 44.90%.

The two Regional Rural Banks operating in the State put together have advanced a total amount of Rs.1,172.38 Crore against their total deposits of Rs.2,845.40 Crore, which works out to a C. D. Ratio of 41.20% as on 31st March 2013.

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.920.81 Crore as against their total deposits of Rs.2,756.23 Crore, thereby achieving C. D. Ratio of 33.41% as on 31st March 2013.

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.7,380.65 Crore followed by Agriculture, Housing, and Micro Credit sector with an amount of Rs.3,375.02 Crore, Rs.1,882.91 Crore, Rs.813.19 Crore, respectively and the lowest share of Rs.256.87 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: 89.13

Credit delivery to Micro, Small and Medium Enterprises (MSMEs) as at the end of March 2013:

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 March 2013) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.2,132.07 Crore in favour of 40,044 beneficiaries and incremental working capital loans of Rs.1,289.32 Crore in favour of 8,038 existing units.
- Banks in the State have so far restructured 6,866 MSMEs accounts involving an amount of Rs. 547.85 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.1701.79 Crore in favour of 43,551 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.2200.20 Crore in favour of 76,312 beneficiaries.

Details of bank-wise cumulative achievements under aforesaid MSMEs package as at the quarter ended of March 2013 as well as the overall cumulative progress are given in the [Annexure-T & U](#) for information of the members.

Flow of credit under Credit Guarantee Scheme for MSMEs as on 31.03.2013

Under the Credit Guarantee Scheme for MSMEs, the banks operating in J&K State have disbursed a cumulative amount of Rs.283.36 Crore in favour of 10,401 beneficiaries as at the end of 31st March 2013, which includes Rs.134.28 Crore disbursed in favour of 6,447 beneficiaries during the CFY 2012-13. Bank-wise details are given in [Annexure-V](#)

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

AGENDA ITEM NO: 89.14**Flow of Credit in Minority Concentrated Districts:**

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

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

Accordingly, based on the data received from LDM, Leh, credit flow to Leh District under priority sector as on 31st March 2013, 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
	Christians	3	3	0.13	0.13
	Muslims	1350	1377	36.70	38.53
	Buddhists	5000	5420	130.25	140.67
	Sikhs	9	9	0.52	0.42
	Zoroastrians	0	0	0	0
A	TOTAL	6362	6809	167.60	179.72
B	Others	1551	1628	14.31	15.16
C	Total Priority Sector Advances (A+B)=C	7913	8427	181.91	194.88
D	Share of A out of C (in %)	80.39	80.79	92.13	92.22

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

AGENDA ITEM NO: 89.15

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 March 2013, already forwarded to RBI, is enclosed as **Annexure-W** for information of the house.

Drawing of yearly Calendar for DCC/DLRC meetings

In terms of Reserve Bank of India directive conveyed vide communication bearing RPCD (JMU) No.991/03.01.01/2012-13 dated January 23, 2013 all the Lead District Managers were directed in the 88th SLBC meeting to 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.

Lead District Managers to report progress in the matter

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-X](#).

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.

Besides, as advised by RBI vide letter No. RPCD (JMU) 786/03.01.02/2011-12 dated January 11, 2012 the concerned LDMs are required to convene 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 bottlenecks / impeding factors and initiate immediate remedial measures for substantially improving the CD Ratio. But the progress report as of 31st March 2013 reveals that most of these districts continue to have subdued C.D.Ratio.

In the Special SLBC meeting held on 8th May 2013, the Hon'ble Governor, Reserve Bank of India has directed that **“all banks in the state will together strive to achieve a target of 40% CD ratio by the end of March 2014. This would include credit given in the State of J&K only. The distribution of credit should be evenly distributed geographically throughout the state in all the 22 districts”**.

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: 89.16

Flow of Collateral-free concessional credit to Persons with Disabilities (PwDs) for self-employment under Credit Guarantee Scheme of Gol:

Joint Secretary, Ministry of Social Justice and Empowerment, Gol, vide D.O. No. NHF/2/22/Bank/2013 dated 03.05.2013 have informed that the **National Handicapped Finance and Development Corporation (NHFDC)** has been set up by **Ministry of Social Justice & Empowerment, Gol** in 1997. It functions as an apex institution for promoting economic development activities and self-employment ventures for the benefit of Persons with Disabilities (PwDs). NHFDC also provides grants for skill training of disabled persons. The detailed information on schemes and programmes of NHFDC is available on website www.nhfdc.nic.in.

Considering the large population (2.19 Crore) of PwDs in the country and the fact that the above population is scattered/ spread throughout the country, the task of making them economically independent is quite challenging.

In order to give impetus to implementation of schemes and programmes for economic empowerment of PwDs, NHFDC has recently tied-up with 3 Public Sector Banks (Bank of Baroda, Andhra Bank & IDBI Bank) and 24 RRBs for flow of collateral-free concessional credit (interest rate of 4-8% p.a.) to PwDs for self employment under credit guarantee scheme of Gol. **These banks will also extend education loans to eligible students with disabilities for higher education in India or abroad at an interest rate of 3.5-4% p.a. only. The entire loan extended to PwDs for above purpose shall be refinanced by NHFDC to the concerned bank. Also, the partner banks will be able to earn 3% interest margin on above loans extended to PwDs.**

NHDFC has requested for inclusion of the item in the SLBC meeting to review progress made by the referred partner banks implementing NHFDC schemes for the benefit of PwDs. NHDFC has also requested to advise other banks to sign similar agreement with NHFDC for flow of concessional credit to PwDs.

House is requested to deliberate the issue

Encls: 3

AGENDA ITEM NO: 89.17

ANNUAL CREDIT PLAN FOR CFY (2013-14):

In adherence to the time-schedule for preparation and launch of ACP as envisaged in the relevant RBI guidelines to ensure that District Credit Plans are prepared and readied on time for enabling the banks to make it a part of their respective business plans, the District Credit Plans for the Financial Year 2013-14 are already received from all the districts of J&K State.

However, keeping in view the Credit Deposit Ratio target of 40% stipulated by Governor, Reserve Bank of India for J&K State to be achieved by March, 2014 in all districts and by all banks, the said District Credit Plans for all the districts of J&K State for Current Financial Year (2013-14) were evaluated/ revisited in consultation with Reserve Bank of India, with a view to ensure that the desired CD Ratio of 40% is achieved. Concerned LDMs were advised to revise the DCP for CFY (2013-14).

Accordingly, on the basis of the revised DCPs the consolidated Annual Credit Plan for J&K State for the FY 2012-13 for all banks operating in the State has been arrived at **Rs.16,322.59 Crore** for **7,78,827** beneficiaries, which is Rs.7,327.72 Crore more than the ACP target for FY 2012-13 (envisaging an increase of 81.46% over previous years ACP target).

The Sector-wise description of the same (as per revised format of Reserve Bank of India) is given below for information of the house:

S. No.	Sector	Sub-Sector	Yearly Targets under ACP	
			Number	Amount (in Crores)
1	Priority	Agriculture & Allied – Direct	361574	2,797.50
2		Agriculture & Allied – Indirect	29207	405.05
3		Agriculture & Allied Sub-Total (1+2)	390781	3,202.55
4		MSE	135486	3,597.65
5		Education	10771	414.19
6		Housing	33001	2,034.85
7		Others	43184	892.64
8		Sub-Total Priority Sector (3+4+5+6+7)	613223	10,141.88
9	Non-Priority	Heavy Industries	2853	914.95
10		Medium industries	11316	541.03
11		Education	2996	314.31
12		Housing	4465	870.58
13		Others	143974	3,539.84
14		Sub-total (9+10+11+12+13)	165604	6,180.71
15	Total Annual Credit Plan (8+14)		778827	16,322.59

For the purpose of devising proper strategy for achieving the desired CD Ratio of 40% by March 2014, a meeting of all LDMs of the State was convened at J&K Bank, Corporate Headquarters, Srinagar, in collaboration with RBI.

House is requested to adopt the ACP 2012-13 for implementation