

**SEGMENT-1 (REVISION)**

**CONFIRMATION OF MINUTES OF  
89<sup>h</sup> MEETING OF J&K SLBC HELD ON 6<sup>th</sup> JUNE 2013**

- 1) The minutes of 89<sup>th</sup> meeting of J&K SLBC held on 6<sup>th</sup> June 2013 at Srinagar to review the performance / achievements of the banks / financial institutions operating in the State as at the end of March 2013 were webcast on the website of J&K SLBC [www.jkslbc.com](http://www.jkslbc.com) and were also published and circulated among the members vide J&K SLBC office reference No. LBD/SLBC-89/2013-92 dated June 24, 2013. The actionable points have been 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
<p><b>73 (b) 18.06.2008</b></p>	<p><b>Removal of legal glitches to enforce SARFAESI Act in J&amp;K State</b></p>	<p>In the Special SLBC meeting held on 8<sup>th</sup> May 2013 at Srinagar, on the eve of visit of Hon'ble Governor, RBI to J&amp;K State, the Hon'ble Chief Minister J&amp;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.</p> <p>Subsequently, in the 89<sup>th</sup> SLBC meeting held on 6<sup>th</sup> June 2013 the Hon'ble Finance Minister expressed optimism that the issue would be sorted out by the State Government very soon</p>

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

**2) Plans for Corporate Social Responsibility of banks:**

Agenda Item/ Date of SLBC	Summary of decisions/ Action points.	Action taken / Status
<p><b>Special SLBC meeting dated 8.5.2013</b></p>	<p>In the Special SLBC meeting held on 8.5.2013 at Srinagar, the Hon'ble Chief Minister of J&amp;K State pointed out that J&amp;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.</p> <p><b>The issue again came for discussion in the 89<sup>th</sup> SLBC meeting held on 6.6.2013, wherein after threadbare discussions it was decided as under:</b></p> <ul style="list-style-type: none"> <li>• <b>All the Commercial Banks, except those having very small number of branches in J&amp;K State, shall immediately prepare the CSR plans for J&amp;K State for the Current Financial Year, with focus on skill development activities, and submit the same to Convenor, J&amp;K SLBC forthwith.</b></li> <li>• <b>Convenor, SLBC shall aggregate the said CSR plans and submit the consolidated CSR Plan of J&amp;K State to Reserve Bank of India to comply with the directive of Governor, Reserve Bank of India.</b></li> </ul>	<p>Despite repeated reminders CSR plans have been received from only two banks, viz. J&amp;K Bank and State Bank of India. Copies thereof are enclosed for information of the house.</p> <p>None of the other banks operating in the State have so far indicated their CSR Plans to SLBC.</p>

**Member banks to report progress in the matter**

**Encls: 4**

## **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 24<sup>th</sup> July 2013 at Reserve Bank of India, Amir Manzil, Srinagar. 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](http://www.jkslbc.com) and have also been circulated vide Ref. No. LBD/SLBC/SSCIT/2013-144 dated 16.08.2013 for desired compliance on the actionable points emanated from the said meeting.

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

**Encls: 3**

**SEGMENT – 2 (FINANCIAL INCLUSION / THRUST AREAS)**

**AGENDA ITEM NO: 90.01**

**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**

**FIP Phase-I**

In the phase-I of Financial Inclusion Plan (FIP) of J&K State, 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 89<sup>th</sup> SLBC meeting held on 6<sup>th</sup> June, 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.

However, out of the residual 9 villages the following three villages have been covered by J&K Bank during the quarter ended June 2013 thus leaving only 6 villages yet to be covered.

- 1) **Village Sounder (District Kishtwar);**
- 2) **Village Lapara (District Kishtwar); and**
- 3) **Village Loharna (District Kishtwar).**

Progress achieved in the matter as at the end of June 2013 is given below:

S. No	Name of Bank to which allocated	Target		Progress		No. of villages yet to be covered
		Number of Villages allocated by J&K SLBC	No. of house-holds to be covered (Target)	No. of villages covered upto 30 <sup>th</sup> June 2013	No. of F.I. A/cs opened upto 30 <sup>th</sup> June 2013	
1	<b>The J&amp;K Bank</b>	536	347237	530	265085	6
2	<b>SBI</b>	95	42750	95	36604	...
3	<b>PNB</b>	34	22436	34	10455	...
4	<b>JKGB</b>	95	34288	95	49274	...
5	<b>EDB</b>	35	17286	35	25133	...
	<b>TOTAL</b>	<b>795</b>	<b>463997</b>	<b>789</b>	<b>341522</b>	<b>6</b>

The residual six villages, which are pending due to lack of connectivity, are:

Village **Yoordu, Rinaie, Qadera, Chanjer and Deharna** falling in Block Marwah of District Kishtwar and Village **Forest Block** in District Baramulla.

**(ii) FIP Phase-II**

In the phase-II of Financial Inclusion Plan (FIP), in compliance with 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 in J&K State, 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 Govt. benefits including MGNREGA and various other cash benefits to the accounts of the beneficiaries directly.

The brief summary of bank-wise/ year-wise Roadmap for coverage of these allocated 5582 villages alongwith progress achieved by concerned banks upto the end of June 2013 is given below for information of the forum:

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 <sup>st</sup> March 2013	Progress achieved during qtr. Ended June 2013	Total Progress as on 30 <sup>th</sup> June 2013
			31 <sup>st</sup> Mar. 2013	31 <sup>st</sup> Mar. 2014	31 <sup>st</sup> Mar. 2015	Beyond March 2015			
1	J&K Bank	3271	1103	497	800	871	987	295	1282
2	SBI	753	111	196	215	231	94	...	94
3	PNB	294	6	137	81	70	2	58	60
4	JKGB	1026	54	350	329	293	65	54	119
5	EDB	238	40	79	79	40	40	64	104
	<b>TOTAL</b>	<b>5582</b>	<b>1314</b>	1259	1504	1505	<b>1188</b>	<b>471</b>	<b>1659</b>

The detailed district-wise/ bank-wise progress as on 30.6.2013 is given in [Annexure-A](#)

In the meeting of the Steering Sub-Committee of SLBC to monitor IT-enabled Financial Inclusion, FLCs & Credit Plus Activities, taken by the Regional Director, RBI on 24.7.2013 at Reserve Bank of India, Srinagar office, it was observed that the list of identified 5582 villages having population less than 2000 includes a number of such villages where bank branches of some banks are already operating within the village itself or in the close vicinity of the villages. It was decided as under:

**“In order to ensure that the banked villages do not figure in the list, all the participating banks of FIP, viz. J&K Bank, SBI, PNB, JKGB and EDB, shall start the exercise of re-verifying their respective allocated villages to find out if any bank branches are already operating in any of these allocated villages. Details of all such villages should be immediately reported to Convenor SLBC, so that these villages are deleted from the list of identified 5582 villages”.**

Accordingly, all the concerned banks have been advised to re-verify their respective allocated villages and provide details of those allocated villages to SLBC where bank branches are already operating, so that such villages are reduced from the total list of 5582 villages.

**House is requested to deliberate the issue**

**AGENDA ITEM NO: 90.02**

**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.

In order to work out modalities with regard to implementation of Electronic Benefit Transfer (EBT) Scheme and its convergence with Financial Inclusion Plan (FIP), the Government of J&K formed a Committee headed by Principal Secretary Finance. Consequent upon decisions taken in the maiden meeting of the said Committee on 25<sup>th</sup> April 2013 the Government of J&K has 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 31<sup>st</sup> 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.

**Meeting on EBT/DBT held on 24.6.2013 at Civil Secretariat, Srinagar**

The high level team comprising of senior officers from the GoI, MoF lead by Additional Secretary (FS), Department of Financial Services, National Payment Corporation of India (NCPI), Office of Controller General of Accounts etc. visited State in June, 2013 and took a meeting of all stakeholders regarding implementation of DBT/ EBT in J&K State at Civil Secretariat, Srinagar, wherein the issue was thoroughly discussed and a number of decisions were taken. Minutes of the said meeting have been circulated by the GoJ&K vide Ref. No. CFC/FD/2013-14/21 dated 28.06.2013 for desired action by all concerned. Gist of decisions taken in the said meeting is enclosed for information of the members.

Recently, Finance Department, J&K Govt. vide letter dated 22 July 2013 have conveyed as under:

**“It has now been decided that the J&K Bank will play the role of Leader Bank in all the 22 districts of J&K State and SBI will continue to discharge only the responsibility of ‘lead bank’ in the 10 allotted district as heretofore.**

**The Leader Bank (J&K Bank) may inform progress regarding:**

- 1) Signing of MOU with the Finance Department, J&K Government;**
- 2) Status of opening of accounts of all the EBT/ DBT beneficiaries;**

**LDMs to inform progress regarding acquiring of digitized database of EBT beneficiaries from the concerned Nodal Department of State Govt. and delivering the same to concerned Banks for ensuring opening of their bank accounts for EBT.**

**House may deliberate the issue**

**Encl: 1**



## **AGENDA ITEM NO: 90.03**

### **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 83<sup>rd</sup> 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 85<sup>th</sup> 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 88<sup>th</sup> 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 **30<sup>th</sup> of June 2013**.

#### **Progress achieved upto 30<sup>th</sup> June 2013 (as per reports received from banks):**

Upto the end of **June 2013**, banks have sanctioned 6,97,909 KCCs in J&K State, against which 5,02,354 cases have been disbursed credit amounting to Rs.2301.37 Crore. This includes 5,58,161 KCC cases sponsored by Agriculture Department out of which 79,194 cases have been rejected and 37,685 cases are pending with banks. Apart from this, banks have taken up 2,56,627 cases directly. Total No. of KCC cases sanctioned works out to an achievement of 56% of the target of 12.37 lakh farm-operating families in the State.

Out of the total KCCs sanctioned by banks, about 48% has been contributed by J&K Bank alone having sanctioned 3,41,827 KCCs. Other major players include JKGB with 1,16,913 KCCs, SBI with 60,403 KCCs, EDB with 55,950 KCCs & PNB with 39,620 KCCs.

The detailed progress is given in [Annexure- B](#)

The achievement is not at all satisfactory keeping in view the 30<sup>th</sup> June 2013 deadline for accomplishment of 100% coverage of farmers under KCC Scheme in the State.

**Agriculture Production Department may put forth the reasons for low sponsorship of KCC cases to banks.**

**House is requested to deliberate the issue**

**AGENDA ITEM NO: 90.04**

**Branch Expansion Plans of Banks in J&K State:**

In terms of the decision taken in the 89<sup>th</sup> meeting of J&K SLBC held on 6<sup>th</sup> June 2013 all the banks operating in J&K State were advised to submit fresh Branch Expansion Plans for J&K State for FY 2013-14 to Convenor, J&K SLBC, to be accomplished by the end of Current Financial Year. The banks were also directed to ensure that the backlog from the previous Branch Expansion Plan should be cleared by September 2013.

**Branch Expansion Plan for FY 2013-14**

Details of Branch Expansion Plans for the FY 2013-14 submitted by banks are as under:

S. No.	Name of the Bank	Total Back-log	Fresh BEP for FY 2013-14	Total BEP for FY 2013-14	Out of Col. 4, No. of branches to be opened in unbanked villages having population <10000		Progress/ (No. of branches opened upto 30.6.2013) out of Col.No. (4)	Against Col.(5) branches opened in unbanked villages having population <10000
					No.	%age		
	(1)	(2)	(3)	(4)	(5)		(6)	(7)
1	J&K Bank	57	54	111	55	50%	3	1
2	State Bank of India	...	21	21	10	50%	...	...
3	Punjab National Bank	3	5	8	2	25%	1	...
4	J&K Grameen Bank	11	15	27	7	25%	1	1
5	Ellaquai Dehati Bank	8	15	23	8	35%	...	...
6	HDFC Bank	...	10	10	7	70%	...	...
7	Andhra Bank	...	1	1	...	...	...	...
8	Anantnag C. Coop. Bank	...	2	2	1	50%	...	...
	<b>TOTAL</b>	79	123	202	90	45%	5	2

Detailed Branch Expansion Plan alongwith progress achieved as on 30.06.2013 is given in [Annexure- C](#) for information of the house.

In case any other banks operating in J&K State have plans to open branches in J&K State during the CFY, they are advised to submit the same to Convenor Bank immediately for being included in the Branch Expansion Plan of J&K State.

**House is requested to deliberate the issue**

**AGENDA ITEM NO: 90.05**

**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 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;

**Progress achieved in setting up of FLCs in the districts:**

J&K Bank has already operationalized FLCs in all the 12 allocated districts. Similarly, SBI has operationalized FLCs in all its allocated 10 allocated districts. The district-wise position of FLCs indicating number of beneficiaries is given in [Annexure- D](#).

In the 89<sup>th</sup> meeting of J&K SLBC held on 6<sup>th</sup> June 2013 it was decided as under:

- **All the banks having rural branches operating in the State shall ensure to hold at least one financial literacy programme every month through its every rural branch.**
- **Convenor, SLBC shall issue instructions to all the Lead District Managers to collect data from the banks operating in their jurisdiction regarding financial literacy camps organized through their rural branches every month and pass on the same to SLBC Convenor, which shall be placed in the SLBC meetings henceforth.**

Accordingly, all the Lead District Managers have been advised to collect the data regarding financial literacy activities undertaken by the rural branches of banks operating in the State and submit the same for review in SLBC meetings.

**Banks/ Lead District Managers may inform progress in the matter**

**House is requested to deliberate**

**AGENDA ITEM NO: 90.06**

- 1. Setting up of Rural Self-Employment Training Institutes (RSETIs) -**
- 2. Allotment of land by State Govt. for creating permanent infrastructure for the 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 districts of J&K State was assigned by J&K SLBC to the two lead banks, viz. J&K Bank in 12 districts and SBI in 10 districts.

**Progress achieved as on 31.3.2013**

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

But SBI 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.

District-wise details of RSETIs are given in [Annexure-E](#).

**Performance of RSETIs in J&K State:**

S.No	Name of Sponsoring Bank	Districts assigned for setting up RSETIs	No. of RSETIs set up in J&K State	No. of RSETIs yet to be set up	Total No. of persons trained during 2012-13	Total No. of persons trained during Q1 of CFY
1	<b>J&amp;K Bank</b>	<b>12</b>	<b>12</b>	<b>Nil</b>	<b>2349</b>	<b>618</b>
2	<b>State Bank of India</b>	<b>10</b>	<b>9</b>	<b>01</b>	<b>1705</b>	<b>422</b>

➤ **J&K Bank has sought cooperation of DRDAs in sponsoring BPL candidates for imparting training in the JKB-RSETIs.**

**ii) Status regarding allotment of land by State Government**

As per information received from J&K Bank, State Government has handed over possession of land in favour of two RSETIs, viz. RSETI Kulgam and RSETI Bandipora. State Bank of India has conveyed that State Government has allotted 6 kanals of land for their RSETI in district Leh.

**SBI may inform progress regarding setting up RSETI in District Kargil.**

**Govt. of J&K to inform progress regarding allotment of land to all other RSETIs in the State.**

**House may deliberate the issue**

**SEGMENT – 3 (PERFORMANCE REVIEW OF BANKING SECTOR)**

**AGENDA ITEM NO: 90.07**

**Bank-wise/ Sector-wise/ Region-wise achievements in lending to Priority Sector/ Non-priority Sector under Annual Credit Plan 2013-14 as at end of June 2013.**

Reserve Bank of India vide Circular No.RBI/2012-13/450 dated March 19, 2013 regarding strengthening of Monitoring Information System (MIS), has revised the reporting system in respect of bank lending to Priority Sector & Non-priority sector. The 'Micro Credit' Sector existing under the Priority Sector has been abolished and in its place 'Other' Sector has been introduced under Priority as well as Non-Priority Sector. Besides, Education and Housing Sectors are appearing under both Priority as well as Non-priority Sector with specified ceiling.

In this regard the Lead Banks/ SLBC Convenor Banks have been advised to prepare the statements LBS-MIS-I, II and III as per revised formats starting from the FY 2013-14 and also place the said revised statements in the SLBC meetings for review.

Accordingly, the Annual Credit Plan for FY 2013-14 has been prepared as per the said revised formats and as such, for reviewing the performance of banks vis-à-vis commitments for lending under Annual Credit Plan 2013-14 the revised data reporting formats have been included in the agenda as [Annexure-F](#), [Annexure-G](#), [Annexure-H](#) & [Annexure-I](#) for information of the members.

It is manifest from the figures as shown in the Annexures that by the end of June 2013 banks have extended total credit of Rs.2,859.24 Crore in favour of 1,18,968 beneficiaries (both under Priority as well as Non-priority Sector) against a target of Rs.16,322.69 Crore for 7,81,234 beneficiaries under Annual Credit Plan 2013-14, thereby registering achievement of 17.52% in financial terms and 15% in physical terms.

This includes Priority Sector credit of Rs.1720.67 Crore disbursed by banks in favour of 95,707 beneficiaries against the target of Rs.10,142.46 Crore for 6,13,489 beneficiaries (17% achievement) and Non-priority sector credit of Rs.1,138.56 Crore in favour of 23,261 beneficiaries against the target of Rs.6,180.22 Crore for 1,67,745 beneficiaries (18.42% achievement).

The comparison of the achievement of banks vis-à-vis their respective annual targets at the end of Q1 of FY 2013-14 with Q1 of PY 2012-13 (YoY) is given hereunder:

**Disbursement of credit to Priority Sector**

(Amount in Crore)

Name of Bank	FY 2012-13			FY 2013-14		
	Target Annual)	Achievement (30.06.2012)	%age of Achiev.	Target (Annual)	Achievement (30.06.2013)	%age of Achiev.
J&K Bank	3123.22	780.35	25	5891.03	1223.94	21
SBI	641.35	158.25	25	1026.90	180.57	18
PNB	433.93	58.31	13	642.17	67.85	11
Other Com. Banks	602.44	114.64	19	827.78	90.62	11
Coop. Banks	499.08	58.04	12	496.45	68.45	14
RRBs	792.13	89.32	11	1254.33	88.93	7
Other FIs	2.35	00	0	3.80	0.30	8
<b>TOTAL</b>	<b>6094.50</b>	<b>1258.91</b>	<b>21</b>	<b>10142.46</b>	<b>1720.67</b>	<b>17</b>

**Disbursement of credit to Non-Priority Sector**

(Amount in Crore)

Name of Bank	FY 2012-13			FY 2013-14		
	Target Annual)	Achievement (30.06.2012)	%age of Achiev.	Target (Annual)	Achievement (30.06.2013)	%age of Achiev.
J&K Bank	1361.87	548.94	40	3643.76	689.13	19
SBI	359.26	56.74	16	781.87	230.60	29
PNB	271.88	17.87	07	262.30	26.18	10
Other Com. Banks	390.72	159.81	41	1141.17	137.12	12
Coop. Banks	224.19	13.04	06	127.35	15.42	12
RRBs	292.45	36.73	13	223.76	40.11	18
Other FIs	0	0	00	0	0	0
<b>TOTAL</b>	<b>2900.37</b>	<b>833.14</b>	<b>29</b>	<b>6180.22</b>	<b>1138.56</b>	<b>18</b>

**Consolidated achievement (Priority Sector + Non-Priority Sector)**

(Amount in Crore)

Name of Bank	FY 2012-13			FY 2013-14		
	Target Annual)	Achievement (30.06.2012)	%age of Achiev.	Target (Annual)	Achievement (30.06.2013)	%age of Achiev.
J&K Bank	4485.09	1329.29	30	9534.79	1913.06	20
SBI	1000.61	214.99	21	1808.78	411.18	23
PNB	705.81	76.18	11	904.48	94.03	10
Other Com. Banks	993.16	274.45	28	1968.95	227.74	12
Coop. Banks	723.27	71.08	10	623.80	83.87	13
RRBs	1084.58	126.05	12	1478.09	129.05	9
Other FIs	2.35	0	0	3.80	0.30	8
<b>TOTAL</b>	<b>8994.87</b>	<b>2092.05</b>	<b>23</b>	<b>16322.69</b>	<b>2859.24</b>	<b>18</b>

## **SECTOR-WISE ANALYSIS OF PRIORITY SECTOR CREDIT:**

### **I) AGRICULTURE SECTOR:**

Against the annual target of Rs.3,212.98 Crore for 3,91,773 beneficiaries, banks have disbursed a total amount of Rs.645.63 Crore in favour of 56,271 beneficiaries under Agriculture Sector by the end of June 2013 thereby registering an achievement of 20% in financial terms and 14% in physical terms.

Out of this, an amount of Rs.370.41 Crore in favour of 37,519 agriculturists has been disbursed under Crop Loan against the target of Rs.1899.18 Crore favouring 2,86,174 beneficiaries, thereby registering achievement of 20% in financial & 13% in physical terms.

**Major contributors are; J&K Bank (Rs.503.28 Crore), J&K Grameen Bank (Rs.32.50 Crore), Punjab National Bank (Rs.22.42 Crore) and SBI (Rs.20.71 Crore).**

### **(II) MICRO & SMALL ENTERPRISES SECTOR:**

As against the annual target of Rs.3,572.86 Crore for 1,34,362 beneficiaries, banks have disbursed an amount of Rs.607.33 Crore in favour of 19,980 beneficiaries by the end of June 2013, thereby registering an achievement of 17% of the target in financial terms and 15% in physical terms.

**Major contributors are: J&K Bank (Rs.322.34 Crore), SBI (Rs.130.46 Crore), PNB (Rs.33.66 Crore) and J&K Grameen Bank (29.90 Crore).**

### **(III) EDUCATION:**

As against the annual target of Rs.417.53 Crore in favour of 10,916 beneficiaries banks have disbursed total amount of Rs.21.76 Crore in favour of 1302 beneficiaries by the end of June 2013. This works out to just 5% achievement in financial terms and 12% in physical terms.

**Major contributors are: J&K Bank (Rs.13.24 Crore), PNB (Rs.4.00 Crore) & SBI (Rs.1.70 Crore)**

### **(IV) HOUSING:**

As against the annual target of Rs.2,040.33 Crore in favour of 33,124 beneficiaries banks have disbursed total amount of Rs.299.92 Crore in favour of 11,098 beneficiaries by the end of June 2013. This works out to an achievement of 14.70% in financial terms and 33.50% in physical terms.

**Major contributors are: J&K Bank (Rs.268.68 Crore), SBI (Rs.13.36 Crore) and PNB (Rs.4.02 Crore).**

## **(V) OTHER SECTOR**

As against the annual target of Rs.898.77 Crore in favour of 43,314 beneficiaries banks have disbursed total amount of Rs.146.04 Crore in favour of 7,056 beneficiaries by the end of June 2013. This works out to 16% achievement in financial as well as physical terms.

**Major contributors are: J&K Bank (Rs.116.40 Crore), SBI (Rs.14.34 Crore) and PNB (Rs.3.75 Crore).**

## **SECTOR-WISE ANALYSIS OF NON-PRIORITY SECTOR CREDIT:**

### **I) HEAVY INDUSTRIES SECTOR:**

Against the annual target of Rs.829.60 Crore for 2,639 beneficiaries, banks have disbursed a total amount of Rs.256.29 Crore in favour of 97 beneficiaries under Heavy Industries Sector by the end of June 2013 thereby registering an achievement of 31% in financial terms and 4% in physical terms.

**Major Contributors are: J&K Bank (Rs.150.72 Crore) & SBI (Rs.105.57 Crore)**

### **II) MEDIUM INDUSTRIES SECTOR:**

Against the annual target of Rs.566.28 Crore for 11,516 beneficiaries, banks have disbursed a total amount of Rs.30.52 Crore in favour of 336 beneficiaries under Medium Industries Sector by the end of June 2013 thereby registering an achievement of 5.39% in financial terms and 2.92% in physical terms.

**Major contributors are: J&K Bank (Rs.29.89 Crore), HDFC Bank (Rs.0.46 Crore) & SBI (Rs.0.14 Crore).**

### **(III) EDUCATION:**

As against the annual target of Rs.310.64 Crore in favour of 2912 beneficiaries banks have disbursed total amount of Rs.1.36 Crore in favour of 32 beneficiaries by the end of June 2013. This works out to a meager achievement of 0.44% in financial terms and 1.09% in physical terms.

**Major contributors are: J&K Bank (Rs.1.22 Crore) & SBI (Rs.0.14 Crore)**

### **(IV) HOUSING:**

As against the annual target of Rs.858.93 Crore in favour of 4355 beneficiaries banks have disbursed total amount of Rs.31.26 Crore in favour of 516 beneficiaries by the end of June 2013. This works out to an achievement of 3.64% in financial terms and 11.85% in physical terms.

**Major contributors are: J&K Bank (Rs.19.39 Crore), P&S Bank (Rs.9.70 Crore) and SBI (Rs.1.53 Crore).**



## (V) OTHER SECTOR

As against the annual target of Rs.3,614.78 Crore in favour of 1,46,323 beneficiaries banks have disbursed total amount of Rs.819.13 Crore in favour of 22,280 beneficiaries by the end of June 2013. This works out to 22.66% achievement in financial and 15% in physical terms.

**Major contributors are: J&K Bank (Rs.487.91 Crore), SBI (Rs.123.22 Crore), Bank of India (Rs.51.23 Crore) and J&K Grameen Bank (Rs.31.99 Crore).**

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

The Region-wise/ Sector-wise achievements as at the end of June 2013 vis-à-vis commitments for lending to priority sector under Annual Credit Plan 2012-13 are summarized below:

(Amount in Crore)				
Region	Sector	Targets	Achievements	Achievement %
Kashmir	Priority Sector	5454.57	1088.42	19.95
	Non-Priority Sector	2796.37	304.04	10.87
	<b>Total</b>	<b>8250.94</b>	<b>1392.46</b>	<b>16.88</b>
Jammu	Priority Sector	4506.86	593.28	13.16
	Non-Priority Sector	3184.03	807.64	25.37
	<b>Total</b>	<b>7690.89</b>	<b>1400.91</b>	<b>18.22</b>
Ladakh	Priority Sector	181.03	38.97	21.53
	Non-Priority Sector	199.82	26.89	13.46
	<b>Total</b>	<b>380.85</b>	<b>65.86</b>	<b>17.29</b>
<b>TOTAL</b>		<b>16322.69</b>	<b>2859.24</b>	<b>17.52</b>

- ⇒ Kashmir region has received a total credit of Rs.1392.46 Crore against target of Rs.8250.94 Crores, registering achievement of 16.88% as on 30.06.2013.
- ⇒ In the Jammu region an amount of Rs.1400.91 Crore has been disbursed upto 30.06.2013 against the target of Rs.7690.89 Crore (18.22% achievement)
- ⇒ In the Ladakh region an amount of Rs.65.86 Crore has been disbursed by the end of June 2013 against the target of Rs.380.85 Crore (17.29%)

The Region-wise/ District-wise/ Sector-wise achievements as at the end of June 2013 vis-à-vis commitments for lending to priority sector as well as Non-priority sector under Annual Credit Plan 2013-14 are given as [Annexure-J](#).

The RBI prescribed statement 'LBS-MIS-III indicating Targets & Achievements is placed as [Annexure-K](#) for information of the members.

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

**AGENDA ITEM NO: 90.08**

**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 30<sup>th</sup> June 2013:**

Against the Annual Action Plan 2013-14 target of Rs.480.18 Crore for 29,887 beneficiaries for all banks operating in the State, the achievement of banks at the end of June, 2013 under five major Government Sponsored Schemes, viz. NRLM (SGSY), PMEGP, SJSRY, JKSES and SC/ST/OBC is of the order of Rs.39.34 Crore spread over 2466 beneficiaries in all the three regions of the State thereby registering a performance of 8% of the target in financial as well as in physical terms. The performance details under GSS are given in [Annexure-L](#) & [Annexure-M](#)

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

**i) KASHMIR REGION:**

Banks have disbursed a total amount of Rs.27.53 Crore to 1781 beneficiaries by the end of Q1 of FY 2013-14 under these five major Government Sponsored Schemes against the annual target of Rs.356.39 Crore for 19,607 beneficiaries, thereby achieving 8% & 9% in financial and physical terms respectively against the achievement at Rs.29.80 Crore to 1641 beneficiaries (being 10% in financial & 9% in physical terms) for the corresponding period of the previous year.

**ii) JAMMU REGION**

Banks have disbursed an amount of Rs.8.62 Crore in favour of 560 beneficiaries by the end of Q1 of FY 2013-14 against the annual target of Rs.109.70 Crore to 9,629 beneficiaries under these schemes, which accounts for 8% and 6% achievement in financial and physical terms respectively, as against achievement of banks at Rs.6.30 Crore to 510 beneficiaries (5% in financial and 6% physical terms) as on 30<sup>th</sup> June 2012.

**iii) LADAKH REGION**

Banks have disbursed a total amount of Rs.3.19 Crore in favour of 125 beneficiaries by the end of Q1 of FY 2013-14 under these five major Government Sponsored Schemes

against annual target of Rs.14.10 Crore for 651 beneficiaries, which works out to 23% achievement in financial and 19% in physical terms, as against achievement of banks at Rs.1.50 Crore for 50 beneficiaries (42% in financial and 11% 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 30<sup>th</sup> June 2013 is enumerated below in light of the figures annexed Scheme-wise as [Annexures-N, O, P, Q and R](#).

**NRLM (SGSY):** Under NRLM against a target of Rs.68.62 Crore for 12,983 beneficiaries, banks have disbursed an amount of Rs.5.49 Crore to 1059 beneficiaries (which includes 425 pending cases of previous year) by the end of Q1 of FY 2013-14, which works out to achievement of 8% in financial as well as in physical terms respectively. Out of the total achievement of Rs.5.49 Crore the major contributors are J&K Bank (Rs.2.79 Crore for 539 units), J&K Grameen Bank (Rs.0.67 Crore for 134 units), EDB (Rs.0.43 Crore for 105 units). From the data available it has been observed that **1,674 cases were sponsored to banks against the target of 12,983 cases**, out of which 992 cases were sanctioned, 70 cases were rejected/ returned and 612 Cases are pending for sanction with banks.

**PMEGP:** Under PMEGP Scheme against the annual target of Rs.145.24 Crore for 2,666 beneficiaries, banks at the end of Q1 of FY 2013-14 have disbursed an amount of Rs.7.73 Crore to 193 beneficiaries (which includes 144 pending cases of previous year) for setting up of employment generating units thereby achieving 5% and 7% in physical and in financial terms respectively. Out of total achievement of all banks operating in J&K State at 193 units for Rs.7.73 Crore the major contributors are J&K Bank (148 units for Rs.6.29 Crore), Punjab National Bank (13 units for Rs.0.39 Crore), BCC Bank (10 units for Rs.0.23 Crore), EDB (8 units for Rs.0.20 Crore) and SBI (7 units for Rs.0.40 Crore). From the data available it has been observed that only **225 cases were sponsored to banks against the target of 2,666 cases**, out of which 92 cases were sanctioned, 23 cases were rejected/ returned and 110 cases are pending for sanction with banks.

**SJSRY:** Under SJSRY, banks have disbursed an amount of Rs.2.03 Crore to 150 beneficiaries (which includes Rs.1.51 Crore of previous year's 108 pending cases) by the end of Q1 of FY 2013-14 against the annual target of Rs.25.72 Crore for 1364 beneficiaries, thus registering an achievement of 8% & 11% in financial and physical terms respectively. Out of the total achievement of Rs.2.03 Crore the contribution of three major banks i.e., J&K Bank, SBI and PNB has been Rs.1.57 Crore (118 units), Rs.0.18 Crore (13 units) and Rs.0.11 Crore (7 units), respectively. From the data available it has been observed that 127 cases were sponsored to banks against the target of 1364 cases out of which 90 cases were sanctioned, 15 cases were rejected/ returned and 22 Cases are pending for sanction with banks.

**JKSES:** Under JKSES, banks have disbursed an amount of Rs.23.36 Crore (including Rs.19.37 Crore of previous year's pending cases) to 928 beneficiaries by the end of Q1 of FY 2013-14 against the annual target of Rs.229.10 Crore for 10244 beneficiaries, thus registering an achievement of 10% in financial terms and 9% of the physical target. Out of the total disbursement of Rs.23.36 Crore for 928 beneficiaries the contribution of J&K Bank, SBI & PNB is of the order of Rs.18.08 Crore (749 cases), Rs.1.51 Crore (56 cases) and Rs.2.48 Crore (73 cases), respectively. From the data available it has been observed that **1283 cases were sponsored to banks against the target of 10244 cases** out of which 521 cases were sanctioned, 96 cases were rejected/ returned and 666 Cases are pending for sanction with banks.

**SC/ST/OBC:** Under SC/ST/OBC banks have disbursed an amount of Rs.0.73 Crore to 136 beneficiaries (which includes Rs.0.52 Crore of previous year's 91 pending cases) by the end of Q1 of FY 2013-14 against the annual target of Rs.11.50 Crore for 2630 beneficiaries thereby registering an achievement of 6% & 5% in financial and physical terms respectively. Against the physical target of **2630 units, only 288 cases have been sponsored**, out of which 118 cases were sanctioned by Banks, 19 cases were rejected and 151 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: 90.09**

**Performance under Handicrafts / Handloom as on 30<sup>th</sup> June 2013:**

The Bank-wise achievement as on 30.06.2013 under these Schemes is discussed below in light of the figures given in the [Annexures-S, T, U & V](#).

**Handlooms:** Against a target of Rs.30.97 Crore for 3195 beneficiaries set for banks for FY 2013-14, banks in J&K State have disbursed a total amount of Rs.1.45 Crore to 186 beneficiaries by the end of Q1 of FY 2013-14, which includes 87 sanctioned cases of previous year indicating an achievement of 5%. Against the physical target of 3195 cases 622 cases have been sponsored to various banks, out of which the banks have sanctioned 202 cases with 387 cases pending for sanction and 33 cases rejected/ returned due to various reasons.

**Handicrafts:** Against the target of Rs. 47.70 Crore for 4882 beneficiaries set for banks under this sector for the FY 2013-14, banks have disbursed a total amount of Rs.4.26 Crore to 491 beneficiaries by the end of Q1 of FY 2013-14, which includes 127 sanctioned cases of previous year indicating an achievement of 9%. Against the physical target of 4882 cases, 1364 cases have been sponsored to various banks, out of which 538 cases were sanctioned, 43 cases were rejected and 783 cases are lying pending with the banks for sanction.

**Artisans' Credit Card (ACC) Scheme:** An amount of Rs.30.88 Crore has been disbursed by banks under Artisans Credit Card Scheme in favour of 3,588 Artisans (against the target of Rs.170.84 Crore) indicating an achievement of 18%. Under Artisans' Credit Card Scheme 4799 cases were sponsored to banks, against which 1381 cases have been sanctioned by the banks, 188 returned/ rejected and 3230 cases are pending with various banks.

**Major contributors are: J&K Bank (3518 cases for Rs.30.25 Crore), J&K State Coop. Bank (25 cases for Rs.0.22 Crore), PNB (18 cases for Rs.0.15 Crore, SBI (14 cases for Rs.0.13 Crore) and EDB (13 cases for Rs.0.13 Crore)**

**The house is requested to deliberate.**

**AGENDA ITEM NO: 90.10**

**ACHIEVEMENT UNDER SELF HELP GROUP (SHG) AS ON 30<sup>th</sup> JUNE 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 June 2013 is summarized as under:

- Total SHGs formed ... 9,092
- SHGs Savings linked ... 7,527
- SHGs Credit linked ... 6,743
- Total loans disbursed by banks ... Rs.46.44 Crore

**Major contributors are:**

Name of Bank	SHGs formed	SHGs savings linked	SHGs Credit linked	Credit disbursed (Amt. in Crores)
<b>SBI</b>	3119	2385	2325	Rs.17.91
<b>J&amp;K Bank</b>	2707	1903	1375	Rs.9.08
<b>JKGB</b>	1134	1134	1134	Rs.7.09
<b>JKSCB</b>	729	729	721	Rs.2.23
<b>EDB</b>	550	550	425	Rs.6.85
<b>PNB</b>	384	369	349	Rs.1.38
<b>JCCB</b>	281	281	281	Rs.0.69

The detailed Bank-wise performance as of 30<sup>th</sup> June 2013 is submitted as per [Annexure-W](#)

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

**AGENDA ITEM NO: 90.11**

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

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

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. But Ministry of Urban Poverty Alleviation (MOHUPA) has extended the scope of implementation of the scheme during FY 2013-14 upto 30.06.2013.

**Progress achieved by banks in J&K State upto the end of June 2013:**

No progress has been reported under ISHUP scheme during the Q1 of CFY. As per the report received in respect of three districts of Srinagar, Ganderbal and Budgam, the performance of banks in J&K State as at the end of 30.06.2013 is given below for information of the house:

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

**House is requested to deliberate**

**AGENDA ITEM NO: 90.12**

**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 June 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 and also to address and resolve such peculiar issues, the statistical data of various banks functioning in the J&K State is provided for the perusal of the house as under:

1. **Comparative Statement of Bank-wise deposits and advances with Credit Deposit Ratio and Credit + Investment to Deposit Ratio and NPAs outstanding as on June 2012 and June 2013.** [Annexure-X](#)
  - Total advances of all banks operating in the State as on 30<sup>th</sup> June 2013 stood at Rs.25,461.11 Crore against Rs.20,053.40 Crore during the corresponding period of previous year. The total deposits of the banking sector stood at Rs.64,626.83 Crore as on 30.6.2013 as compared to Rs.56,163.70 Crore as on 30.6.2012.
  - YoY growth in Deposits = 15.07% and YOY growth in advances = 26.97%.
  - The C. D. Ratio of all banks operating in the State stood at 39.40% as on 30<sup>th</sup> June 2013 against 35.71% as on 30<sup>th</sup> June 2012.
2. **Statement of Bank-wise / Sector-wise advances outstanding against Priority Sector/ Weaker Sections of the society at the end of June 2013.** [Annexure- Y](#)

Out of the aggregate advances of Rs.25,461.11 Crore outstanding as on 30<sup>th</sup> June 2013 an amount of Rs.14,704.27 Crore (58%) has gone to Priority Sector and Rs.10756.84 Crore (42%) has gone to Non-Priority Sector. Rs.4314.61 Crore out of the priority sector has gone to weaker sections of the society constituting 29% of Priority Sector Advance. Out of this contribution of J&K Bank has been Rs.2,675.94 Crore, constituting 15.79% of total advances (Bench Mark 10%).

**CREDIT SHARING OF MAJOR PLAYERS IN J&K STATE:**

As is manifest from the Comparative Statement of Bank-wise Deposits and Advances ([Annexure-X](#)) J&K Bank has the largest share of Rs.16,942.86 Crore comprising 66% of the aggregate outstanding credit of banking sector of Rs.25461.11 Crore in the State at the end of June 2013. The share of SBI is Rs.2414.80 Crore comprising 9% and that of PNB is Rs.866.62 Crore comprising 3%.



The NPA position of the major banks as reflected in [Annexure-X](#) reveals that in the total NPAs of Rs.1,232.11 Crore in the State at the end of June 2013 the share of three major banks, i.e. J&K Bank, SBI and PNB is to the tune of Rs.437.45 Crore, Rs.194.98 Crore and Rs.152.28 Crore, respectively.

It is also evident from Annexures that J&K Bank has the largest share of Rs.9094.82 Crore aggregate outstanding credit under Priority Sector comprising 61% out of the total Priority Sector Bank Credit of Rs.14,704.27 Crore in the State at the end of June 2013. The shares of SBI and PNB in outstanding credit to Priority Sector are Rs.1,654.17 Crore (11%) and Rs.659.35 Crore (4%) respectively.

From the above Annexure, it will be observed that J&K Bank alone has made total advances of Rs.16,942.86 Crore in J&K State as on 30.06.2013 as against its total deposits of Rs.39,664.01 Crore, thereby achieving a C. D. Ratio of 42.72%. The other major Public Sector Banks, viz. SBI & PNB have made advances of Rs.2,414.80 Crore and Rs.866.62 Crore respectively as against their deposits of Rs.9295.58 Crore and Rs.3963.87 Crore, achieving a C.D. Ratio of 25.98% and 21.86%, respectively, as on 30<sup>th</sup> June, 2013. The remaining 20 Public Sector Banks put together have advanced Rs.1,843.50 Crore as against their total deposits of Rs.4230.02 Crore, which works out to a C. D. Ratio of 43.58%.

➤ **SBI & PNB need to push up their C.D.Ratio.**

The two Regional Rural Banks operating in the State put together have advanced a total amount of Rs.1203.48 Crore against their total deposits of Rs.2,788.45 Crore, which works out to a C. D. Ratio of 43.16% as on 30<sup>th</sup> June 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.943.21 Crore as against their total deposits of Rs.2742.30 Crore, thereby achieving C. D. Ratio of 34.39% as on 30<sup>th</sup> June 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.6873.34 Crore followed by Agriculture, Housing, and Others sector with an amount of Rs.3,846.81 Crore, Rs.2028.30 Crore, Rs.1710.67 Crore, respectively and the lowest share of Rs.245.87 Crore has gone to Education Sector.

The RBI prescribed statement 'LBS-MIS-II indicating loan disbursements and outstanding credit is placed as [Annexure-Z](#) for information of the members.

**In light of the figures provided in the Annexures, the analysis of credit scenario is presented before the house for deliberations.**

**AGENDA ITEM NO: 90.13**

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

In terms of Gol, MoF, DFS, letter-bearing F.No.21/01/09-Dev dated 12<sup>th</sup> January 2009 implementation of IBA package on MSME, Housing and Auto Sectors has to be taken up in the agenda items during the regular quarterly SLBC meetings.

The progress achieved by Banks on implementation of IBA package on MSMEs and other productive sectors (cumulative from the date of inception, i.e. Dec. 2008, upto 30<sup>th</sup> June 2013) is given as under:

- Banks have sanctioned working capital loans (new) to the extent of Rs.2,375.39 Crore in favour of 44,592 beneficiaries and incremental working capital loans of Rs.1349.47 Crore in favour of 8,847 existing units.
- Banks in the State have so far restructured 6,869 MSMEs accounts involving an amount of Rs. 551.93 Crore.
- Banks have sanctioned Soft Loans for purchase of D. G. Sets to the tune of Rs.10.29 Crore in favour of 655 entrepreneurs.
- Housing loans have been sanctioned by the Banks operating in the State to the extent of Rs.1813.78 Crore in favour of 45,311 beneficiaries.
- Auto loans have been sanctioned to the extent of Rs.2,436.02 Crore in favour of 83,702 beneficiaries.

**Performance of major banks operating in the State:**

- **J&K Bank** alone has restructured 5564 accounts of MSMEs involving an amount of Rs.382.74 Crore being 81% out of the total accounts restructured by banks. The bank has issued Working Capital Loans (new) to the extent of Rs.787.43 Crore in favour of 15,850 beneficiaries and incremental working capital loans to the extent of Rs.1007.79 in favour of 5613 beneficiaries.
- **State Bank of India** has restructured 865 MSMEs accounts involving Rs.58.64 Crores (12.59%) and issued working capital loans (new) to the extent of Rs.756.28 Crore in favour of 8128 beneficiaries and incremental working capital loans to the extent of Rs.151.27 Crore in favour of 797 beneficiaries.
- **Punjab National Bank** has restructured 202 MSMEs accounts involving Rs.53.90 Crores (2.94%) and sanctioned working capital loans (new) to the extent of Rs.114.60 Crore favouring 1509 beneficiaries and incremental working capital loans of Rs.52.10 Crore favouring 173 beneficiaries.

Details of bank-wise cumulative achievements under aforesaid MSMEs package as at the quarter ended of June 2013 as well as the overall cumulative progress are given in the [Annexure-Z-1 & Z-2](#) for information of the members.

**Flow of credit under Credit Guarantee Fund Trust Scheme for MSMEs as on 30.06.2013**

Under the Credit Guarantee Fund Trust Scheme for MSMEs, the banks operating in J&K State have disbursed a cumulative amount of Rs.333.23 Crore in favour of 14,179 beneficiaries as at the end of 30<sup>th</sup> June 2013, which includes Rs.49.87 Crore disbursed in favour of 3,778 beneficiaries during the CFY 2013-14. Bank-wise details are given in [Annexure-Z-3](#)

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

**AGENDA ITEM NO: 90.14**

**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 30<sup>th</sup> June 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
	<b>Christians</b>	3	3	0.10	0.08
	<b>Muslims</b>	1377	1749	38.53	36.17
	<b>Buddhists</b>	5420	6975	140.67	130.99
	<b>Sikhs</b>	9	9	0.42	0.41
	<b>Zoroastrians</b>	0	0	0	0
<b>A</b>	<b>TOTAL</b>	<b>6809</b>	<b>8736</b>	<b>179.72</b>	<b>167.65</b>
<b>B</b>	<b>Others</b>	<b>1628</b>	<b>974</b>	<b>15.16</b>	<b>29.83</b>
<b>C</b>	<b>Total Priority Sector Advances (A+B)=C</b>	<b>8437</b>	<b>9710</b>	<b>194.88</b>	<b>197.48</b>
<b>D</b>	<b>Share of A out of C (in %)</b>	<b>80.70</b>	<b>89.97</b>	<b>92.22</b>	<b>84.89</b>

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

## AGENDA ITEM NO: 90.15

### Performance review of LDMs/ DLRCs & DCCs:

In the 86<sup>th</sup> meeting of J&K SLBC held on 25<sup>th</sup> 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 need 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

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 30<sup>th</sup> June 2013, already forwarded to RBI, is enclosed as [Annexure-Z-4](#) for information of the house.

### District-wise Credit Deposit Ratio

Based on the data provided by banks operating in the State, C.D.Ratio of each district is given in the following table for information of the house.

S. No.	Name of District	C.D. Ratio (%age)	Remarks	S.No.	Name of District	C.D. Ratio (%age)	Remarks
<b>Lead Districts of J&amp;K Bank</b>				<b>Lead Districts of SBI</b>			
1	Srinagar	41.13		13	Samba	51.93	
2	Ganderbal	61.43		14	<b>Jammu</b>	32.79	<b>Low CD Ratio</b>
3	Baramulla	65.61		15	<b>Udhampur</b>	24.44	<b>Low CD Ratio</b>
4	Bandipora	53.33		16	<b>Reasi</b>	28.66	<b>Low CD Ratio</b>
5	Anantnag	49.15		17	<b>Kathua</b>	38.35	<b>Low CD Ratio</b>
6	Kulgam	56.23		18	<b>Doda</b>	22.56	<b>Low CD Ratio</b>
7	Pulwama	71.67		19	<b>Ramban</b>	23.35	<b>Low CD Ratio</b>
8	Shopian	114.15		20	<b>Kishtwar</b>	18.29	<b>Low CD Ratio</b>
9	Budgam	67.59		21	<b>Leh</b>	22.20	<b>Low CD Ratio</b>
10	Kupwara	56.25		22	<b>Kargil</b>	23.93	<b>Low CD Ratio</b>
11	<b>Poonch</b>	17.95	<b>Low CD Ratio</b>				
12	<b>Rajouri</b>	23.39	<b>Low CD Ratio</b>				

The detailed statement showing District-wise/ Agency-wise Credit Deposit Ratio is given in [Annexure-Z-5](#).

As is manifest, eleven districts continue to 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, the concerned LDMs are required to convene special meetings of DCC to discuss the issue and ascertain bottlenecks / impeding factors and initiate immediate remedial measures for substantially improving the CD Ratio.

**LDMs of the concerned 11 districts to report progress in the matter**

**House may deliberate the issue**

## **SEGMENT – 4 (RECENT DEVELOPMENTS)**

### **AGENDA ITEM NO: 90.16**

#### **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](http://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: 90.17**

**Mandatory entries of applications in the e-tracking system of PMEGP for 2013-14:**

Ministry of MSMe, Government of India, Khadi & Village Industries Commission, vide letter No. SOJ/PMEGP/CIRCULAR/E-TRACKING 2013-14 DATED 06.06.2013 addressed to Convenor, J&K SLBC, have forwarded a copy of their Circular dated 24.05.2013 regarding Mandatory entries of applications in the e-tracking system of PMEGP for 2013-14, which provides as under:

**“It has been decided that to ensure 100% compliance of e-tracking system all the implementing agencies, i.e. KVIC, KVIB and DICs will forward the PMEGP applications to the banks only after entering the applications in the e-tracking system. No application will be forwarded to financing bank branches unless it has been entered in the e-tracking system”.**

In this regard, banks have been advised to **“accept the applications of PMEGP only if these are received through e-tracking system. Applications not received through e-tracking system should be rejected outright by the financing branches. Banks should enter data relating to sanction and disbursement in the e-tracking system. No margin money subsidy will be released to the banks in respect of applications not processed through e-tracking system.”**

The Circular also provides that these instructions may be complied with on priority for all the applications received under PMEGP from 2013-14 onwards.

A copy of the GoI, MSMEs, KVIC Circular is enclosed for information of the members.

**House is requested to deliberate the issue**

**Banks to ensure strict compliance of the aforesaid GoI, MSMEs directive.**

**Encls: KVIC Circular dated 24.5.2013**



**AGENDA ITEM NO: 90.18**

**Non-Cooperation by the banks in implementing Poverty Alleviation Schemes:**

We are in receipt of a communication bearing Ref. No. CFC/FD/2013-14/31 dated 29.07.2013 from Finance Department, J&K Govt. Civil Secretariat, Srinagar, regarding the captioned subject, wherein it has been conveyed that Hon'ble Minister of State for Animal/ Sheep Husbandry has brought into the notice of Hon'ble Chief Minister, J&K that majority of schemes in the Animal/ Sheep Husbandry Department are dependent on financial assistance from various banks as loan component, but unfortunately the cooperation from the banks is negligible. As a result of non-implementation of schemes thus, the very purpose of the schemes gets vitiated. The Hon'ble Minister has attributed the dismal performance in implementation of various schemes in his department to the non-cooperation by the concerned banks.

Accordingly, Finance Department, J&K Govt. have desired that the issue may be listed as an agenda item in the ensuing SLBC meeting.

**House may deliberate the issue**

**AGENDA ITEM NO: 90.19**

**Establishment of Dairy Units under National Mission on Protein Supplementation (NMPS):**

Directorate of Animal Husbandry, Jammu vide letter bearing Ref. No. DAHJ/Tech-308 /5017-18 dated 12.07.2013, have intimated that the department is in receipt of funds to be expended as subsidy for establishing dairy units of 5,10,15 and 20 animals under Centrally Sponsored Scheme “**National Mission on Protein Supplementation (NMPS)**”. However, the Scheme could not be implemented during 2012-13 as the credit availability as per the framed guidelines was not existing with the banks. The department is expecting revalidation of unspent balance and release of further funds under the Scheme to be expended during 2013-14. Accordingly, the guidelines for establishing these units have been framed, for which approval of SLBC has been sought.

**House may deliberate the issue and approve the guidelines regarding Establishment of dairy units under NMPS.**

Encls: NMPS guidelines

**AGENDA ITEM NO: 90.20**

**Monitoring of flow of credit for livestock and fisheries sector:**

In the backdrop of D.O. letter dated 3<sup>rd</sup> May 2013, Government of J&K, Animal/ Sheep Husbandry Department, Civil Secretariat, Srinagar, vide communication bearing Ref. No. ASH/Plan/65/2012 dated 12.06.2013 have requested to flag the following issues for deliberation of the members:

- a) No data regarding flow of credit to various sub-sectors under Agriculture sector, viz. Poultry, Dairy, Sheep, Goat and Fisheries activities is readily available with the Government. As such, SLBC is requested to collect the performance data of banks regarding the same preferably on quarterly basis, for onward transmission to Gol, Ministry of Agriculture.
- b) **Constituting a Sub-Committee of J&K SLBC under the Chairmanship of Secretary to Government, Animal/ Sheep Husbandry Department, to monitor and review flow of credit to Animal Husbandry, Dairy and Fisheries Sectors on quarterly basis prior to SLBC meetings.**

Copies of D.O. letter dated 3<sup>rd</sup> May 2013 from Gol, MoAgri., Deptt. of Animal Husbandry, Dairying & Fisheries, and Letter dated 12.06.2013 of Animal Husbandry Department, J&K Government, are enclosed for information and ready reference of the house.

**House is requested to deliberate the issue**

Encls: 3

**AGENDA ITEM NO: 90.21**

**Lending to Tenant / Lessee Farmers - Reluctance of banks to finance:**

Reserve Bank of India, R. O. Jammu, vide letter bearing RPCD (JMU) No.1740/03.01.17/2012-13 dated June 10, 2013 (copy enclosed for ready reference) have observed that certain banks have been reluctant in extending finance to tenant/ lessee farmers, even though they were holding "loan eligibility certificates". In view of various initiatives/ steps taken by the Govt. of India in providing easy and hassle-free loans to Tenant Farmers, Central Office, RPCD has desired that SLBC may include the issue as a specific agenda item in the SLBC meeting for deliberation.

Reserve Bank of India has further desired to discuss the issue threadbare and ascertain reasons for the indifferent attitude by the bankers and also ascertain their problems in giving loans to farmers holding 'Loan Eligibility Certificates'.

**In view of the above, house is requested to deliberate the issue.**

Encls: 1