



Lead Bank/ SLBC (J&K)

Ref. No. LBD/SLBC-96/2015-354

All Members of the
State Level Bankers' Committee (J&K)

March 20, 2015

Sub: **Minutes of the 96th Meeting of J&K SLBC – for necessary action on actionable points.**

Sir,

We forward herewith a copy of minutes of the 96th Meeting of J&K State Level Bankers' Committee (SLBC) held on 23rd February, 2015 at Hotel Asia, Jammu for your kind information.

You are requested to go through the same and initiate action on the decisions / actionable points pertaining to your Organization/ Department.

Desired compliance/ progress may kindly be reported to this office over email-convenorbank@jkbmail.com / Fax 0194-2502639 enabling us to place the same before the house in next SLBC Meeting for review.

Yours Faithfully
For Convenor, J&K SLBC

Assistant Vice President
(Lead Bank/J&K SLBC)

Encls: **Minutes of 96th SLBC Meeting**

MINUTES OF 96th MEETING OF SLBC (J&K) HELD ON 23rd FEBRUARY 2015 AT JAMMU

The 96th meeting of J&K State Level Bankers' Committee (SLBC) to review the performance of banks & financial Institutions operating in J&K State in Financial and Non-Financial Sectors of economy upto 31st December 2014 under Annual Credit Plan 2014-15, was held on 23rd February 2015 at Hotel Asia, Jammu.

The meeting was presided over by Chairman & CEO of J&K Bank (Convenor J&K SLBC) Mr. Mushtaq Ahmad. Top functionaries of the State/ Central Government, regulators and Banks who attended the meeting included Mr. B. R. Sharma, Principal Secretary, Planning & Development Department, J&K Government, Mr. A. K. Dogra, Dy. Secretary, DFS, MoF, Gol, Regional Director Reserve Bank of India, Mr. D. Sethy, Chief General Manager NABARD Mr. Shanker A. Pande. List of the senior officers of the State Government, Reserve Bank of India, NABARD, representatives of Insurance Companies, various line Departments, concerned developmental agencies and senior representatives of major member banks and financial institutions operating in the State and other dignitaries who participated in the meeting is enclosed as **Annexure "A."**

KEYNOTE ADDRESS BY CHAIRMAN & CEO, J&K BANK (CONVENOR J&K SLBC) Mr. MUSHTAQ AHMAD:

At the outset the Convenor, J&K SLBC (Chairman & CEO, J&K Bank) Mr. Mushtaq Ahmad extended warm welcome to the dignitaries, invitees, members and participants. He expressed satisfaction that with the level of participation the deliberations in the meeting would be purposeful and result oriented.

Delivering the inaugural address, Chairman & CEO, J&K Bank (Convenor J&K SLBC) Mr. Mushtaq Ahmad reiterated that J&K State Level Bankers' Committee formulated a comprehensive package in consultation with the representatives from Trade and Industry, for relief, rehabilitation and revival of the borrowers affected by the natural calamity that hit the State during the month of September 2014 and resulted in large scale destruction of industry, trade, business and property besides displacing a large segment of the population. He complimented the role played by RBI & IBA in approving the package expeditiously. Mr. Mushtaq Ahmad stated that banks in J&K have adopted a very positive approach in providing hassle free financial assistance to the flood victims for their economic rehabilitation. Giving the progress made by the banks in granting/ restructuring of various types of credit facilities to the existing borrowers and disbursement of fresh loans to the people affected by the natural calamity Mr. Mushtaq Ahmad stated that upto 30th January 2015 banks in J&K State have received **17,369** applications for rescheduling/restructuring of existing loans and granting of fresh loans out of which **14,837** applications involving an amount of **Rs.1,263.00 Crore** have been processed/ sanctioned. Banks have disbursed credit amounting to **Rs.687.11 Crore** in favour of **11,321** applicants upto the said period, he stated. He emphasized that banks should complete the process of rescheduling/ restructuring of the loans by 31st March 2015 which is the timeline set by RBI.

Mr. Mushtaq Ahmad, Chairman & CEO J&K Bank (Convenor SLBC) stated that J&K SLBC is making concerted efforts to implement various initiatives taken by the Central and State Government for the overall economic development of the State. The Financial Inclusion which is the prestigious project of Gol has always remained a top priority for promoting inclusive growth and bringing into the banking fold the people who are still financially excluded, he stated. Chairman, J&K Bank (Convenor J&K SLBC) stated that new life has been infused in Financial Inclusion after launching of **“Pradhan Mantri Jan Dhan Yojana’ a comprehensive Financial Inclusion Package**, across the country on 28th of August 2014 by Hon’ble Prime Minister of India.

Regarding the progress in implementation of the initiatives taken in the State, he highlighted the following:

- Swabhimaan Campaign/ Financial Inclusion Plan Phase-I, has been successfully accomplished with the coverage of all the 795 villages with population above 2000.
- Phase-II of Financial Inclusion Plan which envisages, providing banking facilities to **5582** identified villages having population below 2000 in J&K State, to be covered in a phased manner during the financial years **2012-13, 2013-14, 2014-15 upto 14th August 2015 as per the new timeline set by RBI**, is under implementation and against the target of **1504** villages set for the current financial year, banks have covered **1172 villages** upto the end of December 2014 constituting **78%** of the target for the year. Against the cumulative target of covering **4077 villages** for the **FYs 2012-13, 2013-14 and 2014-15** banks have covered **3,906 villages** thereby achieving **96%** of the cumulative target. Out of this **J&K Bank** has covered **2221 villages** constituting **57%** of total progress achieved while **SBI** with **627 villages (16%)**, **PNB** with **215 villages (6%)**, **JK Grameen Bank** with **685 villages (18%)** and **Ellaquai Dehati Bank** with **158 villages (4%)** are the other FIP Participating banks. Out of **3,906 villages** covered under Phase II, banking facilities to **162 unbanked villages** were provided by establishing **regular brick and mortar bank branches, 3,564 villages** through **BC Model** and remaining **180 villages** through other modes like **mobile banking vans**.
- Under Pradhan Mantri Jan Dhan Yojana which has been launched in a mission mode across the Country, banks in J&K State have opened **12.35 lakh** fresh account upto 31st January 2015 and issued RuPay Debit Cards to **6.93 lakh** beneficiaries. **Out of 22 districts in J&K State 14 districts have been saturated till date while the saturation of remaining 8 districts is underway.**
- The Gol, MoF initiative for **100% coverage** of farmers under Kissan Credit Cards is being pursued with all seriousness. On reviewing the performance under KCC Scheme in the previous SLBC meeting, the final timeline for **100%** achievement under the Scheme was extended to **31st March 2015** taking into consideration the loss of two months because of floods that hit the State during September 2014. Against the revised target to cover **9.81 lakh** farm-operating families in the State who are interested to

acquire KCCs, **8.20 lakh KCCs** have been sanctioned by various banks upto the end of December 2014, which constitutes **83.54%** of the target.

- In compliance with the RBI directive the **Financial Literacy Centres (FLCs)** have been made operational in all the **22 districts** of J&K State, which includes **12 FLCs** set up by **J&K Bank** and **10 FLCs by SBI**, in accordance with their lead bank responsibility. All the FLCs are conducting Financial Literacy awareness camps in their respective areas of operation using Standardized Financial Literacy material.
- Similarly, the target of setting up **Rural Self Employment Training Institutes (RSETIs)** in accordance with the Gol directive has been accomplished with RSETIs functioning in all the **22 districts** of the State. This includes 12 RSETIs set up by J&K Bank and 10 RSETIs set up by SBI. It is a matter of great satisfaction that all RSETIs are working smoothly and are providing training for skill development and facilitating credit linkages to entrepreneurs.
- The Electronic Benefit Transfer (EBT) Scheme which envisages direct transfer of benefits under various Social Security Schemes has been implemented in six pilot districts of the State i.e Srinagar, Ganderbal, Jammu, Rajouri, Kargil & Leh in the first phase and benefits under IGNOAPS have been transferred into the accounts of beneficiaries successfully. The data validation in respect of remaining 16 Districts is under process and these districts shall be covered under the scheme very soon. Chairman/ CEO, J&K Bank (Convenor J&K SLBC), Mr. Mushtaq Ahmad expressed optimism that the objective of Gol, MoF shall be achieved in near future.

PERFORMANCE OF BANKS UNDER ANNUAL CREDIT PLAN 2014-15

Giving a brief account of the achievements made by banks in J&K State Chairman/ CEO, J&K Bank Mr. Mushtaq Ahmad stated that **46 Banks/ FIs** operating in the State with a network of **1908 branches** as on **31st December 2014** have extended total credit of **Rs.11,300.29 Crore** in favour of **3,09,327 beneficiaries** (both under Priority as well as Non-priority Sector) against target of **Rs.19,993.88 Crore** for **8,83,458 beneficiaries** under Annual Credit Plan 2014-15, thereby registering achievement of **56.52%** in financial terms and **35%** in physical terms. This includes Priority Sector credit of **Rs.6,150.30 Crore** disbursed by banks in favour of **2,33,273 beneficiaries** against the target of **Rs.12,464.10 Crore** for **6,74,773 beneficiaries** (**49.34%** achievement in financial terms and **34.57%** in physical terms) and Non-priority sector credit of **Rs.5,149.99 Crore** in favour of **76,054 beneficiaries** against target of **Rs.7,529.78 Crore** for **2,08,685 beneficiaries** (**68.40%** achievement in financial terms and **36.44%** in physical terms).

With credit disbursement of **Rs.4,203.62 Crore** to the **Priority Sector Credit**, **J&K Bank** is the major contributor (**share 68%**) in financial terms followed by **PNB** with **Rs.421.92 Crore (7%)**, **SBI** with the contribution of **Rs.416.40 Crore (7%)**, all other Commercial Banks with

Rs.624.84 Crore (10.16%), RRBs with Rs.307.86 Crore (5%) and Co-operative Banks with Rs.175.45 Crore (3%).

INSTITUTION-WISE CREDIT FLOW

Out of the total credit disbursement of **Rs11,300.29 Crore** disbursed by banks in the State during first three quarters of FY 2014-15, J&K Bank alone has disbursed Rs.8,018.53 Crore which accounts for a lion's share of 71% of the total credit disbursed in the State. All other 45 banks/FIs operating in the State put together have disbursed Rs.3,281.76 Crore, thereby contributing 29% of the total credit disbursed in the State during the period under review. This includes SBI with disbursement of Rs.815.49 Crore **i.e. 7.22%**, PNB with Rs.506.73 Crore which constitutes 4.48% RRBs Rs.422.87 Crore **i.e. 3.74%**, Cooperative Banks with disbursement of Rs.230.38 Crore which constitutes 2.04% while other commercial banks have contributed Rs.1,306.07 Crore which constitutes 11.56% of total credit extended by all banks.

SUB-SECTOR-WISE CREDIT DISPENSATION UNDER PRIORITY SECTOR

Elaborating on Sub-Sector-wise flow of credit under Priority Sector, the Chairman, J&K Bank (Convenor J&K SLBC) stated that Under '**Agriculture Sector**' against the annual target of **Rs.4,004.55 Crore** for **4,19,015** beneficiaries, banks have disbursed total amount of **Rs.1,951.28 Crore** in favour of **1,20,335** beneficiaries upto 31st December 2014 registering an achievement of **49%** in financial terms and **29%** in physical terms.

Under '**Micro & Small Enterprise's Sector**' against the annual target of **Rs.4,195.14 Crore** for **1,43,623** beneficiaries, banks have disbursed an amount of **Rs.3,072.33 Crore** in favour of **75,749** beneficiaries upto **31st December 2014**, thereby registering an achievement of **73%** in financial terms and **53%** in physical terms.

Under '**Education Sector**' against the annual target of **Rs.541.78 Crore** in favour of **14,024** beneficiaries banks have disbursed an amount of **Rs.64.31 Crore** in favour of **2,804** beneficiaries upto **31st December 2014**, achieving **12%** of target in financial terms and **20%** in physical terms.

Under '**Housing Sector**' against the annual target of **Rs.2,450.83 Crore** favouring **38,771** beneficiaries banks have disbursed total amount of **Rs.424.34 Crore** in favour of **12,008** beneficiaries upto **31st December 2014**, achieving **17%** in financial terms and **31%** in physical terms.

Under '**Other Sectors**' against the annual target of **Rs.1,271.80 Crore** in favour of **59,340** beneficiaries banks have disbursed **Rs.638.04 Crore** in favour of **22,377** beneficiaries upto **31st December 2014**, achieving **50%** in financial and **38%** in physical terms.

CREDIT DISBURSEMENT UNDER NON-PRIORITY SECTOR

Under Non-priority Sector against the annual target of **Rs.7,529.78** Crore favouring **2,08,685** beneficiaries, banks have disbursed **Rs.5,149.99** Crore favouring **76,054** beneficiaries achieving **68.40%** of target in financial terms & **36.44%** in physical terms. J&K Bank's share at Rs.3,814.91 Crore favouring 37,864 beneficiaries, constitutes 74% of total credit to Non-Priority Sector in financial & 50% in physical terms. Other Banks operating in the State put together have disbursed Rs.1,335.08 Crore in favour of 38,190 beneficiaries (constituting 26% of total credit to the sector in financial & 50% in physical terms). These include SBI with disbursement of Rs.399.09 Crore (7.75%), PNB Rs.84.81 Crore (1.65%), RRBs Rs.115.01 Crore (2.23%), Co-operative Banks Rs.54.94 Crore (1.07%) and other commercial banks with disbursement of Rs.681.23 Crore constituting 13.23% of the total disbursement made by all the banks under Non-Priority sector.

CREDIT DEPOSIT RATIO

The Convener, SLBC stated that against the National Benchmark of **60%**, the banks operating in J&K State have achieved CD Ratio of **46.07% as on 31.12.2014** against **40.80%** achieved during the corresponding period of previous financial year. He informed that CD Ratio of Banks in J&K State have shown substantial improvement during the Current financial year after incorporating corporate sector advances of **Rs.3022.46 Crore** made by the outside State branches of J&K Bank, SBI and PNB for financing the projects in J&K State, into the aggregate advances outstanding figure of banks in J&K State as on 31st December 2014 for computing the Credit Deposit Ratio at State Level.

During the period under review the CD Ratio of J&K Bank has improved by 2.25% YoY from 44.63% as on 31.12.2013 to 46.88% as on 31.12.2014 (2.76% after including the Corporate Sector advances of Rs.235.52 Crore), SBI by 0.46% YoY (20.64% after including Corporate Sector advances of Rs.2,117.87 Crore) while CD Ratio of PNB has declined by 2.32% YoY basis (but after including the Corporate Sector advances of Rs.669.07 Crore the CD Ratio of PNB shows increase of 11.14% YoY basis). The CD Ratio of RRBs has also improved by 1.09% from 44.02% as on 31.12.2013 to 45.11% as on 31.12.2014 while as in respect of Co-operative Banks it has improved by 0.80% from 35.62% as on 31.12.2013 to 36.42 % as on 31.12.2014.

CREDIT FLOW UNDER GOVERNMENT SPONSORED SCHEMES

The Convener SLBC stated that against Annual Action Plan (2014-15) target of **Rs.439.90 Crore** for **24,158** beneficiaries for all banks operating in the State, the achievement at the end of December 2014 under five major Government Sponsored Schemes, viz. NRLM, PMEGP, NULM, JKSES and SC/ST/OBC is of the order of **Rs.131.93** Crore spread over **5,829** beneficiaries in all the three regions of the State thereby registering a performance of **30%** of the target in financial and **24%** in physical terms against **36%** achievement in financial & **24%** in Physical terms as on corresponding date of the previous financial year. The **30%** achievement under Government Sponsored Schemes during nine months can not be

considered as satisfactory by any standards and the same continues to remain an area of concern for SLBC, he stated.

J&K Bank's share at **Rs.94.20** Crore favouring **3,749** beneficiaries constitutes **71%** of total credit under this segment in financial & **64%** in physical terms. Other Banks/FIs operating in the State put together have disbursed Rs.37.73 Crore to 2,081 beneficiaries which constitutes 29% of total credit to the sector in financial & 36% in physical terms.

Mr. Mushtaq Ahmad stated that Government Sponsored Schemes have been framed with the sole objective of providing livelihood to the unemployed and un-privileged segments of the society and banks need to play a proactive role in implementation of these schemes. He further emphasized that banks should introspect and put in extra efforts so that the targets fixed under Government Sponsored Schemes are achieved within the remaining period of the current financial year.

Concluding his inaugural address Mr. Mushtaq Ahmad Chairman/ CEO J&K Bank (Convenor J&K SLBC) stated that banks have been playing a significant role in the economic development of the State but they continue to face difficulties in recovery of loans, particularly those disbursed under Government Sponsored Schemes. He requested the State Government to take necessary steps for removing disabling factors to facilitate loan recovery & creating a responsive credit climate in the State, which would help banks to improve debt recovery from the willful defaulters.

Thereafter, the agenda of the meeting was taken up for deliberation as under:

SEGMENT- 1 (REVISION)

CONFIRMATION OF MINUTES OF 95th MEETING OF J&K SLBC HELD ON 3rd DECEMBER 2014:

As no amendments to the minutes of the 95th meeting of J&K SLBC held on 3rd December 2014 were received from any quarter, the house confirmed the minutes.

FOLLOW-UP OF ROLLED OVER ACTIONABLE POINTS OF PREVIOUS SLBC MEETINGS:

A) LEGISLATING SARFAESI ACT:

On enforcement of SARFAESI Act in J&K State, Convenor SLBC (Chairman, J&K Bank) Mr. Mushtaq Ahmad stated that the issue has been on the agenda of the SLBC for a long time and J&K SLBC expects the resolution of the issue after the new Government takes over in J&K State.

(Action: Finance Department, J&K State Government)

President J&K Bank, Mr. S. K. Bhat informed that there has been a substantial increase in the work load at Bank Court Jammu due to the closure of Bank Court at Srinagar and as per the reports large number of recovery suits and execution petitions are pending disposal at Bank Court Jammu. He requested that Law Department, J&K Government may take up the matter with Hon'ble Chief Justice, J&K State.

(Action: Law Department, J&K Government)

B) MEETINGS OF THE SUB-COMMITTEE OF J&K SLBC & OTHER MEETINGS HELD DURING FY 2014-15 TILL 12TH FEBRUARY 2015:

The house placed on record that 10 meetings of Sub-Committee of J&K SLBC and other meetings were held from 1st April 21004 upto 12th February 2015.

SEGMENT- 2 (SPECIAL AGENDA POINT)

AGENDA ITEM NO: 96.01

J&K FLOODS 2014-(RECOMMENDATIONS PUT FORTH BY J&K SLBC FOR RELIEF, REHABILITATION, REVIVAL AND RESTRUCTURING OF VARIOUS TYPES OF CREDIT FACILITIES IN THE AREAS AFFECTED BY NATURAL CALAMITY).

Chairman, J&K Bank (Convenor J&K SLBC) Mr. Mushtaq Ahmad stated that the package formulated by J&K State Level Bankers' Committee and approved by Reserve Bank of India with some modifications has already been circulated among all the members and banks have adopted a very positive approach in implementation of the package by providing hassle free financial assistance to the existing as well as fresh borrowers who have been affected by the natural calamity.

Convenor, J&K SLBC Mr. Mushtaq Ahmad stated that J&K State Government has submitted a memorandum of loses caused by the natural calamity to the Central Government and recommended a comprehensive relief packages for the banking sector in the memorandum. He sought the status of same from the Finance Department, J&K Government. The chair was informed that Central Government has sought some clarifications which are being submitted and the issue is expected to get resolved soon.

Giving the progress made by the banks under the package the Chairman J&K Bank stated that upto 30th January 2015 banks in J&K State have received **17,369** applications for rescheduling/restructuring of existing loans and grant of fresh loans out of which **14,837** applications involving an amount of **Rs.1,263.00 Crore** in respect of existing and fresh borrowers affected by the natural Calamity have been processed/ sanctioned. Banks have disbursed loans amounting to **Rs.687.11 Crore** in favour of **11,321** applicants upto the said period, he stated. Giving the Bank-wise details, he stated that J&K Bank has disbursed credit of Rs.437.88 Crore to 3,108 beneficiaries, HDFC Bank Rs.136.97 Crore to 1,797 beneficiaries, SBI Rs.43.26 to 1,327 beneficiaries, PNB Rs.22.50 Crore to 1,090 beneficiaries and EDB Rs.35.57 Crore to 3,853 beneficiaries

He stated that the restructuring/ rescheduling of the loans under the package is an opportunity for banks to prevent the chances of the loans getting impaired and that banks should complete the exercise of rescheduling of eligible loans well before March 31, 2015 which, he said, is the timeline set by RBI for implementation of the package.

Regional Director, Reserve Bank of India, Mr. D. Sethy while enquiring about the measures initiated by the banking industry in rescheduling/ restructuring of various types of the credit facilities in respect of the existing borrowers and providing of financial assistance to other borrowers affected by the natural calamity emphasized that the banks should sensitize their operational levels about the implementation of the package within the given timeline. He took a strong note of some banks i.e **Canara Bank, Oriental Bank of Commerce and Indian Overseas Bank** for not having disbursed credit in respect of the applications received even after sanctioning of the amount of credit and directed General Manager RBI Mr. A. K. Matoo for taking up the matter with the concerned banks.

(Action: Member banks)

The representative of Oriental Bank of Commerce however informed the house that the OBC has disposed of all the applications as on date.

President, J&K SLBC, Mr. S. K. Bhat informed that Department of Financial Services, Ministry of Finance Government of India has been pressing hard for opening of bank accounts in respect of the beneficiaries whose houses in Pucca & Kutcha categories have been completely damaged in the devastating floods but do not have a bank account for the direct transfer of financial assistance approved by GoI. He stated that J&K SLBC Secretariat has sought the list of such beneficiaries from the Divisional Commissioner Kashmir/ Jammu but till date no response has been received. He requested the State Government to share the list with the SLBC Secretariat so that the bank accounts of such beneficiaries are opened under PMJDY Scheme.

(Action: J&K State Government)

SEGMENT- 3(FINANCIAL INCLUSION/ THRUST AREAS)

AGENDA ITEM NO: 96.02

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

- (I) 'SWABHIMAAN CAMPAIGN' FOR COVERAGE OF VILLAGES WITH POPULATION ABOVE 2000-FIP PHASE-I**
- (II) PROVISION OF BANKING SERVICES TO VILLAGES WITH POPULATION BELOW 2000-FIP PHASE-II**
- (III) PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)**

(I) 'SWABHIMAAN CAMPAIGN' FOR COVERAGE OF VILLAGES WITH POPULATION ABOVE 2000:

It was noted with satisfaction that the Swabhimaan Campaign/ Financial Inclusion Plan Phase-I, has been successfully accomplished with the coverage of all the 795 villages with population above 2000 by the concerned participating banks.

(II) PROVISION OF BANKING SERVICES TO VILLAGES WITH POPULATION BELOW 2000:

Regarding Phase-II of FIP for coverage of villages having population less than 2000, the Convenor, SLBC (Chairman, J&K Bank) stated that providing banking services to 5582 identified villages having population below 2000 in J&K State, to be covered during 2012-13, 2013-14, 2014-15 **upto 14th August 2015 as per the new timeline set by RBI**, is under implementation and against the target of **1504** villages set for the current financial year, banks have covered **1172 villages** upto the end of December 2014 constituting **78%** of the target for the year. Against the cumulative target of covering **4077 villages** for the **FYs 2012-13, 2013-14 and 2014-15** banks have covered **3,906 villages** thereby achieving **96%** of the cumulative target.

Mr. Mushtaq Ahmad emphasized that FIP participating banks should draw a roadmap for achieving their respective cumulative targets under FIP Phase-II **upto 14th August 2015 which is the new timeline set by RBI for providing 100% coverage of the unbanked villages with population less than 2000 as per census of 2001.**

(Action: concerned FI Banks)

(III) PRADHAN MANTRI JAN DHAN YOJANA (PMJDY) :

The house placed on record that under Pradhan Mantri Jan Dhan Yojana which has been launched in a mission mode across the Country, banks in J&K State have opened **12.35 lakh** fresh accounts upto 31st January 2015 and issued RuPay Debit Cards to **6.93 lakh** beneficiaries. **Out of 22 districts in J&K State 14 districts have been saturated till date while the saturation of remaining 8 districts is underway.**

Dy. Secretary, DFS, MoF, Gol Mr. A. K. Dogra emphasized that timely issuance of RuPay Debit Cards to account holders under Pradhan Mantri Jan Dhan Yojana is essential to avail the benefits under the scheme and emphasized that banks should ensure that RuPay Debit Card is invariably issued to every account opened under the scheme.

(Action: Member banks)

Executive President, J&K Bank Mr. Parvez Ahmad stated that despite constraints J&K Bank has issued RuPay Debit Cards to all the beneficiaries whose accounts have been opened under PMJDY and expressed optimism that all the account holders under PMJDY shall be issued RuPay Debit Cards in future.

AGENDA ITEM NO: 96.03

IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER (EBT) SCHEME IN J&K STATE:

The Convenor, SLBC (Chairman, J&K Bank) informed the house that in the first phase the scheme has been implemented in six pilot districts of the State i.e Srinagar, Ganderbal, Jammu, Rajouri, Kargil & Leh and benefits under IGNOAPS have been transferred into the

accounts of beneficiaries successfully. As regards implementation of EBT Scheme in other districts of the State and coverage of other social security schemes under EBT Scheme, the Convenor SLBC stated that the data validation in respect of remaining 16 Districts is under process and these districts shall be covered under the scheme very soon. Giving the progress on the number of accounts validated, he stated that out of 1,16,296 accounts received from various banks for validation, 97,115 accounts have been validated upto 31st January 2015 and expressed optimism that the remaining accounts shall be validated soon.

(Action: J&K Bank/ Finance Department, J&K Govt./LDMs & other banks)

The Secretary IT Department, J&K Government informed that there are some instances where the inward credit to the beneficiaries' accounts has been frozen by some banks which was not agreed upon by any of the banks. The house, however asked IT Department, J&K Government to share the list of such cases with the banks so that the issue is addressed.

(Action: IT Department, J&K Govt./Concerned Banks)

SEEDING OF AADHAAR:

Executive President, J&K Bank Mr. Parvez Ahmad stated that as per the instructions of Department of Financial Services, MoF, Gol the linking of Aadhaar number to Bank account for Direct Benefit Transfer (Electronic Benefit Transfer - EBT) under various Government Schemes will become mandatory in future for J&K State also. He informed that J&K State is lagging behind other States in issuance of Aadhaar and subsequent seeding of same with the bank accounts which needs to be addressed on priority.

Giving the progress, Secretary, IT Department, J&K Government informed that empanelment of vendors for capturing the biometric data has been done and more than 40 lakh biometric enrollment packets stand already uploaded and the process is expected to be completed by June 2015.

(Action: IT Department, J&K Govt.)

In view of the importance attached to issuance of Aadhaar cards the house decided that the progress under the same be reviewed in J&K SLBC meetings, henceforth.

(Action: IT J&K SLBC Secretariat)

AGENDA ITEM NO: 95.04

100% COVERAGE OF FARMERS IN J&K STATE UNDER KISSAN CREDIT CARD (KCC) SCHEME:

Regarding Gol, MoF initiative for 100% coverage of farmers under Kissan Credit Card Scheme, Chairman, J&K Bank Mr. Mushtaq Ahmad stated that upto the end of December

2014, banks have sanctioned **8,19,934 KCCs** in J&K State, out of which **6,86,371 KCC** cases have been disbursed credit to the tune of **Rs.4,882.94** Crore. This includes **6,98,119 KCC** cases sponsored by Agriculture Department, J&K Govt. to various banks operating in the State and **2,98,709 KCC** cases taken up by the banks directly. Out of the KCC cases sponsored, **1,68,444** cases have been rejected while **8,450** cases are pending with banks. This translates into achievement of **83.54%** of the revised target of **9,81,449** farm-operating families in the State, he stated.

Out of the total KCC cases sanctioned by banks, the Chairman, J&K Bank (Convenor, SLBC) stated that 52% contribution has come from J&K Bank alone having sanctioned 4,23,821 KCCs. Other major contributors have been JKGB with 1,23,418 KCCs(15%), SBI with 66,634 KCCs(8%), EDB with 60,077 KCCs(7%), PNB with 43,167 KCCs(5%) & JCC Bank with 37,038 KCCs(5%).

Considering the achievement of **83.54%** under KCC Scheme as quite encouraging Chairman, J&K Bank (Convenor J&K SLBC) stated that due to the special efforts put in place by banks and other stakeholders especially during the last two years this achievement was registered under the scheme. He however, emphasized that left out target of 1.61 lakh farm operating families, should be achieved by 31st March 2015 and banks should not expect any further extension in the stipulated timeline.

Chief General Manager, NABARD Mr. Shanker A. Pande emphasized that all the stake holders should explore ways and means for covering the remaining 16% farm operating families under KCC scheme so that the objective of 100% coverage of farmers under the Scheme is achieved by the stipulated timeline. He however, expressed displeasure that the insurance cover to the KCCs is very meager and stressed upon the banks to encourage coverage of each and every KCC under Insurance Scheme either under National Agriculture Insurance Scheme (NAIS) or Weather Based Insurance Scheme (WBIS) to make farmers to avail the huge benefits available under these crop insurance schemes. He suggested for holding of a special SLBC meeting of Banks, Insurance Companies and concerned government departments to look into the impediments coming in way of providing insurance coverage to KCC accounts. He further expressed concern over poor credit disbursement under Agriculture Term loans and emphasized that banks should look into the matter and put in place measures so that Term loans under agriculture sector are enhanced.

(Action: Member Banks/ Insurance Companies/ Agriculture Deptt. J&K Government/ J&K SLBC Secretariat)

Keeping in view the final timeline of 31st March 2015 for 100% coverage of farmers under Kissan Credit Card Scheme the house decided to allocate **1,61,000** farm operating families in

J&K State, who have not been so far brought within the ambit of KCC Scheme, to below mentioned five major banks operating in the State for their coverage by 31st March 2015.

S. No.	Name of the Bank	KCC Target
1	J&K Bank	100000
2	SBI	6000
3	PNB	5000
4	JK Grameen Bank	25000
5	Ellaquai Dehati Bank	25000
	Total	161000

The house decided that the individual banks should make concerted efforts for achieving the fresh targets under KCC Scheme upto 31st March 2015 which is the final timeline fixed by J&K SLBC for achieving 100% coverage of farmers under Kissan Credit Card Scheme.

After deliberations, it was decided that:

- All the stakeholders involved in the process, viz. Agriculture Production Department, Revenue Department, Banks operating in the State, etc. to make necessary efforts in order to ensure that 100% coverage of farmers under KCCs in J&K State is achieved by 31st March 2015 which is the final timeline.

**(Action: Director, Agriculture Department (Kashmir/Jammu)/
Revenue Deptt./All member banks/SLBC Secretariat)**

- All the stakeholders, viz. Agriculture Department, Revenue Department and banks will ensure that pendency of cases is cleared expeditiously.

**(Action: Director, Agriculture Department (Kashmir/Jammu)/
Revenue Deptt./All member banks/SLBC Secretariat)**

- Agriculture Production Department, J&K Government shall sensitize the farmers about the various benefits including that of Insurance Coverage, available under Kissan Credit Card Scheme.

(Action: Agriculture Production Deptt. J&K Govt.)

AGENDA ITEM NO. 96.05

BRANCH EXPANSION PLAN:

The Chairman, J&K Bank (Convenor, SLBC) stated that the Branch Expansion Plan for J&K State for the FY 2014-15 stood at 262 branches which included backlog of 115 branches. The

BEP 2014-15 included J&K Bank=118 branches, SBI=28 branches, PNB=8 branches, JKGB=32 branches, EDB=25 branches, HDFC Bank=10 branches, SBP=2 branches, Andhra Bank=2 branch; Axis Bank=7 branches, IDBI Bank=3 branches, OBC=3 branches, Corporation Bank= 6 branches, ICICI Bank=8 branches, IOB=4 branches, Dena Bank=1 branch, Urban Coop. bank=3 branches and Anantnag Central Co-operative Bank=2 branches. Mr. Mushtaq Ahmed stated that out of the BEP of 262 branches, 83 branches were to be opened in the identified unbanked rural centers, which work out to 31.68% of the total branches planned to be opened during the financial year against the regulatory requirement of 25%.

The house noted that against the BEP target of 262 branches, the banks have opened 46 branches during the first three quarters of FY 2014-15 thereby registering achievement of 18%. The house also noted that out of 46 branches, 22 branches are opened by J&K Bank alone, 7 branches by JKGB, 5 branches by HDFC Bank, 6 branches by ICICI bank , 2 branches by PNB and one branch each by SBI, SBP, IDBI Bank and Corporation Bank.

EDB, Andhra bank, Axis Bank, ACC Bank, OBC, Dena Bank, IOB and Urban Cooperative Bank have not opened any branch during the first three quarters of the Current financial year.

Dy. General Manager SBI informed that they were not in a position to open new branches due to the staff constraints and now with the recruitment of Staff, 4 to 5 branches are expected to be opened by March 2015

Chairman J&K Bank (Convenor, J&K SLBC) stated that banks were not in a position to achieve the 100% of BEP target upto 31st March 2015 due to their preoccupation with post floods / economic rehabilitation of the affected people and that the backlog of the current financial year be carried over to the Branch Expansion Plan for the next financial year.

(Action: All member banks)

AGENDA ITEM NO: 96.06

SETTING UP OF FINANCIAL LITERACY CENTERS (FLCs) IN J&K STATE – PROGRESS ACHIEVED AS ON 31.12.2014:

It was noted that Financial Literacy Centres (FLCs) are operational in all the districts of the State i. e. 12 FLCs managed by J&K Bank and 10 FLCs managed by SBI as per their Lead Bank responsibility. All the FLCs are organizing Financial Literacy Camps smoothly and during Q3 of FY 2014-15, a total of 299 Financial Literacy Camps were organized in which 20,413 persons have participated. The house noted with satisfaction that activities undertaken by all the 22 FLCs during the quarter ended December 2014, have facilitated the credit linkage of 1,257 persons out of which 862 persons have started their business ventures.

Chief General Manager NABARD, Mr. Shankar A. Pande informed the house that NABARD has approved two FLCs each, for two Rural Banks i. e JKGB and EDB for Kashmir & Jammu

regions and expressed hope that concerned RRBs will initiate necessary action to make the FLCs functional.

Chairman of both the RRBs informed the house that steps to open the FLCs have already been initiated and the FLCs are expected to become functional by 31st March 2015

(Action: JKGB & EDB)

FINANCIAL LITERACY INITIATIVES BY RURAL BRANCHES OF BANKS:

In pursuance to the decision taken in the 89th meeting of J&K SLBC held on 6th June 2013 that all rural branches of banks operating in the State, should hold at least one financial literacy programme every month in terms of RBI guidelines, the house placed on record that 1,293 financial literacy camps have been conducted by 870 rural branches of 17 scheduled commercial banks during the Q3 of FY 2014-15 which is not satisfactory based on RBI guidelines which stipulates holding of at least one camp per rural branch per month. The non-compliance of RBI guidelines by the banks operating in the State was viewed seriously and the house decided that controlling offices of the banks should issue suitable directions to all their rural branches operating in J&K State for strict compliance of the said regulatory guidelines.

(Action: All member banks)

STANDARDIZED FINANCIAL LITERACY MATERIAL:

The house noted with satisfaction that in pursuance to the guidelines issued by Reserve Bank of India the Financial Literacy Guide, Financial Diary and Financial Literacy Posters are being used as a **Standardized Financial Literacy Material** in the Financial Literacy Camps organized by Financial Literacy Centers and rural branches of Banks in all the districts of the State

AGENDA ITEM NO: 96.07

SETTING UP OF RURAL SELF- EMPLOYMENT TRAINING INSTITUTES (RSETIs):

The house noted with satisfaction that 11 RSETIs out of the 12 RSETIs managed by J&K Bank and 6 RSETIs out of the 10 RSETIs managed by SBI have been rated as "A" by MoRD, Gol.

The house placed on record that against target of holding 393 programmes covering 10,878 candidates for FY 2014-15 RSETIs in J&K State have organized 234 programmes upto 31st December 2014 wherein training to 6,455 candidates have been provided thereby achieving 60% and 59% of the target respectively. J&K Bank RSETIs have conducted 460 training programmes from their inception upto 31st December 2014 in which 12,656 persons were trained. Similarly SBI RSETIs conducted 319 programmes during the same period which benefited 7200 persons. Of the 19,856 persons trained in 779 programmes conducted by 22

RSETIs since their inception upto 31st December 2014, 11,020 persons after attending training programmes have settled which constitutes 55% of the total persons trained upto 31st December 2014 out of this 3,212 have availed finance from various banks, 4,638 persons have started their enterprises by utilizing their own resources and the remaining 3,170 persons have opted for job/ employment.

(Action: JKBL/SBI/SLBC Secretariat)

STATUS REGARDING ALLOTMENT OF LAND BY STATE GOVERNMENT TO RSETIs:

Dy. Commissioner (Central), Rural Development Department informed the house that land for RSETIs has been identified in all the 22 districts of the State and in respect of District Leh the land has been transferred to Sponsoring Bank. In Shopian & Ganderbal Districts the land has been allotted to Rural Development Department and the same shall be handed over to the sponsoring Bank soon. In other 11 Districts the proposals are lying either with the office of Divisional Commissioner or Financial Commissioner Revenue.

(Action: J&K State Government)

Principal Secretary, Planning & Development Department, J&K Government Mr. B. R. Sharma directed the concerned Departments of J&K Government to clear the proposals regarding allotment of land to RSETIs if they are pending at their level so that the issue which is pending for more than two years get resolved without further loss of time.

(Action: J&K State Government)

The representatives of sponsoring banks (J&K Bank/ SBI) pointed out that allotment of land to RSETIs by State Government is being regularly discussed since 2010 but the matter has not reached its logical conclusion. They expressed that non-allotment of land has been creating enormous difficulties for the RSETIs and the funding support upto Rs.10.00 lakh to meet the monthly rentals for the RSETIs for a maximum period of three years has to be borne out of the Rs.1.00 Crore grant from Gol. They requested the State Government to look into the matter and facilitate the handing over of the land to the sponsoring banks so that the process of raising the infrastructure for RSETIs in all the 22 Districts could be initiated.

Chairman J&K Bank (Convenor J&K SLBC) stated that Chief Secretary, J&K Government has been personally monitoring the issue and he has convened a number of meetings to review the status of identification and subsequent allotment of land to RSETIs in J&K State. The SLBC expects that the issue shall be resolved soon but the RSETI sponsoring banks need to pursue the matter with the Rural Development Department, J&K Government individually.

(Action: JKB/ SBI)

SEGMENT- 4 (PERFORMANCE REVIEW OF BANKING SECTOR)

AGENDA ITEM NO: 96.08

CREDIT FLOW TO PRIORITY SECTOR:

BANK-WISE/ SECTOR-WISE/ REGION-WISE ACHIEVEMENTS IN LENDING TO PRIORITY SECTOR UNDER ANNUAL CREDIT PLAN 2014-15-POSITION AS AT THE END OF DECEMBER 2014:

The house recorded that as on 31st December 2014 banks have extended total credit of **Rs.11,300.29 Crore** in favour of **3,09,327 beneficiaries** (both under Priority as well as Non-priority Sector) against target of **Rs.19,993.88 Crore** for **8,83,458 beneficiaries** under Annual Credit Plan 2014-15, thereby registering achievement of **56.52%** in financial terms and **35%** in physical terms.

Aggregate credit disbursement as on 31st December 2014 under ACP 2014-15 includes Priority Sector credit of **Rs.6,150.30 Crore** disbursed by banks in favour of **2,33,273 beneficiaries** against the target of **Rs.12,464.10 Crore** for **6,74,773 beneficiaries** (**49.34%** achievement in financial terms and **34.57%** in physical terms) and Non-priority sector credit of **Rs.5,149.99 Crore** in favour of **76,054 beneficiaries** against target of **Rs.7,529.78 Crore** for **2,08,685 beneficiaries** (**68.40%** achievement in financial terms and **36.44%** in physical terms).

Analyzing the bank-wise figures, the house placed on record that under Priority Sector J&K Bank has recorded 60% achievement of its respective ACP target, SBI=33%, PNB=52%, Other Commercial Banks=55%, Coop. Banks=26% and RRBs 20% of the respective individual ACP targets. The achievements of J&K Bank, PNB, Other Commercial Banks as on 31st December 2014 are satisfactory as compared to achievements registered by these banks during the corresponding period of the previous year but achievements in respect of SBI, Cooperative Banks and RRBs as on 31st December 2014 have shown a substantial decline when compared to achievements registered by these banks during the corresponding period of the previous year.

With credit disbursement of **Rs.4,203.62 Crore** to the **Priority Sector Credit**, **J&K Bank** has been the major contributor (**share 68%**) in financial terms followed by **PNB** with **Rs.421.92 Crore (7%)**, **SBI** with the contribution of **Rs.416.40 Crore (7%)**, **RRBs** with **Rs.307.86 Crore (5%)**, **Co-operative Banks** with **Rs.175.45 Crore (3%)** and **other Commercial Banks** with **Rs.624.84 Crore (10.16%)**.

On reviewing the sub-sector wise achievement of targets under Priority Sector lending as on 31st December 2014 the house observed that “**Micro & Small Enterprises**” shows the highest achievement of 73% viz-a-viz annual targets followed by “**other sub-sector**” (50%), **Agriculture** (49%), **Housing** (17%) and **Education** (12%).

Regional Director, Reserve Bank of India, Mr. D. Sethy expressed concern on paltry credit disbursement in **Education & Housing Sectors** and stressed for concerted efforts to exploit the potential in these important sub-sectors. He emphasized that banks need to introspect and find out the impediments coming in way of smooth credit dispensation under **Education & Housing Sectors**.

(Action: Member Banks)

On the poor credit off take under Housing and Education sectors, Principal Secretary, Planning & Development Deptt., J&K Government Mr. B. R. Sharma was of the view that Banks need to highlight the features, in order to create awareness about these schemes among the general masses of the State so that the benefits of these schemes get percolated to various sections of the society. This he stated should remain a priority for the banks.

(Action: Member Banks)

Chief General Manager, NABARD Mr. Shanker A. Pande stated that 49% achievement of the ACP targets under Agriculture Sector during the first three quarters of Current financial year cannot be considered as encouraging keeping in view the potential in the State of Jammu & Kashmir. He emphasized that banks should concentrate on the individual sub-sectors under Agriculture like Horticulture, Dairy, Poultry, Fisheries etc so that the overall credit disbursement under the Agriculture Sector is improved.

Analyzing the bank-wise figures, the house placed on record that under Non-Priority Sector J&K Bank has recorded 87% achievement of its respective ACP target, SBI=42%, PNB=26%, Other Commercial Banks=48%, Coop. Banks=35% and RRBs=44% of their respective individual ACP targets.

On reviewing the sub-sector wise achievement of targets under **Non-Priority sector** as on 31st December 2014 the house observed that “**other sub-sectors**” show the highest achievement of 100.42% viz-a-viz annual target followed by Medium Industries (62%), Heavy Industries (25%), Housing Sector (6%) and lowest in Education Sector (1.19%). The abysmally low achievement of targets in **Housing & Education Sectors** under Non-Priority Sector segment was again viewed with concern.

Out of the total disbursement of Rs.5,149.99 Crore under Non-Priority sector, J&K Bank alone has disbursed Rs.3,814.91 Crore which accounts for 74% of the total disbursements made by all the banks. Other 45 banks/ FIs operating in the State put together have disbursed Rs.1,335.08 Crore which accounts for 26% of the total disbursements made to non-priority sector as on 31st December 2014. These include SBI with disbursement of Rs.399.09 Crore (7.75%), PNB Rs.84.81 Crore (1.65%).

While reviewing the region-wise achievements as on 31st December 2014 under ACP 2014-15 the house observed that Kashmir region has achieved 73% of ACP targets, Ladakh 36% while Jammu region has achieved only 40% of the ACP targets.

On the poor credit disbursement in Housing and Education Sectors the representatives of the banks were of the general view that banks are willing to advance in these sectors but despite creating awareness in the general public about the benefits of these schemes the credit appetite for these sectors has not grown.

- **After threadbare deliberations on the issue, the house observed that the overall achievement of 57% upto 31st December 2014 under ACP 2014-15 is satisfactory as compared to the achievements made by the banks during the corresponding period of the previous financial year. Banks/ FIs operating in the State were advised to put in strenuous efforts to ensure achievement of 100% targets under Annual Credit Plan by 31st March 2015.**

(Action: All member banks)

- **Banks should fulfill their credit commitment towards important sectors i. e. Education & Housing which have not registered encouraging progress during the first three quarters of the current financial year.**

(Action: All member banks)

AGENDA ITEM NO: 96.09

CREDIT UNDER GOVERNMENT SPONSORED SCHEMES:

Against Annual Action Plan 2014-15 target of **Rs.439.90 Crore for 24,158 beneficiaries** for all banks operating in the State, the achievement at the end of December 2014 under five major Government Sponsored Schemes, viz. NRLM, PMEGP, JKSES, NULM and SC/ST/OBC has been of the order of **Rs.131.93 Crore** spread over **5,829 beneficiaries** in all the three regions of the State thereby registering an achievement of **30%** of the target in financial and **24%** in physical terms against **36%** achievement in financial & **24%** in Physical terms as on corresponding date of the previous financial year. The House observed that the achievement is not satisfactory by any standards and all stake holders were called upon to put in best efforts to improve the position under this vital segment.

The achievement, as observed by Chairman J&K Bank (Convenor J&K SLBC), Mr. Mushtaq Ahmad, remains an area of grave concern for SLBC. He stated that healthy credit dispensation under the Government sponsored schemes would ensure employment generation and poverty alleviation and banks should play an important role in this sacred task.

After threadbare deliberations on the impediments coming in way of achievements of targets under Government Sponsored Schemes the house observed that pendency of huge number of cases with banks, rejection of substantial number of cases by the banks, low sponsorship

of the cases by the sponsoring agencies and delay in the release of the subsidy amount by the Government are squarely responsible for the low credit offtake under Government Sponsored Schemes. The house emphasized to focus attention for resolving these issues for achievement of better results in future.

- **the house emphasized that all banks operating in the State and the concerned sponsoring agencies to consider the targets under Government Sponsored Schemes, which are largely aimed at poverty alleviation, as a mission and strive hard to fulfill the commitments under this vital segment.**

(Action: All member banks/Sponsoring agencies)

AGENDA ITEM: 96.10

PERFORMANCE UNDER HANDICRAFTS/ HANDLOOMS AS ON 31ST DECEMBER 2014:

The house recorded that banks have achieved 36% of target under Handicrafts/ACC, 28% of target under Handlooms (Micro Credit Plan Scheme) and merely 11% of target under Handlooms (Weavers Credit Card Scheme) upto the end of December 2014.

Chairman J&K Bank (Convenor J&K SLBC), Mr. Mushtaq Ahmad stated that Handicrafts/ Handlooms is a pivotal source of income generation for Jammu & Kashmir State and holds great promise for its economic upliftment. He stated that despite putting in efforts by all the stake holders the schemes are not picking up and reasons for the same needs to be explored.

Director Handlooms Department, J&K Government informed that Financial Commissioner, Industries & Commerce Department convened meetings with the bankers and sensitized them about the importance of various handloom schemes but despite assurances given by the bankers the scheme is not picking up which is quite evident from the dismal achievements registered under the scheme. He requested the SLBC to impress upon the banks to extend liberal finance to the Handloom sector which holds great promise for employment generation. He emphasized that banks should give due support to the Handloom Scheme (Weavers Credit Card) and synchronize their activities with the Handloom Department so as to achieve better results in future.

(Action: Handlooms/All LDMs/All member banks)

Executive President, J&K Bank Mr. Parvez Ahmad informed that good number of cases have been sanctioned by the banks under Handicrafts/ Handloom Schemes but loans have not been disbursed for want of subsidy from the Government. He requested the State Government to bestow special attention toward release of subsidy under Government Sponsored Schemes. The delay in this behalf is the major impediment in disbursement of loans under these schemes which ultimately results in poor achievements, he stated.

(Action: Handlooms Department, J&K Govt.)

AGENDA ITEM: 96.11

MONITORING OF FLOW OF CREDIT FOR LIVESTOCK AND FISHERIES SECTOR:

Progress achieved by the Banks in delivering credit to livestock and fisheries Sector as at the end of December 2014 was taken on record.

AGENDA ITEM: 96.12

ACHIEVEMENT UNDER SELF HELP GROUP (SHG):

The house placed on record the cumulative position of SHGs formed in J&K State upto the end of December 2014 which stood at 12,852, out of which 8,167 SHGs were credit-linked involving a total amount of Rs.56.26 Crore.

The house observed that the position is not satisfactory and advised all the banks and concerned government agencies to take necessary measures so that the position improves during the remaining period of Current Financial Year.

(Action: All member banks/Govt. Agencies)

AGENDA ITEM NO: 96.13

RAJIV RINN YOJANA (RRY) MODIFIED FORM OF INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP):

The house placed on record the fixation of district-wise targets under Rajiv Rinn Yojna (RRY) Scheme, the modified form of ISHUP adopted in 91st SLBC meeting.

The house recorded that against the target of Rs.87.55 Crore for 2,010 beneficiaries set for FY 2014-15, banks in J&K State have disbursed an amount of Rs.2.03 Crore to 83 beneficiaries upto the end of December 2014, which includes 25 sanctioned cases of previous year indicating an achievement of 2% of financial targets and 4% of physical targets.

The achievement under the scheme was not considered as satisfactory. The banks and concerned sponsoring agency were advised to strive hard so that targets are achieved by 31st March 2015

(Action: Housing & Urban Dev. Deptt., J&K Govt./ State Urban Development Agency (SUDA)/member banks/SLBC secretariat)

AGENDA ITEM: 96.14

BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE) STATISTICAL DATA OF VARIOUS BANKS IN J&K STATE AS AT END OF DECEMBER 2014:

The Chairman, J&K Bank (Convenor SLBC) informed the house that total advances of all banks operating in the State as on 31st December 2014 stood at **Rs.35,235.52 Crore** against **Rs.27,819.63 Crore** as at the corresponding period of previous year thereby recording YoY growth of **26.66%** while as the total deposits in the State as on 31st December 2014 stood at **Rs.76,484.30 Crore** against **Rs.68,180.09 Crore** as at the corresponding period of the previous year thereby indicating YoY growth of around 12.18%. As a result of this healthier credit growth the C. D. Ratio of the State has significantly improved from 40.80% as on 31st December 2013 to 46.07% as on 31st December 2014, which is encouraging.

Commenting on the credit sharing by major banks in the State, Chairman, J&K Bank highlighted that J&K Bank has the highest share of **Rs.22,177.22 Crore** comprising 63% of the total outstanding credit of **Rs.35,235.52 Crore** in the State as at the end of December 2014. The share of SBI is **Rs.5,073.23 Crore** comprising 14.40% and that of PNB is Rs.1,578.51 Crore comprising 4.47%. The share of all other banks put together is Rs.6,406.56 Crore which constitutes 18% of the total outstanding credit as on 31st December 2014.

The house also placed on record that an amount of Rs.2,117.87 Crore, Rs.669.07 Crore & Rs.235.52 Crore disbursed by outside State branches of SBI, PNB and JKB respectively for financing the projects in J&K State, has been incorporated in their advances figure to determine their CD Ratio at State Level as per RBI directions issued vide circular No.RPCD.LBS.BC.NO.47/01.13.03/2005-06 dated November 9, 2005.

During the period under review the CD Ratio of J&K Bank has improved from 44.63% to 46.88% YoY Basis (from 44.63% to 47.39% after including the Corporate Sector advances of Rs.235.52 Crore made by outside State Branches), SBI from 27.71% to 28.17% YoY (from 27.71% to 48.35% after including the Corporate Sector advances of Rs.2,117.87 Crore made by outside State Branches) while CD Ratio of PNB has declined from 20.62% to 18.30% YoY basis(but after including the Corporate Sector advances of Rs.669.07 Crore made by outside State Branches the CD Ratio of PNB has improved from 20.62% to 31.76%). The CD Ratio of RRBs has also improved marginally from 44.02% as on 31.12.2013 to 45.11% as on 31.12.2014 while as in respect of Co-operative Banks it has improved from 35.62% as on 31.12.2013 to 36.42% as on 31.12.2014.

The house placed on record that out of the aggregate advances of **Rs.35,235.52 Crore** outstanding as on 31st December 2014 an amount of **Rs.18,092.11 Crore (51.35%)** has gone to Priority Sector and **Rs.17,143.41 Crore (48.65%)** has gone to Non-Priority Sector. Out of the Priority sector **Rs.5,372.75 Crore** has gone to weaker sections of the society constituting

15.25% of total Advances (Bench Mark 10%). The contribution of J&K Bank alone to Weaker Sections of the society has been Rs.4,358.01 Crore, constituting 19.65% of its total advances.

While analyzing the Priority Sector advances it was observed that Micro & Small Enterprises dominates other sectors, absorbing major share of Rs.9,113.41 Crore (50%) followed by Agriculture, Housing, and Others sector with an amount of Rs.5,804.41 Crore (32%), Rs.2,055.49 Crore (11%), Rs.847.34 Crore (5%) respectively and the lowest share of Rs.271.46 Crore (1.50%) has gone to Education Sector.

The house was of the view that Credit Deposit Ratio of J&K State still remained very low as compared to the National average of 65% to 70% CD Ratio. Banks were impressed upon to extend need based liberal credit across all regions of the State and at least achieve a CD Ratio of 60%, being the national benchmark, during the remaining period of current financial year.

- **After discussion on the issue banks operating in the State were advised to take suitable measures for improving their CD Ratio to ensure that the National benchmark of 60% Credit Deposit Ratio is achieved during the current financial year.**

(Action: All member banks)

AGENDA ITEM NO: 96.15

CREDIT DELIVERY TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) – POSITION AS AT THE END OF DECEMBER 2014:

Progress achieved by the banking sector in J&K State as at the end of December 2014 was taken on record.

AGENDA ITEM NO: 96.16

- A) OPENING OF SPECIALIZED BRANCHES IN MSME CLUSTERS**
- B) REHABILITATION OF SICK MICRO AND SMALL ENTERPRISES-MONITORING BY EMPOWERED COMMITTEE**

The house impressed upon the banks to take immediate necessary steps for opening of branches in identified MSME clusters for providing banking services.

The house observed that the rehabilitation of Sick, Micro and Small Enterprises is being regularly monitored by Empowered Committee on MSMEs and also by Sub-Committee of State Level Inter-Institutional Committee (SLIIC) on MSMEs besides being monitored by High Level Committee on MSMEs.

(Action: Member banks/Directorate of Industries & Commerce Kashmir/Jammu)

AGENDA ITEM NO: 96.17

FLOW OF CREDIT IN MINORITY CONCENTRATED DISTRICTS:

The position was taken on record.

AGENDA ITEM NO: 96.18

PERFORMANCE REVIEW OF LDMS/ DLRC & DCCS:

CONDUCT OF DLRC & DCC MEETINGS:

The house observed that the periodicity of conducting DCC and DLRC meetings prescribed by RBI is being complied with by all the LDMs in J&K State and these meetings are being conducted regularly.

(Action: All LDMs)

DISTRICT-WISE CREDIT DEPOSIT RATIO:

The position was taken on record and the districts having low Credit Deposit ratio were advised to explore the potential for credit dispensation/ absorption in order to improve the CD Ratio to the desired level.

SEGMENT – 5 (RECENT DEVELOPMENTS)

AGENDA ITEM NO: 96.19

NABARD's SUPPORT TO FARMERS' TRAINING CENTRE (FTC) SET UP BY THE BANKS:

The progress made in setting up of Farmers Training Centers (FTCs) in Kashmir, Jammu and Ladakh regions by J&K Bank, PNB and SBI respectively was taken on record and concerned banks were advised to expedite the process.

(Action: JKB, SBI & PNB, NABARD)

AGENDA ITEM NO: 96.20

ESTABLISHMENT OF DIARY UNITS UNDER NATIONAL MISSION ON PROTEIN SUPPLEMENTATION (NMPS):

The guidelines framed by Directorate of Animal Husbandry for establishment of Dairy Units under National Mission on Protein Supplementation (NMPS) are already approved and were accepted by the house for implementation in the State.

The house while recording the achievements made by the banks under the scheme observed that targets have been fixed to the banks operating in the districts falling under Jammu Division and no targets have been conveyed by the Animal Husbandry Deptt for the Districts in Kashmir region till date.

Special Secretary to Government, Animal/ Sheep Husbandary Department Mr. Amit Sharma informed the house that the NMPS scheme was devised for Jammu Division only. He further informed that banks are not extending cooperation in implementation of the NMPS scheme and requested the house to impress upon the banks to extend liberal credit under the scheme so that the envisaged targets under the scheme are achieved by the end of current financial year.

(Action: Animal/ Sheep husbandry Deptt. Jammu, member banks)

AGENDA ITEM NO: 96.21

INTRODUCTION OF NATIONAL CROP INSURANCE PROGRAMME/ RASHTRIYA FASAL BIMA KARYAKARAM-WEATHER BASED CROP INSURANCE SCHEME (WBCIS) IN J&K STATE:

The house noted with displeasure the Nil achievement as on 21st February 2015 under National Crop Insurance Programme/ Rashtriya Fasal Bima Karyakram- Weather Based Crop Insurance Scheme (WBCIS) which was approved by Ministry of Agriculture, Government of India for J&K State and was adopted by J&K SLBC in its 94th meeting.

The representative of the Agriculture department J&K Government informed that National Crop Insurance Programme has not picked up due to lack of experience in this field. He however, assured that Agriculture Department is working hard to get the programme successfully implemented in the selected pilot districts of the State.

The banks in the selected districts were advised to make people aware about the benefits of the programme and bring the eligible borrowers under the insurance cover.

(Action: Directorate of Agriculture Jammu/ Kashmir, Member banks/ Agriculture Insurance Companies)

AGENDA ITEM NO: 96.22

FINANCE TO FIVE LAKH JOINT LIABILITY FARMING GROUPS OF “BHOOMI HEEN KISSAN” THROUGH NABARD:

The house placed on record the fixation of District-wise/ bank-wise targets under the Joint Liability Farming Groups of “Bhoomi Heen Kissan Scheme for the current financial year. Under the scheme a target of 1000 JLGs for the current financial year have been allocated and conveyed to various banks in the State out of which 33 JLGs have been formed by the

banks upto 31st December 2014. Six JLGs have been financed by banks involving an amount of Rs.12.00 lakhs

The concerned banks were advised to ensure achievement of 100% targets under the scheme by 31st March 2015.

Chief General Manager, NABARD Mr. Shanker A. Pande emphasized that banks should issue the policy circular on Joint Liability Farming Groups of “Bhoomi Heen Kissan and come forward to extend liberal credit under the programme so that the targets are achieved by the end of current financial year.

(Action: Member Banks)

Chairman/ CEO J&K Bank Mr. Mushtaq Ahmad while assuring the house those banks will extend full cooperation in implementation of scheme stated that J&K Bank will come out with the policy circular on Joint Liability Farming Groups of “Bhoomi Heen Kissan within a week’s time.

(Action: J&K Bank and other Member Banks)

AGENDA ITEM NO: 96.23

ANNUAL CREDIT PLAN 2015-16

The Annual Credit Plan of **Rs.23,605 Crore** for FY 2015-16 envisaging total priority sector credit target of **Rs.14,804.83 Crore** spread over **8,16,524** beneficiaries and Non-Priority Credit target of **Rs.8,800.40** Crore spread over **2,41,382** beneficiaries was approved by the house for implementation in the State.

Managing Director, Baramulla Central Cooperative Bank requested that the targets fixed for Cooperative Banks under ACP 2015-16 be revisited and realistic targets allocated keeping in view the achievements under the Annual Credit Plan for the period under review and the health of the cooperative institutions particularly in J&K State

Chairman J&K Bank (Convenor J&K SLBC) in response to the request made by MD, BCC Bank stated that Cooperative Banks should have raised their concerns in the DLRC meetings which are the forum where ACP targets to banks are discussed and finally allocated.

(Action: Cooperative Banks)

After deliberations the house also decided as under:

- **While assigning targets to the schemes which are entirely based on the Government funds the annual budgetary allocation for the scheme by the Government in the shape of margin money or subsidy should be taken into consideration.**

(Action: Lead District Managers)

AGENDA ITEM NO: 96.24

INCLUSION OF CHAPTERS ON FINANCIAL EDUCATION IN THE SCHOOL SYLLABUS:

General Manager, Reserve Bank of India, Mr. A. K. Mattoo informed that RBI has been raising the issue of including of Chapters related to “**Financial Education**” in the school syllabus, with the State Government for the past many years but needful has not been done by the State Government despite continuous follow up of the issue by RBI. He informed that after the protracted follow up by the RBI over the issue the then Chief Secretary, J&K Government had written a D. O. letter No. PS/CS/03/2010 dated January 3, 2011 to the then Commissioner/ Secretary School Education Department for consideration of the proposal made by RBI.

RBI has requested the J&K State Government to pass on suitable directions to Commissioner/ Secretary School Education Department for incorporation of Chapters related to “**Financial Education**” in the school syllabus of J&K State.

(Action: J&K Government)

Principal Secretary, Planning & Development Department, J&K Government Mr. B. R. Sharma assured the house that necessary directions shall be conveyed to the concerned Department for incorporation of Chapters related to “Financial Education” in the school syllabus of J&K State.

(Action: J&K Government)

The house placed on record the guidance, support and contribution of Mr. K. K. Saraf during his tenure as Regional Director RBI Jammu who is now transferred from Jammu. The house also welcomed **Mr. D. Sethy** new Regional Director, RBI.

VOTE OF THANKS

The meeting ended with a vote of thanks, which was presented by Sh. S.K.Bhat, President (LBD/SLBC), J&K Bank.

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Annexure-A

List of Participants of the 96th Meeting of J&K SLBC held on 23rd February 2015 at Jammu

<u>S. No.</u>	<u>Name of the Participant</u>	<u>Designation / Department/ Organization</u>
S/Shri		
Convenor		
1.	Mushtaq Ahmad	Chairman & CEO, J&K Bank
State Government		
2.	B. R. Sharma	Principal Secretary, Planning & Development Deptt.
3.	Shahid Anayat-Ullah	Secretary Labour & Employment Department
4.	Saurab Bhagat	Secretary, Industries & Commerce Deptt.
5.	Parvez A. Malik	Secretary, Information & Technology Deptt
6.	Amit Sharma	Special Secretary, Animal/ Sheep Husbandry Deptt.
7.	M. S. Sheikh	Special Secretary, Finance
8.	Babu Ram	Addl. Secretary, Social Welfare Department
9.	Mohammad Muzaffar Wani	Addl. Secretary Law
10.	Rashim Kashyap	Chief Co-coordinator, Finance Deptt.
11.	Bashir Ahmad	Institutional Finance Officer, Finance Deptt.
12.	M. Y. Malik	DC Central, Rural Development Department
13.	M. B. Matoo	Director Planning, Agriculture Production Deptt.
14.	Tariq H. Ganai	Director, Handicrafts Department
15.	Tsering Angchok	Director, Handlooms Department
16.	Mohammad Ashraf Wani	Jt. Director, Industries & Commerce Department Kashmir
17.	Dr. Abdul Raheed	Director, I&C, Jammu
18.	Dr. M. I. Parray	Director, EDI
19.	Farooq Ahmad Peer	State Mission Director, SRLM
20.	P. K. Sharma	Director, Horticulture, Kashmir
21.	Dr. S. S. Jamwal	Director, Agriculture, Jammu
22.	Tarsaim Kumar	Dy. Director, Social Welfare Deptt.
23.	G. N. Balwan	Director, Rural Development Deptt. Jammu
24.	Dr. P. K. Gupta	Jt. Director, Animal Husbandry Department, Jammu
25.	Manzoor Ahmad Lone	Director Employment Department
26.	Dr. Naheeda Soz	Managing Director, Women's Development Corporation
27.	Muzzafar Allaqband	Dy. CEO, KVIB
28.	G. Q. Khatana	Div. Manager, J&K SC/ST /OBC Dev. Corporation
29.	N. A. Bhat	General Manager, J&K State Financial Corporation
30.	V. S. Bagul	State Director, KVIC
Government of India		
31.	A. K. Dogra	Dy. Secretary, DFS, MoF
Reserve Bank of India		
32.	D. Sethy	Regional Director, Jammu
33.	A. K. Mattu	General Manager, Jammu
34.	R. B. Gupta	AGM, Jammu
NABARD		
35.	Shankar A. Pande	Chief General Manager, R. O. Jammu
36.	Sanjeev Dhamija	DGM, R.o. Jammu
37.	Sukhvinder Singh Bhattoa	DGM, R.o. Jammu

J&K Bank (Convenor Bank)

38.	Parvez Ahmed	...	Executive President
39.	Ab. Hamid Banday	...	Executive President
40.	S. K. Bhat	...	President (J&K SLBC)
41.	Rakesh Gandotra	...	Vice President (A& AP)
42.	Arvind Gupta	...	Vice President/Zonal Head, Jammu(Central)
43.	Nazir Ahmad	...	Vice President/ Zonal Head ,Jammu (West)
44.	Javeed Ahmad	...	Vice President/ Zonal Head ,Jammu (North)
45.	Gulzar Ahmad Zargar	...	Asstt. Vice President, LBD/SLBC

Public Sector Banks

46.	Arvind Priya	...	DGM, SBI
47.	Ajay K. Gupta	...	Regional Manager, SBI
48.	R. L. Lochan	...	Chief Manager (Lead Bank), SBI
49.	B. M. Fazili	...	AGM, Punjab National Bank
50.	S. K. Saha	...	AGM, Allahabad Bank
51.	Rakesh Ranjan	...	Chief Manager, Canara Bank
52.	S. M. Mukhopadhyay	...	AGM, UCO Bank
53.	Satish Tagra	...	Chief Manager, Central Bank of India
54.	Sewa Singh	...	Chief Manager, Syndicate Bank
55.	Anand P. Singh	...	Manager, Syndicate Bank
56.	Bharat B. Mattoo	...	Chief Manager, State Bank of Patiala
57.	Dhian Singh	...	AGM, Bank of Baroda
58.	K. B. Chandra	...	Chief Manager, Union Bank of India
59.	Ashutosh Singh	...	AGM, IDBI Bank
60.	Sohan Singh	...	Sr. Manager, United Bank of India
61.	I. K. Khar	...	Manager, Bank of India
62.	Satvinder Singh	...	Chief Manager, Punjab & Sindh Bank
63.	Ramesh K. Raina	...	Asst. General Manager, OBC

Private Sector Banks

64.	Sachin Mahajan	...	Dy. Vice President(Cluster Head) HDFC Bank
65.	Vivek Gupta	...	Cluster Head, Jammu, ICICI Bank
66.	Vishal Dhingra	...	Cluster Head, Axis Bank

Regional Rural Banks

67.	Vagish Chander Sharma	...	Chairman, J&K Grameen Bank
68.	Parvinder Bharti	...	Chairman, EDB

Cooperative Banks

69.	B. A. Lone	...	Managing Director, Baramulla Central Coop. Bank
70.	Atta Mohd Nath	...	MD, Anantnag Central Coop. Bank
71.	Vijay Rehan	...	Manager, JCC Bank
72.	Ashwani Kapoor	...	Chief Manager, Citizens Coop. Bank
73.	K. K. Malhotra	...	AGM, JCC Bank

Insurance Companies

74.	Anoop Jandu	...	Adm. officer, Agriculture Insurance Company of India
75.	Dr. Shiv Lal	...	SDM, National Insurance Company Ltd.
76.	Desh Bandhu	...	Adm. Officer, LIC of India
77.	S. L. Bhagat	...	Manager, LIC of India
78.	M. L. Verma	...	Div. Manager, United Insurance Co. Ltd
79.	Ashok Kumar	...	Sr. Div. Manager, Oriental Insurance Company Ltd.

Lead District Managers

80.	Nissar Ahmad	...	LDM, Srinagar
81.	Shahzad Hussain Teli	...	LDM, Budgam
82.	Faiz-Ullah Qureshi	...	LDM, Ganderbal
83.	Ghulam Nabi Dar	...	LDM Kulgam

84.	Javeed Ahmad Qureshi	...	LDM, Baramulla
85.	Riyaz Hassan Baba	...	LDM, Bandipora
86.	Imtiyaz Ahmad Zaindari	...	LDM, Kupwara
87.	Mohammad Sayed Shah	...	LDM, Pulwama
88.	Ghulam Jeelani Shah	...	LDM, Shopian
89.	Mufti Gh. Mohammad	...	LDM, Anantnag
90.	Anoop Bhat	...	LDM, Rajouri
91.	Mohd. Shafi Ayaz	...	LDM, Poonch
92.	Satish Gupta	...	LDM, Kishtwar
93.	H. R. Hans	...	LDM, Kathua/ Samba
94.	N. C. Sambyal	...	LDM, Doda
95.	Mohd Illyas Wani	...	LDM, Ramban
96.	Sanjay Bhardwaj	...	LDM, Reasi

Other Participants

97.	G. R. Kumar	...	State Project Coordinator, RSETIs
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