

Lead Bank/ SLBC (J&K)

Ref. No. LBD/SLBC-98/2015- 177

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

October 5, 2015

Sub: **Minutes of the 98th Meeting of J&K SLBC – for necessary action on actionable points.**

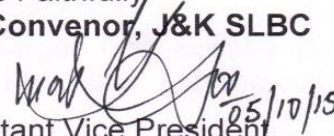
Sir,

We forward herewith a copy of minutes of the 98th Meeting of J&K State Level Bankers' Committee (SLBC) held on 26th August, 2015 at SKICC, Srinagar 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 98th SLBC Meeting**

MINUTES OF 98th MEETING OF SLBC (J&K) HELD ON 26th AUGUST, 2015 AT SRINAGAR

The 98th meeting of J&K State Level Bankers' Committee (SLBC) to review the performance of banks & financial Institutions operating in J&K State as on 30th June, 2015 under Annual Credit Plan 2015-16, was held on 26th August, 2015 at SKICC, Srinagar.

The meeting was chaired by Mr. Mushtaq Ahmad, Chairman & CEO, J&K Bank. Top functionaries of the State Government, regulators and Banks who attended the meeting included General Manager, RBI Mr. Ramesh Chand, Dy. Secretary, Department of Financial Services, Ministry of Finance, Government of India (Mr. A. K. Dogra), senior functionaries of State Government, banks, Reserve Bank of India, NABARD, Heads of Government Departments & Developmental Agencies and the representatives of various insurance companies operating in the State. List of the participants is enclosed as **Annexure "A."**

KEYNOTE ADDRESS BY President (LBD/J&K SLBC) J&K BANK (CONVENOR J&K SLBC) Mr. S. K. Bhat:

At the outset Mr. S. K. Bhat, President (SLBC), J&K Bank extended warm welcome to all 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 keynote address, Mr. S. K. Bhat stated that J&K SLBC has been making concerted efforts to implement various initiatives taken by the Central and State Government for the overall economic development of the State. He stated that Financial Inclusion, which is a prestigious project of Government of India, has always remained a thrust area for promoting inclusive growth and bringing into the banking fold people who are still financially excluded. Giving details of the achievements under these initiatives he stated that:

- Following the successful completion of Swabhiman campaign, the Phase-II of Financial Inclusion Plan, which envisages providing banking facilities to **5,582** identified unbanked villages having population below 2000 in J&K State, 98% of the target has already been accomplished with coverage of **5,466 villages upto 14.8.2015, leaving only 116 villages uncovered.**
- Under Pradhan Mantri Jan Dhan Yojana (**PMJDY**), banks in J&K State have opened **16,84,432** accounts upto 31st July, 2015.
- Under 3 new Social Security Schemes, viz. **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY)** launched by Gol on 9th May, 2015, banks operating in J&K State have recorded a total of **8,10,283** enrolments upto **24th August, 2015.**
- The Electronic Benefit Transfer (EBT) Scheme, has already been implemented in six districts of the State i.e. Srinagar, Ganderbal, Jammu, Rajouri, Kargil & Leh and the process of implementing the scheme in the remaining districts of the State is

on. He expressed optimism that the objective of ensuring direct transfer of benefits to the accounts of the beneficiaries electronically shall be achieved in near future.

- Regarding KCC Scheme, Mr. Bhat stated that against the target of **9.81 lakh** farm-operating families in the State **8.65 lakh farm operating families have already been provided with KCCs** upto the end of June, 2015, thus achieving **88%** of the target. He expressed optimism that 100% target shall be accomplished within the timelines of 30th September, 2015.

Highlighting the credit disbursements viz-a-viz ACP in J&K State during the Q1 of CFY 2015-16 Mr. Bhat stated that 46 Banks/ Financial institutions operating in J&K State with a network of **1,944 branches** have extended total credit of **Rs.5,801.24 Crore** in favour of **1,53,564 beneficiaries** (both under Priority as well as Non-priority Sector) as on **30th June, 2015** against annual ACP target of **Rs.23,605.23 Crore** for **10,57,906** beneficiaries, thereby registering an achievement of **25%** in financial terms.

He stated that the J&K Bank, with credit disbursement of **Rs.4,194.09 Crore** is the major contributor (**share 72%**) followed by **PNB** with **Rs.425.46 Crore (7%)**, **SBI** with the disbursement of **Rs.298.60 Crore (5%)**, **RRBs** with **Rs.181.27 Crore (3%)** and **Co-operative Banks** with **Rs.72.60 Crore (1.25%)**.

Commenting on the Sub-Sector-wise credit dispensation under Priority Sector, Mr. Bhat stated that:

Under '**Agriculture Sector**' against the annual target of **Rs.4,669.29 Crore** for **5,08,607** beneficiaries, banks have disbursed total amount of **Rs.1,062.10 Crore** in favour of **65,035** beneficiaries upto 30th June, 2015 registering achievement of **23% in financial terms**.

Under '**Micro & Small Enterprise's Sector**' against the annual target of **Rs.4,892.12 Crore** for **1,71,414** beneficiaries, banks have disbursed an amount of **Rs.2,427.70 Crore** in favour of **57,229** beneficiaries upto **30th June, 2015**, thereby registering an achievement of **50%** in financial terms.

Under '**Education Sector**' against the annual target of **Rs.650.51 Crore** in favour of **17,163** beneficiaries banks have disbursed an amount of **Rs.17.84 Crore** in favour of **1,234** beneficiaries upto **30th June, 2015**, achieving **3%** of target in financial terms.

Under '**Housing Sector**' against the annual target of **Rs.2,943.95 Crore** favouring **45,921** beneficiaries banks have disbursed total amount of **Rs.88.76 Crore** in favour of **2,140** beneficiaries upto **30th June, 2015**, achieving **3%** in financial terms.

Under '**Other Sector**' against the annual target of **Rs.1,648.96 Crore** in favour of **73,419** beneficiaries banks have disbursed **Rs.97.81 Crore** in favour of **2,840** beneficiaries upto **30th June, 2015**, achieving **6%** in financial terms.

Mr. Bhat stated that Under Non-priority Sector against the annual target of **Rs.8,800.40 Crore** favouring **2,41,382** beneficiaries, banks have disbursed **Rs.2,107.04 Crore** favouring **25,086** beneficiaries achieving **24%** of target in financial terms.

He highlighted that as a consequence of higher credit growth viz-a-viz the growth in deposits the C.D. Ratio of the State has improved by 0.97% YoY, from 46.47% as on 30.6.2014 to 47.44% as on 30.06.2015. He also stated that the C.D. Ratio of J&K Bank has also improved from 46.53% as on 30.6.2014 to 48.77% as on 30.6.2015, which was encouraging.

Credit flow under Government Sponsored Schemes:

Mr. S. K. Bhat expressed concern over the dismal performance and stated that against annual ACP target of **Rs.195.24 Crore for 11,430 beneficiaries**, the achievement of banks in J&K State at the end of June 2015 under four major Government Sponsored Schemes, viz. NRLM, PMEGP, NULM and SC/ST/OBC has been of the order of **Rs.17.42 Crore** spread over **720 beneficiaries** thereby registering humble achievement of only **9%** of the target in financial and **6%** in physical terms, which is far below the performance recorded during the corresponding period of the previous FY.

It was pointed out that though the banks have been playing a significant role in the economic development of the State, but they continue to face difficulties in recovery of bad loans, particularly those disbursed under Government Sponsored Schemes. He requested the State Govt. to take necessary steps for removing disabling factors to facilitate loan recovery & creating a conducive credit climate in the State, which would help banks to improve debt recovery from the willful defaulters.

On behalf of the Convenor, J&K SLBC and on behalf of the fellow bankers he assured the Central and State Governments that there will be no let up in efforts in implementing and executing the programmes/ schemes aimed at entrepreneurial development, employment generation and poverty alleviation in the State.

Thereafter, agenda of the meeting was taken up for deliberations by Mr. Mushtaq Ahmad, Chairman & CEO, J&K Bank (Convenor, J&K SLBC):

SEGMENT- 1**CONFIRMATION OF MINUTES OF 97th MEETING OF J&K SLBC**

Minutes of the 97th meeting of J&K SLBC circulated vide Ref. No. LBD/SLBC-97/2015-90 dated June 25, 2015 read with the corrigendum issued vide No. LBD/SLBC-97/2015-131 dated 10.08.2015, were confirmed by the House.

FOLLOW-UP OF ROLLED OVER ACTIONABLE POINTS OF PREVIOUS SLBC MEETINGS:**(i) LEGISLATING SARFAESI ACT:**

The Chairman & CEO, J&K Bank (Convenor, J&K SLBC), Mr. Mushtaq Ahmad stated that keeping in view the recently passed judgement by the Hon'ble High Court of J&K there is need to take a fresh view of the issue. He stated that the State Government is quite active on addressing this issue and the issue is being actively pursued by the SLBC Secretariat with the Government. He expressed optimism that in the coming days we will have some system in place in J&K State as well. He stated that the non-applicability of SARFAESI in J&K State is an impediment in recovery of bad loans for the banking Sector in this State and stressed the need for some legal recourse available to the banking system in the State for recovery of their dues.

Responding to the issue, the representative of Finance Department, J&K Government stated that the Government is in the process of obtaining copy of judgement from Hon'ble High Court and assured the house that the Government will examine the issue and initiate further course of action in the matter

(Action: Finance Department, J&K Government)

(ii) Inclusion of chapters on financial Education in the School Syllabus:

The General Manager, Reserve Bank of India (Mr. Ramesh Chand) giving status of the issue stated that the financial inclusion material is under preparation at the RBI, Central Office, Mumbai. He assured the house that as soon as the same is received by the RBI, Regional Office, Jammu, the same shall be forwarded to the Director, School Education for inclusion in the school syllabus.

(Action: Reserve Bank of India, R.O. Jammu)

In reply to a query from the Deputy Secretary, DFS, MoF, GoI, Mr. A. K. Dogra as to whether the said Financial Inclusion chapters were meant for J&K State only or for all States of the country, the General Manager, RBI stated that the said material was meant for all the States of the Country.

iii) Printing of Agricultural Credit/ KCC application forms by J&K Bank – sharing of expenditure by other banks on pro-rata basis:

Shri Mushtaq Ahmad said that HDFC Bank, CBI and P&SB were yet to reimburse their share of contribution to J&K SLBC Secretariat and impressed upon the concerned banks to pay the amount without any further delay.

The representative of HDFC Bank assured that they will reimburse the amount to the Convenor Bank within a week's time positively.

(Action: HDFC Bank)

The Dy. Secretary DFS expressed optimism that CBI and P&SB too will reimburse the amount to Convenor Bank forthwith.

(Action: CBI, P&SB)

iv) 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 the natural calamity – floods):

The Chairman stated that the package of relief, rehabilitation, revival and restructuring of various types of credit facilities was evolved and approved by the special session of J&K SLBC on 23rd of September, 2014 and hailed the role played by the MoF, Government of India, Reserve Bank of India and Indian Banks Association, that within a period of 10 days of circulation of the minutes, the package was implemented and every thing got in place. He reiterated that there were various actionable points relating to the State Government, and desired to have the status report in the matter from the Government.

Responding to this, the representative of the Finance Department, J&K Government informed that the issues have already been taken up by the State Government with the Government of India and the response thereof is awaited.

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

v) Setting up of Farmers' Training Centre (FTC) in J&K State:

The Dy. Secretary, DFS, MoF, GoI stated that he has been provided with a copy of the letter, which reveals that Punjab National Bank has requested the Divisional Commissioner, Jammu for allotment of land, which perhaps is likely to be given in Kathua District of the State. PNB has sought early allotment of the land to enable them to set up the FTC. Mr. Dogra requested the State Government to take early action on the issue

and ensure that the requisite land is allotted to PNB for the purpose, so that the FTC is established and the farmers can benefit from it.

The representative of the Finance Department, J&K Government informed that the issue of allotment of land by State Government to Punjab National Bank has already been taken up with the Revenue Department, J&K Govt. He requested the Revenue Department to take note of the issue for further necessary action in the matter.

(Action: Revenue Department, J&K Govt)

vi) Opening of specialized branches in MSMEs clusters:

Mr. Mushtaq Ahmad stated that since all the branches of banks have been doing the MSMEs business and restricting it to a few branches only would not be advisable. He sought the reactions from the SBI and PNB in this regard.

The representative of SBI informed that though SBI has a number of specialized MSME branches operating in the State, yet all the branches of bank operating in the State are authorized to do MSME business to cater to the needs of MSMEs clientele.

The representative of PNB informed that they have not so far identified any of their branches as MSMEs specialized branches.

The Convenor, J&K SLBC emphasized that it would be advisable that all the branches of banks are given permission to sanction loans to the MSMEs keeping in view their spread across all the State.

The President (J&K SLBC) reminded that the Hon'ble Finance Minister, J&K Govt. during the 97th SLBC meeting had advised that all the banks should ensure to create MSMEs desk in all their branches for catering to the needs of MSMEs.

The AGM, RBI Mr. R.B. Gupta clarified that as per the instructions of Reserve Bank of India all the Public Sector Banks are required to designate at least one specialized branch in all the MSMEs Clusters. In respect of other branches of the banks, he clarified that any branch having MSMEs business more than 60% are required to be categorized as the MSMEs Specialized Branches. He further clarified that there is no bar on other branches to handle MSMEs business. He informed that J&K Bank is having 39 specialized MSMEs branches as per the list provided to RBI. He reiterated that all the banks operating in the State are required to abide by the relative RBI guidelines in the matter.

(Action: All member banks of J&K SLBC)

Details of various meetings held during FY 2015-16

Various meetings of the J&K SLBC and its Sub-Committee meetings convened during the FY 2015-16 were placed on record.

SEGMENT- 2 (FINANCIAL INCLUSION/ THRUST AREAS)

AGENDA ITEM NO: 98.01

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

- (I) PROVISION OF BANKING SERVICES TO VILLAGES WITH POPULATION BELOW 2000**
- (II) PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)**

Mr. Mushtaq Ahmad (Convenor, J&K SLBC) emphasized the need for adopting the financial inclusion model of China, where the population was a problem but they

succeeded in translating the said population into the growth engine. He stated that Financial Inclusion programme has been a priority programme for the Govt, for the banking system and the State Governments, but now it has come in a different form and has been taken as a mission. He pointed out that unless and until we create demand for our industry we cannot expect economic growth and for creating demand we need to empower the people. Presently 35-45% of the population of the country is still striving to make both ends meet. So this Financial Inclusion Programme is the answer to that problem, whereby we can propel purchasing capacity of this segment of our society which shall reciprocate the demand for the industry.

He expressed satisfaction that after successful completion of the Phase-I of the FIP, the Phase-II of the Financial Inclusion Plan (FIP) was also nearing completion in the J&K State with 5,466 villages already covered as on 14th August, 2015 (the preponed timeline prescribed by RBI), out of the total identified 5,582 unbanked villages in the State, which accounts for almost 98% of the target completed, leaving only 116 villages yet uncovered, which include 12 villages allotted to J&K Bank and 104 allotted to SBI. He emphasized that since the deadline of 14th August, 2015 had already passed, the concerned banks need to accomplish the entire target forthwith.

The Representatives of both the SBI and J&K Bank assured that the target will be completed by 30th September, 2015.

(Action: J&K Bank/ SBI)

The General Manager, RBI (Mr. Ramesh Chand) emphasized that under RBI guidelines the participating banks were required to ensure that 5% of the villages are covered through Brick & Mortar model but so far banks in J&K State have completed coverage of only 164 villages through Brick & mortar model leaving 115 villages yet to be covered by the concerned banks. He further pointed out that J&K Bank has opened 115 branches against the target of 163 branches, SBI has opened only 1 branch against the target of 38 branches, PNB has opened only 2 branches against the target of 15, JKGB has opened 38 against the target of 51 and EDB has opened 8 against the target of 12. He enquired from all the concerned banks the timelines for completing this process.

Mr. Ramesh Chand stated that SBI and PNB need to explain the reasons for not having covered the required number of villages through brick and mortar model as there is huge gap. He reminded that RBI has sent written communications to the banks for the purpose.

The AGM, RBI pointed out that SBI is required to ensure coverage of 37 villages through brick & mortar model but they have submitted Branch Expansion Plan of only 9 branches for the CFY, which indicates that they have no plans to comply with the RBI guidelines in the matter. Regarding Punjab National Bank, the AGM, RBI pointed out that they have not submitted any plans for opening of new branches during the CFY which is evident from the BEP, which finds no mention of PNB.

The Representative of SBI attributed this to the scarcity of staff with the bank in J&K State and assured that SBI will complete the target of covering the requisite number of villages through brick & mortar model, for which he assured the house that SBI will send an amended Branch Expansion Plan to J&K SLBC for the CFY. The representative of PNB clarified that they have already submitted to J&K SLBC their plan of opening 10 new branches in the State during CFY though there was some delay in submission of the same. He assured that the RBI directive of covering 5% villages through brick & mortar model will be complied with by the bank very soon.

(Action: SBI/ PNB)

The President (J&K SLBC) pointed out that BEP of PNB was received very late. He also stated that SLBC Secretariat has been experiencing that the data submission from member banks is inordinately delayed, as a result SLBC is constrained to reschedule some important meetings. He requested all the member banks to be quite sensitive on this issue and ensure timely submission of the data to the SLBC Secretariat in future.

(Action: All member banks of J&K SLBC)

The Managing Director, SIDCO, Mr. Amit suggested that J&K Bank and other banks operating in the State should explore possibilities of opening new branches, extension counters/ BC outlets in the Industrial Estates of the State to tap lot of business potential there.

Mr. Mushtaq Ahmad clarified that the BC model is already prevalent in the J&K State. He further stated that the J&K Bank has engaged the Common Service Centres (CSCs) as the BCs, who are called as "Khidmat Centres". He, however, stressed that in order to make these Khidmat Centres viable and more remunerative for the concerned entrepreneurs, there is need for identifying some more services at the State Government level to be provided through these Khidmat Centres, considering their long term viability.

Responding to this, the Vice President (FID), J&K Bank, Ms Tabassum Nazir, clarified that this mechanism is already in existence in the State where J&K Bank has engaged nearly 884 BCs with bio-metric devices. She informed the house that the Bank is contemplating to provide pin pads also to these BCs which will facilitate interoperability of cards, which should suffice the need in our State.

PRADHAN MANTRI JAN DHAN YOJANA (PMJDY) :

The house placed on record that under Pradhan Mantri Jan Dhan Yojana, which was launched by the Hon'ble Prime Minister of India for implementation across the country in a mission mode, banks in J&K State have opened **16.84 lakh** fresh accounts upto 31st July, 2015 and issued RuPay Debit Cards to over **14.31 lakh** beneficiaries.

AGENDA ITEM NO: 97.02**IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER (EBT) SCHEME IN J&K STATE:**

The Chairman reminded the house that in the first phase the EBT 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. He sought the status of implementation of the Scheme in the remaining districts of the State.

Vice President (T&ISD), J&K Bank Mr. Rais Maqool, informed the house that the data validation in respect of remaining 16 Districts is under process and upto the end of June 2015 out of 1,15,000 accounts received, 1,01,400 accounts have already been validated by the Leader Bank (J&K Bank) for the purpose of EBT. He however, pointed out that recently the J&K Bank had a meeting with the Social Welfare Department, J&K Government, wherein it was decided that in order to implement the EBT scheme in all the districts of the State the Social Welfare Department would be providing information to the Leader Bank in respect of beneficiaries of all the districts afresh, i.e. the existing beneficiaries as well as the new ones, within a week's time. Subsequent to that the J&K Bank (Leader Bank) will be revalidating the same and reverting back within a week thereafter.

(Action: Social Welfare Deptt. J&K Govt. / J&K Bank)

As regards seeding of Aadhaar, J&K Bank has already seeded around 2,04,000 accounts and the bank is also going to enable its ATM network shortly for capturing this data for the account-holders of J&K State.

The Secretary, Social Welfare Department, J&K Govt. stated that transfer of funds from the Government to the beneficiaries is already taking place through “Electronic Transfer” mode and the department is not issuing any cheques or demand drafts to the beneficiaries. So far as the six pilot districts are concerned, where EBT Scheme is already implemented, the amount is transferred by the Director Finance, Social Welfare Deptt. to the respective beneficiaries’ accounts directly, whereas in the remaining districts the District Social Welfare Officers arrange for transfer of money directly into the accounts of beneficiaries by preparing advice for the bank to facilitate transfer of money to beneficiaries accounts. So nearly 6 lakh beneficiaries, i.e. 1.50 lakh from NSAP (National Social Assistance Programme) and 4.25 lakh beneficiaries, which are funded by the State directly for various schemes for widows and the pension schemes, are receiving the money directly in their accounts.

Regarding the validation of accounts, the Secretary, Social Welfare Department stated that only those beneficiaries are receiving pension whose names have already been uploaded on the national portal. He stated that a team from the department was recently deputed to SLBC Secretariat for discussions on the issue and that there is a section of beneficiaries which the department is screening once again for re-confirming the data thereof, which is also being shared with the J&K Bank. Secretary, Social Welfare, J&K Govt. stressed the need for close contact between the Social Welfare Department and the J&K Bank on the issue.

President (J&K SLBC) Mr. S. K. Bhat stated that by virtue of the meeting that took place recently between Social Welfare Department and the J&K Bank a number of misconceptions and misunderstandings regarding the EBT Scheme were removed but the need was felt to have another meeting between the stake holders to clear all the issues being confronted in implementing the EBT Scheme. He stated that two officers from J&K Bank T&ISD Department (Mr. Rais Maqbool, Vice President and Mr. Shadab Mehboob, Executive Manager) together with SLBC Secretariat will be interacting with the State Government, Social Welfare Department within next few days, which will help in clearing the issues pointed out by the Commissioner/ Secretary, Social Welfare.

(Action: Social Welfare Deptt. J&K Govt./T&ISD, J&K Bank/ J&K SLBC Sectt.)

The Commissioner/ Secretary Social Welfare Department, J&K Govt. informed the house that Finance Department in coordination with Social Welfare Department has taken a momentous decision by launching the Scheme called “AASRA” where under premium for two social security schemes of Government of India, viz. PMJJBY and PMSBY shall be borne by the State Government in respect of the families whose annual income is less than Rs.75000/-. He highlighted that large portion of the population of the State including the widows and the destitute will be benefitted under the Scheme.

He further informed that the department shall shortly launch another scheme of financial inclusion for girl child in six districts of the State, under which the State Government will be contributing Rs.1,000/- per month per beneficiary till the time the girl attains the age of 14 years.

Representative of State Coop. Bank stated that out of the 4 Cooperative Banks operating in the State, i.e. BCCB, ACCB, JCCB and SCB, only the J&KSCB is on CBS platform for the last two years. The Bank is able to carry out all transactions like NEFT, RTGS and other financial transactions through CBS like other banks in the State. He pointed out that the State Government was not providing any business opportunities to the J&KSCB and urged for treating them at par with all other CBS banks operating in the State for the purpose of EBT.

Chairman, J&K Bank clarified that the J&K Bank has been appointed as the Leader Bank in J&K State for the purpose of implementation of EBT Scheme. He stated that initially the responsibility was to be shared between J&K Bank and State Bank of India being the two lead banks in J&K State with J&K Bank assigned 12 districts and SBI 10 districts as per their lead bank responsibility. However, finally SBI for certain constraints was not in a position to carry forward the responsibility and finally J&K Govt. signed an MOU with the J&K Bank and it is in this background that the J&K Bank became the sole Leader Bank for implementation of EBT system in the State.

In reply to a question from Mr. A. K. Dogra as to how a person having his account in some bank other than the J&K Bank, can avail the benefit of EBT Scheme, Vice President (T&ISD), J&K Bank clarified that primarily the State Government maintains their account with the J&K Bank (the Leader Bank designated by the State Government for implementation of EBT Scheme in terms of RBI guidelines) and the benefit that is to be passed on to the customers of any other bank, the EBT to the beneficiary account will automatically take place through NEFT provided the said bank is having a registered IFSC code.

The General Manager, RBI, Mr. Ramesh Chand, clarifying the position stated that the EBT Scheme has been formulated by the Reserve Bank of India and as far as the Leader Bank is concerned, in the J&K State it has been assigned to J&K Bank. But for passing on the credit to customers of other banks, there is no bar.

Enrolments under Aadhaar

The Chairman stated that the total number of persons entitled for bio-metric enrolment in the State is 1,02,13,518 against which 71,42,955 citizens have already been enrolled and their bio-metrics uploaded into the system upto 28th July, 2015, which constitutes about 70% of the entitled population. Total number of Aadhaar Cards issued so far is 57,30,674. He, however, pointed out that in Srinagar and Rajouri Districts the achievement with regarding to seeding of Aadhaar number to bank accounts has been of the order of 33% and 35% respectively, which is not satisfactory and needs to be looked into.

Vice President, T&ISD, Mr. Rais Maqbool stated that the UID arrangement for Srinagar district started very late, whereas in Samba, Kathua, and other such districts the arrangements for the purpose were put in place a couple of years back.

Executive President, J&K Bank, Mr. Parvez Ahmad pointed out that the most essential thing for the house is to track the progress regarding the seeding of the Aadhaar numbers into the Bank Accounts of the customers and there is need to see how many bank accounts have been seeded with Aadhaar numbers by the banks operating in the State, which will have a lot of significance going forward in terms of EBT under the social security schemes.

Vice President, T&ISD, Mr. Rais Maqbool informed that J&K Bank has seeded 2.04 lakh accounts so far, and the bank is also going to enable its ATM network for the purpose.

Taking cognizance of the fact that the number is very dismal, the bank is contemplating to take up the issue with the oil marketing companies requesting them to share their data with us as most of the LPG connections have been Aadhaar seeded. So the bank intends to take the data from them and trying to seed the Aadhaar numbers. Mr. Rais also stated that J&K Bank is going to make available on its ATM network a facility whereby individual account holders will be able to seed their accounts with Aadhaar number, but the process will take a couple of months.

(Action: J&K Bank)

AGENDA ITEM NO: 98.03

100% COVERAGE OF FARMERS IN J&K STATE UNDER KCC SCHEME:

Mr. Mushtaq Ahmad stated that although the initiative was started very late in this State yet we are closer to the target of 100% coverage of farmers under KCC Scheme in the State. He stated that against the target of 9.82 lakh Farm Operating Families in the State, 8.65 lakh families have been already provided with KCCs upto the end of June, 2015, which accounts for 88% of the target, thus leaving a shortfall of 1.17 lakh Families.

He reminded the house that in the last SLBC meeting the timeline for 100% coverage was revised for the fourth time to 30th September, 2015. Therefore, we would expect that over the period of next 45 days we should achieve that target. He, however, pointed out that in the 96th SLBC meeting the shortfall of 1.61 lakh as on 31.12.2014 was assigned to some major banks and J&K Bank had volunteered to cover 1.00 lakh families and the remaining 61,000 was allocated among other banks. He asked for progress achieved by the individual banks against the said target.

The house was informed that against the said target of 1.61 lakh, the concerned banks had so far sanctioned around 0.45 lakh KCCs in the State.

- **It was decided that the concerned banks should ensure to accomplish the target within the prescribed timelines of 30th September, 2015.**

(Action: J&K Bank, SBI, PNB, JKGB, EDB)

The Director, Agriculture (Kashmir), Mr. Altaf Andrabi stated that as per the figures available with the Agriculture Department (gathered from the Lead Bank Officers) around 14,208 cases are pending with various banks in Kashmir province alone, whereas the agenda papers show only 4,149 cases pending across the State, which needed to be looked into.

He pleaded that as already decided in the last meeting, before including the figures in the agenda some mechanism has to be put in place to check and authenticate the figures regarding achievements under KCC.

The President (J&K SLBC) clarified that the data placed in the agenda papers is based on the figures provided by the banks and the figure of 4,149 cases pending with the banks was authentic.

The Deputy Secretary, DFS, GoI, Mr. A. K. Dogra pointed out that as per the Agenda, against 7,37,531 KCC applications sponsored by APD to banks, 1,90,855 cases have been rejected by the banks for varied reasons. He requested the Agriculture Production Department to ensure that the KCC applications are properly scrutinized before sponsoring the same to the banks, so that rejection level is kept at the minimum.

(Action: Agriculture Production Department, J&K Govt.)

B) Rejuvenation of silk industry in all the three regions of the State:

The Director, Sericulture Department, J&K Govt. stated that J&K State is known for producing of bivoltine silk (high quality silk yarn). India produces 30 tons of raw silk and out of that only 5% is bivoltine silk. China produces more than one lakh metric tons (mts). India imports more than 8000 mts of raw silk from China to cater to the needs of power looms. Therefore, the focus of Ministry of Textiles has been to produce bivoltine silk. He stated that the Sericulture sector of the State needs focused attention of banks.

Commenting on the Scheme devised by the Sub-group for the farmers related to Silk Industry, the Director Sericulture pointed out that the Sub-group had devised three types of schemes for the silk producers of the State, which included (1) Formation of Joint Liability Groups (JLGs), (2) Bank Finance of Rs.15000/- for 300 trees to be provided to Sericulture Farmers through KCC Scheme for maintenance works, and (3) Term Loan of Rs.54000/- (Bank Finance Rs.44,000/- and Farmers' contribution Rs.10,000/-) to be provided for plantation activities and rearing kits, for 300 trees with the break-up of Rs.14,000/- for plantation and Rs.40,000/- for rearing kits. But in the agenda papers only the JLGs scheme has been mentioned.

The Director, Sericulture informed the house that the Department of Sericulture with the help of Ministry of Textiles has started community based organizations, one such organization is working in Tral where 200 farmers have been grouped together in ten groups. He suggested that the said groups could be roped in and provided loans under JLGs scheme.

The Director, Sericulture further stated that after production of cocoon there is one more sector that relates to processing of cocoon for production of silk yarn and weaving. He pleaded that the said sectors also need the attention of banks/ financial institutions.

Mr. D. K. Kapila, DGM, NABARD, stated that he was part of the deliberations in the meetings, wherein three options had been decided, including the one, i.e. direct term loan- individual based- for growing cocoon trees and the other alternative discussed was the JLGs. Regarding the Community based organizations DGM NABARD stated that it would be a new concept, which has to be examined whether it could be financed by banks directly or not.

The President (LBD/SLBC) Mr. S. K. Bhat commenting on the observations of Director Sericulture, informed the house that though the Sub-group constituted for the purpose had recommended three options for providing credit facilities to the cocoon producers of the State, but ultimately the group had unanimously decided to adopt the option of JLG mode of financing, which has accordingly been captured in the agenda papers.

Accordingly, the Convenor, J&K SLBC, Mr. Mushtaq Ahmad advised that as there was unanimity in adoption of the Scheme, there is no scope for further deliberation on this issue. Accordingly the option relating to providing of finance to Sericulture Farmers in the form of Joint Liability Groups (JLGs) with a maximum loan amount of Rs.50,000/- per member of the group, was adopted by the house for implementation in the State.

(Action: All Member Banks/ NABARD/ Director, Sericulture Deptt./SLBC)

Mr. Mushtaq Ahmad however, observed that at the time of formulating the DCPs there could be certain sectors/ schemes, which might have been excluded, but there is no restriction on including such schemes / sectors in the district credit plan during the implementation process and if it is felt that some sectors/ schemes have been included in the DCP/ ACP, which do not have relevance or which might have lost efficacy, those items should be deleted as an ongoing process.

(Action: All Lead District Managers/ Member Banks)

AGENDA ITEM NO. 98.04

Branch Expansion Plan of banks in J&K State:

The house placed on record the aggregate Branch Expansion Plan of 193 branches for CFY (2015-16) in respect of 14 banks operating in the State, against which only 3 branches have been opened in the State so far. However, as already discussed under Agenda Item No.1 (Financial Inclusion Plan) the State Bank of India and Punjab National Bank need to submit revised Branch Expansion Plans of their banks to J&K SLBC taking into account the regulatory requirement of 5% of their allocated villages under FIP-II to be covered through brick and mortar mode.

- **Concerned banks were advised to ensure opening of new branches in the State as per the said Plan, besides ensuring regulatory requirement of opening 25% of total BEP in the un-banked villages having population <10000.**

(Action: All Member Banks)

AGENDA ITEM NO: 98.05

SETTING UP OF FINANCIAL LITERACY CENTERS (FLCs) IN J&K STATE – PROGRESS ACHIEVED AS ON 30.06.2015:

The House placed on record that Financial Literacy Centres (FLCs) are operational in all the districts of the State, which include 12 FLCs managed by J&K Bank and 10 FLCs managed by SBI as per their Lead Bank responsibility. These FLCs are organizing Financial Literacy Camps smoothly and during Q1 of CFY (2015-16), a total of 433 Financial Literacy Camps were organized in which 33,075 persons have participated. The house noted with satisfaction that activities undertaken by all the 22 FLCs during the CFY 2015-16, have facilitated credit linkage of 1,459 persons out of which 969 persons have started their business ventures.

FINANCIAL LITERACY INITIATIVES BY RURAL BRANCHES OF BANKS:

The house also placed on record that 895 rural branches of 18 banks operating in the State have conducted 1506 financial literacy camps during the CFY 2015-16 in which 51,563 persons participated, against the target of holding 2,685 camps (constituting achievement of around 56%), which was not considered satisfactory by the house.

GM, RBI, Mr. Ramesh Chand pointed out that the performance of a number of banks in conducting financial literacy camps through their rural branches has not been satisfactory. He pointed out that HDFC Bank was required to hold 54 camps during the quarter, but they have conducted only one camp. He stated that there are many other banks like EDB, UCO Bank, Axis Bank etc. who have not conducted the camps as per the prescribed target. He sought reasons from HDFC Bank for such a dismal performance in the matter.

The Representative of HDFC Bank informed that post June, 2015 HDFC Bank has conducted a number of financial literacy camps, the details whereof will be shared with the house in the next quarterly reports. He, however, assured the house that he will share the concern of the house with his management.

President (LBD/SLBC) J&K Bank, Mr. S.K.Bhat, informed the house that although recently a meeting of the Steering Sub-Committee of SLBC on IT-enabled financial inclusion was taken by the Regional Director, RBI Mr. Shetty, wherein all the concerned

banks were advised to take necessary measures, to ensure that all their rural branches conduct at least one camp per month in their respective areas of operation, at the earliest, but it seems that most of the banks have not taken the cognizance of those instructions. He expressed optimism that by the end of September, 2015 the banks will show satisfactory performance in conducting these camps. He reminded the banks that they are bound to comply with the guidelines of Reserve Bank of India.

The Deputy Secretary, DFS, MoF, GoI, Mr. A. K. Dogra expressed concern that despite the targets having been fixed by the Reserve Bank of India for conducting financial literacy camps by the rural branches, banks like HDFC Bank, Axis Bank, UCO Bank, EDB etc. are lacking in their performance on this account.

- **The controlling offices of the banks were advised to issue suitable directions to all their rural branches operating in J&K State for strict compliance of the regulatory guidelines in this regard.**

(Action: All Member Banks)

AGENDA ITEM NO: 98.06

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

The house placed on record that against target of holding 392 programmes covering 10,450 candidates for CFY (2015-16), RSETIs in J&K State have organized 83 programmes upto 30th June, 2015 wherein 2,241 candidates have been provided training thereby achieving 21% of the annual target. The house observed that the concerned banks were required to improve the position during the next quarter of the CFY.

The General Manager, RBI Mr. Ramesh Chand pointed out that there is concern about RSETI Kargil, which needs to be sorted out by the SBI without further delay.

(Action: State Bank of India)

STATUS REGARDING ALLOTMENT OF LAND BY STATE GOVERNMENT TO RSETIs:

Mr. Mushtaq Ahmad, Convenor, J&K SLBC pointed out that the issue needs focused attention from the State Government for creating permanent infrastructure for all the RSETIs of the State, which till now are operating from hired premises.

Mr. S. K. Bhat informed the house that J&K State is the only State in India, where land has not been allotted and the individual banks have forfeited the incentive of Rs.1.00 Crore, which was to come from the MoRD, GoI for building permanent infrastructure for the RSETIs.

The Deputy Secretary, DFS, MoF, GoI, Mr. A. K. Dogra expressed grave concern that owing to non-allotment of land to the RSETI's, the concerned banks have not been able to get the funding support of Rs.1.00 Crore for each RSETIs from the MoRD, GoI. He, as such, stressed the need for the house to fix a definite timeline for the State Government for allotting land to the RSETIs.

Mr. Mohammad Amin, President (Credit), J&K Bank, stated that land was required to be allotted by the State Government for the RSETI's within a period of 3 years after establishment of the RSETI's, which has not happened in the State of J&K. President (Credit), J&K Bank stressed that Government should ensure allotment of the land for the RSETI's without delay otherwise it will discourage the concerned banks, who are basically doing social work for the entire State. He further pointed out that J&K Bank has pending claims worth Rs.91.58 lac with the Mission Director, NRLM, which have not been reimbursed by the Government, so far.

Responding to this the Mission Director, NRLM stated that the Government is soon expecting funds and the claims of J&K Bank will be disposed off shortly.

Regarding allotment of land to the RSETI's, the representative of Finance Department, Mr. Bashir Ahmad Bhat informed the house that land for the RSETIs has already been identified in almost all the locations. The land previously identified for two locations in respect of Kupwara and Bandipora was not found feasible by the Government and concerned DDCs have been advised to identify alternative piece of land for the said two RSETIs. The representative of Finance Department, J&K Govt. further informed the house that on 10th of July, 2015 the Hon'ble Minister, Rural Development has taken a meeting wherein the entire responsibility of allotment of land to the RSETI's expeditiously has been assigned to the two Divisional Commissioners of the State. He expressed the hope that the allotment of land to banks for the RSETIs will take place within a month.

(Action: Rural Dev. Deptt., J&K Govt.)

SEGMENT- 4 (PERFORMANCE REVIEW OF BANKING SECTOR)

AGENDA ITEM NO: 98.07

BANK-WISE/ SECTOR-WISE/ REGION-WISE ACHIEVEMENTS IN LENDING TO PRIORITY SECTOR UNDER ANNUAL CREDIT PLAN 2014-15-POSITION AS AT THE END OF JUNE 2015:

The house placed on record that upto the end of June, 2015 banks have extended total credit of Rs.5,801.24 Crore in favour of 1,53,564 beneficiaries (both under Priority as well as Non-priority Sector) against target of Rs.23,605.23 Crore for 8,83,458 beneficiaries under Annual Credit Plan 2015-16, thereby registering achievement of 24.58% in financial terms and 15% in physical terms.

This includes Priority Sector credit of **Rs.3,694.21 Crore** disbursed by banks in favour of **1,28,478** beneficiaries against the annual target of **Rs.14,804.83** Crore for **8,16,524** beneficiaries (**24.95%** achievement in financial terms and **15.73%** in physical terms) and Non-priority sector credit of **Rs.2,107.03 Crore** in favour of **25,086** beneficiaries against annual target of **Rs.8,800.40** Crore for **2,41,382** beneficiaries (**23.94%** achievement in financial terms and **10.39%** in physical terms).

Credit by Institutions:

The house also placed on record that out of the total credit disbursement of Rs.5801.24 Crore during Q1 of CFY, J&K Bank has contributed 72%, PNB 8%, SBI 5%, Other Commercial Banks put together have contributed 11%, RRBs 3% and Cooperative Banks just 1%.

The Chairman & CEO, J&K Bank stated that as compared to the achievements of Q1 of the last FY (2014-15) the banks have done well this year having achieved 25% of the aggregate ACP Target as against just 13% achieved by banks during the Q1 of FY 2014-15. He, however, pointed out that J&K Bank and PNB both have achieved 31% of their aggregate annual target during the Q1, SBI had done only 11% which was quite dismal. Similarly the performance of Cooperative Banks has come down from 10% as of Q1 of FY 2014-15 to just 8% as on Q1 of CFY. He asked for the reasons from SBI and State Cooperative Bank for such a low performance.

The representative of SBI stated that there has been some inconsistency in the flow of data from SBI to the Convenor, SLBC. Elaborating his view point, the representative of SBI informed the house that SBI has already disbursed an amount of Rs.500.00 Crore

during the Q1 of the CFY instead of the figure of Rs.298.60 Crore appearing in the Agenda papers. He assured the house that SBI will show better performance during the Q2 of CFY.

The representative of J&K State Cooperative Bank attributed his low performance to limited area of operation of the J&K State Cooperative Bank which, he said, is confined to only 5 districts of the State, and is mostly urban. He also stated that the refinance facility is not available to the Cooperative banks.

The Chairman observed that the reasons put forth by J&K State Cooperative Bank were not tenable.

The house observed that the overall achievement of banking sector during the Q1 of CFY has improved both quantum-wise as well as percentage-wise. However, the performance of RRBs, despite having a large network of branches in the State, had not remained satisfactory.

Sub-Sector-wise performance (under Priority Sector)

Mr. Mushtaq Ahmad, Convenor, J&K SLBC stated that under Agriculture and MSMEs Sectors the performance of banks during the Q1 of CFY has remained at 23% and 50% of the Annual ACP target respectively, but under Education and Housing Sectors the performance had remained quite dismal. He observed that as for as Education Sector is concerned, the schemes which are prevailing in the system do not seem to be too effective and attractive. Besides, as for as Housing Sector is concerned, subsequent to the floods in the State, the scope for Housing finance has increased.

The representative of Finance Department, J&K Government, Mr. Bashir Ahmad, attributed the poor performance of banks under Housing Sector in the State to the cumbersome documentation process related to availing of Housing Loans, which involves the difficulties confronted by the people while moving from one department to another.

Sharing the concern put forth by the representative of Finance Department, Mr. Mushtaq Ahmad (Convenor, J&K SLBC) stated that there is certainly the blame that has to be shared by both, the bankers as well as the borrowers, the bankers seem to be interested that instead of providing Housing Loan having an interest rate of around 10% let the borrower avail of Consumption loan having an interest rate of around 13-14%. While as the borrowers instead of waiting for 15 days or so to complete the formalities for availing the Housing Loans prefer to avail of Consumption Loan by just filing the application and getting the loan sanctioned within 2 days. He stressed upon the bankers to take necessary measures for educating the borrowers regarding the benefits of the Housing Scheme rather than looking at the revenue side.

Stressing upon the bankers to look at the long term perspective of the issue, he stated that advancing Consumption Loans falls under the non-priority sector whereas providing loans under Housing Loan scheme falls within the Priority Sector Advances and in the event of shortfall in lending under Priority Sector, the banks are bound to park their funds with NABARD and SIDBI under RIDF, which is not an attractive proposition. He advised the banks not to encourage the practice of giving consumption loans in place of Housing Loans.

The Chairman advised President (Credit), J&K Bank to ensure that **separate targets for Housing and Education Sector are fixed for the branches of J&K Bank, so that these two sectors receive a focused attention.**

(Action: President (Credit), J&K Bank)

Similarly, all the member banks were advised to **specify individual targets for credit under Education and Housing sectors separately for their individual business units in the State so as to ensure focused attention to these two sectors.**

(Action: All member banks)

The representative of the National Housing Bank, Mr. Vaidyasharan, stated that the NHB has floated two schemes which include the Scheme for J&K Flood Affected Areas with a sanction limit of Rs.50.00 Crore with the J&K Bank, and the other scheme, the Rural Housing Fund and Urban Housing Fund, a Central Government Sponsored Fund through NHB which all other banks can avail of. These schemes can be taken up by the banks and wherever there are housing shortages in the rural or in urban areas, NHB is providing re-finance at around 6.50%.

Mr. Mushtaq Ahmad, Chairman, J&K Bank stated that there had been some difficulty experienced by J&K Bank in respect of the interest subsidy. He stated that J&K Bank had sanctioned the loans and after sanction the subsidy had to come from NHB to the J&K Bank, but subsidy was diverted to some other bank who had not even disbursed the loans. He advised the National Housing Bank to address the issue.

The President (Credit), J&K Bank elaborated that under Solar Scheme, J&K Bank had sanctioned huge amounts and the last time there was a meeting in Delhi wherein the NHB had agreed that the amount of subsidy will be disbursed to the individual banks, but when the J&K Bank lodged the claim for the subsidy, it was said that the subsidy amount was permissible for a particular period only.

The President (SLBC) stated that the representative of NHB should note the concern expressed by the house on the issue. He also stated that so far as other schemes are concerned, in case NHB wanted to discuss with individual banks in the State or with the J&K SLBC, he was most welcome to do that.

(Action: National Housing Bank)

AGENDA ITEM NO: 98.08

CREDIT UNDER GOVERNMENT SPONSORED SCHEMES:

The house noted that against the ACP target of Rs.195.24 Crore for 11,430 beneficiaries for all banks operating in the State, the achievement at the end of June 2015 under four major Government Sponsored Schemes, viz. NRLM, PMEGP, NULM and SC/ST/OBC has been of the order of Rs.17.42 Crore spread over 720 beneficiaries in all the three regions of the State thereby registering achievement of just 9% of the target in financial and 6% in physical terms, which was even lesser than the position during the Q1 of the previous financial year.

Mr. Mushtaq Ahmad expressed concern that performance of the banks under Govt. Sponsored Schemes segment has been very low, which tantamount to total neglect of the segment. He desired to know the reasons for such poor performance under this important segment. He advised the banks to come forward and share the difficulties, if any, confronting them, which may be contributing to the poor performance under this segment. Similarly, the State Government functionaries should come up with the issues

they have experienced as being the reasons responsible for dismal performance of the banking sector under this important segment.

Mr. Mushtaq Ahmad highlighted certain areas that need focused attention:

- Sponsorship of cases takes place in the last quarter of the FY, though basically there should be lesser burden on banks in the last quarter of the FY as banks mostly remain busy with their balance sheet activities, recovery of dues, management of NPAs etc. and they will not be taking up the cases on priority. Thus it was at one point of time decided that the cases should mostly be sponsored in the 2nd and 3rd quarters, i.e. 60% in first two quarters, 25-30% in the 3rd quarter and the rest in the last quarter.
 - After, the cases are sanctioned by the banks, unless and until the subsidy amount is released by the government, the sanctioned cases remain pending with the banks.
 - The Chairman stated that bankers should focus their attention on clearing the backlog of GSS cases pending with them.
- **It was decided that a Sub-Committee of major banks and related Govt. Departments should meet and ascertain the reasons for poor performance of banks under various Government Sponsored Schemes, and in case there are some shortcomings observed from the banking side or from the Government side, these should be specifically projected, so that those shortcomings could be addressed.**

(Action: J&K SLBC Secretariat)

The Chairman stated that all the banks should convey to the J&K SLBC Secretariat what ever issues are pending or whatever subsidy is pending with the Government Departments, so that these are taken up by the SLBC Secretariat with the State Government.

(Action: All member banks)

AGENDA ITEM: 98.09

PERFORMANCE UNDER HANDICRAFTS/ HANDLOOMS:

Handicrafts/ ACC Scheme:

The house placed on record that as against target of Rs.263.35 Crore for 25,561 beneficiaries set for banks under this sector for the CFY 2015-16, banks have disbursed an amount of Rs.12.12 Crore to 1335 beneficiaries upto the end of June, 2015, which includes 502 sanctioned cases of previous financial year, indicating dismal achievement of just 5% both in financial terms as well as in physical terms.

Handlooms Schemes:

The house also noted that during Q1 of CFY under Handlooms (Micro Credit Plan Scheme) an amount of Rs.2.40 Crore was disbursed by the banks in favour of 301 beneficiaries against the target of 28.51 Crore for 2834 beneficiaries indicating achievement of 8% in financial and 11% in physical terms, while as under Handloom (WCC Scheme) an amount of Rs.1.11 Crore has been disbursed by the banks in favour of 124 weavers against the target of Rs.25.09 Crore for 2021 beneficiaries, indicating achievement of 6% in financial and 4% in physical terms.

- **The achievement was not considered satisfactory. All the stakeholders, viz. banks and the sponsoring agencies were advised to put in strenuous efforts to ensure that during the CFY (2015-16) performance under the schemes is substantially improved.**

(Action: Handicrafts / Handlooms Deptts./ All Member Banks)

The Director, Handicrafts stated that interest subsidy of Rs.33.00 Crore has been already released by the Department for the Artisans Credit Card Scheme, but in the DLRC meetings it is being said that the sponsorship should be stopped and the scheme should not be promoted any more, which has created problems for the Department.

The Convenor, J&K SLBC stated that as for as the Government sponsored Schemes are concerned, if one component of the scheme, i.e. subsidy / margin money, is not released, the release of facility in favour of the borrower is not possible, therefore, defeating the purpose of the scheme. This creates problems for the bankers because the sanctioned cases remain undisbursed. He emphasized for timely release of subsidy/margin money, in order to enable bankers to disburse the loans to the eligible beneficiaries.

(Action: All Member Banks/ Handicrafts/ Handloom Deptt.)

Agenda Item No.98.10 **Self Help Group Scheme**

The house placed on record that upto the end of June, 2015 cumulative position of Self Help Groups formed in the State stood at 15,153, out of which 13,561 SHGs were savings linked and 10,004 SHGs have been credit-linked by the banks so far and loans to the extent of Rs.68.90 Crore were disbursed by banks in favour of the said SHGs.

The house observed that the position is not satisfactory. The Convenor, J&K SLBC advised that the banks, LDMs, NABARD and all the relative agencies of the State Government need to increase the level of seriousness and take necessary measures so that the position is substantially improved during the Current Financial Year.

(Action: State Mission Director, SRLM/ NABARD/ All member banks)

Mr. Mushtaq Ahmad pointed out that the agenda does not indicate any targets for the SHG Scheme. The DGM, NABARD stated that NABARD has already submitted the targets for SHG programme to J&K SLBC. Similarly, it was observed by the house that since targets for SHGs are also being fixed by the NRLM as well as NULM, therefore, there should be target-based review for SHGs programme henceforth.

(Action: SRLM/ SUDA/ NABARD/ All member banks/LDMs/ SLBC SECTT.)

AGENDA ITEM: 98.11

BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE) **STATISTICAL DATA OF VARIOUS BANKS IN J&K STATE AS AT END OF MARCH** **2015:**

The Chairman, J&K Bank (Convenor SLBC) informed the house that total advances of all banks operating in the State as on 30th June 2015 stood at Rs.37,807.43 Crore against Rs.33,238.22 Crore as at the corresponding period of previous year thereby recording YoY growth of 13.75% while as the total deposits in the State as on 30th June 2015 stood at Rs.79,689.89 Crore against Rs.71,520.05 Crore as at the corresponding period of the previous year thereby indicating YoY growth of around 11.42%. As a result of this healthier credit growth the C. D. Ratio of the State has improved from 46.47% as on 30th June 2014 to 47.44% as on 30th June 2015, 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.23,601.94 Crore comprising over 62% of the total outstanding credit of Rs.37,807.43 Crore in the State as at the end of June, 2015. The share of SBI is Rs.5,592.91 Crore (15%) and that of PNB is Rs.1,410.56 Crore (4%).

The house noted that the CD Ratio of J&K Bank has improved from 46.53% as on 30.6.2014 to 48.77% as on 30.6.2015, the C. D. Ratio of SBI has gone down from 50.78% to 50.41% YoY basis and that of PNB has drastically declined from 33.38% to 26.52% YoY basis.

The C.D. Ratio of RRBs has also improved from 44.52% as on 30.06.2014 to 47.40% as on 30.06.2015 while as in respect of Co-operative Banks it has improved from 35.57% as on 30.06.2014 to 36.89% as on 30.06.2015.

The house placed on record that out of the aggregate advances of Rs.37,807.43 Crore outstanding as on 30th June, 2015 an amount of Rs.20,044.21 Crore (53%) has gone to Priority Sector and Rs.17,763.22 Crore (47%) to Non-Priority Sector. Out of the Priority sector Rs.6,056.38 Crore has gone to weaker sections of the society constituting 16% of total Advances against the bench mark 10%, which was quite satisfactory.

- **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.**

(Action: All member banks)

AGENDA ITEM NO: 98.12

CREDIT DELIVERY TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) AND FLOW OF CREDIT UNDER CREDIT GUARANTEE FUND TRUST SCHEME FOR MSMEs:

Progress achieved by the banking sector in J&K State as at the end of June, 2015 was taken on record.

AGENDA ITEM NO: 98.13

FLOW OF CREDIT IN MINORITY CONCENTRATED DISTRICTS:

Progress achieved by the banking sector in J&K State as at the end of June, 2015 was taken on record.

AGENDA ITEM NO: 98.14

PERFORMANCE REVIEW OF LDMS/ DLRC & DCCS:

The house observed that the schedule for DCC and DLRC meetings as prescribed by RBI is being adhered to by all the LDMS in J&K State and these meetings are being conducted regularly.

DISTRICT-WISE CREDIT DEPOSIT RATIO:

The position was taken on record. The house observed with concern that 10 districts of the State, (which includes 8 districts of Jammu Division, viz. Udhampur, Reasi, Jammu, Doda, Ramban, Kishtwar, Poonch and Rajouri and two districts of Leh and Kargil) continue to have sub-due Credit Deposit Ratio.

- **The Lead District Managers of the concerned districts were advised to ensure that the issue is deliberated upon in the meetings of Special Sub-Committees of DLCC of the respective districts and necessary measures as decided in the said meetings be taken immediately in order to ensure that the C.D. Ratio of these districts is improved substantially.**

(Action: Concerned Lead District Managers)

SEGMENT – 5 (RECENT DEVELOPMENTS)

AGENDA ITEM NO: 98.15

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

The house placed on record that against the target of financing 1500 Joint Liability Farming Groups of Bhoomi Heen Kisan set by NABARD for the State, banks in J&K State have financed only 156 JLGs amounting to Rs.288.31 lakhs upto 30th June, 2015, which included 70 JLGs financed by JKGB, 66 JLGs financed by EDB and 20 JLGs financed by J&K Bank. It was noted that SBI, PNB, HDFC Bank and ICICI Bank have not indicated any progress regarding JLGs though the individual targets have already been conveyed to the said banks.

- **All banks were advised to take necessary measures for improving the position during the CFY.**

(Action: All Member Banks)

AGENDA ITEM NO: 98.16

Intensification of Self Help Group-Bank Linkage Programme (SHG-BLP) – Constitution of SLBC Sub-Committee on SHG-BLP:

The house observed that the SHG Bank Linkage Programme is catching up in J&K State also and apart from NRLM, Self Help Groups are also being promoted by NABARD and other agencies also. As regards the request of NABARD for constitution of a Sub-Committee of J&K SLBC to monitor the orderly and balanced growth of SHG-Bank Linkage Programme, the house observed that J&K SLBC in its 82nd meeting held on 5th September, 2011 has already constituted a Steering Sub-Committee to promote Self Help Group Programme in the State with the following composition:

1. Chairman / Executive President, J&K Bank & CGM NABARD...	To Co-chair
2. Com./ Secretary, Rural Development Deptt., J&K Govt. ...	Member
3. Com./ Secretary, Social Welfare Department, J&K Govt. ...	Member
4. President, J&K Bank ...	Member
5. Convenor J&K SLBC ...	Member/ Secretarial Service
6. Reserve Bank of India (RPCD), R. O. Jammu ...	Member
7. State Bank of India, L.H.O. Chandigarh ...	Member
8. Punjab National Bank, (Circle Office) ...	Member
9. Chairman, J&K Grameen Bank ...	Member
10. Chairman, Ellaquai Dehati Bank ...	Member
11. Chairman, J&K State Cooperative Bank ...	Member

- **The house observed that the issue of monitoring SHG-Bank Linkage Programme be taken up in the said Steering Sub-Committee.**

(Action: NABARD/ J&K SLBC Secretariat)

AGENDA ITEM NO: 98.17

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

The house observed that the State Government has not so far issued the notification for the CFY (2015-16), as such the NCIP programme could not be implemented by the banks in J&K State during the CFY. **The State Government was requested to take necessary measures in the matter immediately.**

(Action: Agriculture Production Department, J&K Govt.)

AGENDA ITEM NO: 98.18

Swarozgar Credit Card Scheme – target for the year 2015-16:

The house placed on record that Swarozgar Credit Card (SCC) Scheme prepared by NABARD was introduced in September, 2003 for providing adequate, timely and uninterrupted credit and NABARD is the Nodal Agency for implementation of the said scheme. The house noted that since inception of the Scheme the banks operating in the State have issued a total of 277 SCCs involving an amount of Rs.95.52 lacs in the J&K State.

It was also noted that for the Current Financial Year (2015-16) NABARD has allocated a target of 1000 cards for the State, which includes 500 for Commercial Banks, 200 for RRBs and 300 for Cooperative banks. However, against the said target of 1000 SCCs, the performance of banks in the State has remained quite dismal with only 4 SCCs issued by PNB and OBC involving an amount of Rs.1.70 lac only.

- **All the member banks, which have been allocated targets for the SCC Scheme, were advised to take concerted efforts in the matter to ensure that the targets allocated are achieved in full.**

(Action: All concerned member banks)

AGENDA ITEM NO: 98.19**Establishment of Dairy Units under National Mission on Protein Supplementation (NMPS):**

It was noted that the Directorate of Animal Husbandry, J&K Government, has not conveyed any targets under the scheme for Current Financial Year 2015-16. The Directorate of Animal Husbandry was advised to clarify the position to J&K SLBC Secretariat immediately, to enable further course of action in the matter.

(Action: Directorate of Animal Husbandry Department, J&K Govt.)

AGENDA ITEM NO: 98.20**Pradhan Mantri MUDRA Yojana (PMMY) for PSBs:**

The house was informed that Micro Units Development & Refinance Agency Ltd., (MUDRA) has been set up by Government of India for development and refinancing activities relating to micro units. The purpose of MUDRA is to provide funding to the non corporate small business sector. The loans given to non-farm income generating enterprises in manufacturing, trading and services whose credit needs are below Rs.10 lakh will be known as MUDRA loans under the Pradhan Mantri MUDRA Yojana (PMMY). The details of the Scheme stand already circulated to all banks in the State for implementation.

The loans under Pradhan Mantri MUDRA Yojana have been segregated as per the limit i.e 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary-micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to:

Shishu: covering loans up to Rs. 50,000/-

Kishor: covering loans above Rs. 50,000/- to 5 lakh;

Tarun: covering loans above Rs. 5 lakh and up to Rs. 10 lakh

The house observed that banks were required to submit targets for J&K State to SLBCs so that performance of the MUDRA scheme could be monitored by SLBCs at state-level, but despite regular follow-up with the member banks the bank-wise targets under the Scheme have not so far been conveyed to the J&K SLBC.

The Deputy Secretary, DFS, MoF, Gol, Mr. A. K. Dogra advised all the banks to take immediate measures in the matter and ensure that the targets under the Scheme are conveyed to J&K SLBC Secretariat without further delay.

(Action: All member banks)

Supplementary Agenda Item No. 98-S-01

New three Social Security Schemes relating to Insurance and Pension sector launched by Gol on 9th May, 2015, viz. 1) PMJJBY, 2) PMSBY and 3) APY:

The house placed on record that under the three flagship Social Security Schemes pertaining to the insurance and pension sector launched across the country by the Hon'ble Prime Minister on 9th of May, 2015, viz. **1) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), 2) Pradhan Mantri Suraksha Bima Yojana (PMSBY) and 3) Atal Pension Yojana (APY)**, banks operating in J&K State have recorded a total of **8,10,283** enrolments upto **24th August, 2015**, which include **PMJJBY=2,56,733 PMSBY=5,42,427 and APY =11,123 enrolments. Major contributors in J&K State are J&K Bank with 3,73,276 enrolments, State Bank of India with 1,60,847 enrolments, Ellaquai Dehati Bank with 65,514 enrolments, Punjab National Bank with 60,040 enrolments, J&K Grameen Bank with 59,104 enrolments and other banks with 91,502 enrolments.**

The Deputy Secretary, DFS, MoF, Gol, Mr. A. K. Dogra informed the house that the Department of Financial Services, Ministry of Finance, Government of India has introduced Suraksha Deposit Scheme, Jeevan Suraksha Deposit Scheme and Jeevan Suraksha Gift Cheque, to facilitate payment of insurance premium under PMSBY & PMJJBY. The facility is aimed to make the subscriber free from arranging funds in their Bank Accounts every year for keeping PMJJBY and /or PMSBY enrolment alive. The Deposit plans and Gift Cheque are long-term subscription initiatives aimed to boost participation.

Mr. Dogra however, expressed concern that in J&K State banks have not taken adequate measures for promotion of these schemes. He stated that the day before he had visited a number of bank branches in Srinagar and observed poor awareness regarding these schemes. He expressed dismay that the branch staff including the Branch Managers were not aware about these schemes.

President (LBD/SLBC) Mr. S. K. Bhat informed the house that these schemes along with the relevant publicity material received from DFS, MoF, Gol, have already been circulated by J&K SLBC to all members of the J&K SLBC for implementation. Besides, all the banks, LDMs have been directed to launch a vigorous publicity campaign for promotion of these social security schemes.

- **All member banks were directed to make concerted efforts in the matter to ensure that these schemes are properly publicized and adequate publicity material is kept available with the business units for information of the public, besides making the staff posted in the business units of the banks well aware about the schemes, so that they can educate the general public about the schemes.**

(Action: All member banks)

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.

Assistant Vice President
 (LBD/ J&K SLBC)

Annexure-A
List of Participants of the 98th meeting of J&K State Level bankers' Committee

<u>Name of the Participant</u>	...	<u>Department/ Organization</u>
<u>S/Shri:</u>		
<u>Convenor</u>		
1) Mushtaq Ahmad	...	Chairman & CEO, J&K Bank
<u>J&K State Government</u>		
2) Sanjeev Verma	...	Secretary, Social Welfare Department
3) Mohammad Ishaq Shah	...	Addl. Secretary to Govt. Revenue Department
4) Bashir Ahmad Bhat	...	Director Resources/ IFO, Finance Deptt.
5) M. Shafi Dar	...	Dy. Secretary, Information & Technology
6) M. R. Mattoo	...	Director (Planning)
7) Rajesh Sharma	...	Director, Handlooms Department
8) Dr. M. I. Parry	...	Director, J&K EDI
9) Gazanfar Ali	...	Director, Handicrafts Department
10) Dr. Malik Farooq	...	Director, Sericulture Department
11) A. K. Sharma	...	Director, Horticulture Department
12) Tasaduq Jeelani	...	Director, Rural Development, Kashmir
13) M. L. Raina	...	Director, Rural Development, Jammu
14) S. S. Sasan	...	Director (Plg.), Planning & Development Deptt.
15) Dr. Abdul Rashid	...	Director, Industries & Commerce, Jammu
16) Altaf Andrabi	...	Director, Agriculture Department (Kashmir);
17) A. K. Malhotra	...	Director, CAD, Jammu/ Joint Director Ext. Jammu
18) Dr. Arun Manhas	...	Mission Director, JKSRM (UMEED)
19) Amit Sharma	...	Managing Director, J&K SIDCO
20) Manoj Kumar	...	Joint Director Plg., Animal/Sheep Husbandry Deptt.
21) Dr. R. K. Raina	...	Joint Director, Animal Husbandry, Kashmir
22) Manzoor Ahmad Sofi	...	Joint Director, Employment Deptt. Kashmir
23) Mohammad Ashraf Wani	...	Joint Director (Dev.),
24) M. S. Dar	...	Asstt. Director, MSMEs
25) Mir Afroz	...	Secretary/ CEO, KVIB
26) A. M. Zargar	...	Dev. Officer, KVIC, I/C Kashmir Division
27) Arshad Majid Bhat	...	Divisional Manager, J&K SC/ST/OBC Dev. Corpn.
<u>Government of India</u>		
28) A. K. Dogra	...	Dy. Secretary, DFS, MoF
<u>Reserve Bank of India</u>		
29) Ramesh Chand	...	General Manager, Jammu
30) R. B. Gupta	...	AGM, Jammu
<u>NABARD</u>		
31) D. K. Kapila	...	DGM, Srinagar
<u>National Housing Bank</u>		
32) V. Vaideswaran	...	DGM
<u>Financial Institutions</u>		
33) N. A. Bhat	...	GM (H), J&K State Finance Corporation, Sgr.
34) Mohammad Iftikhar Hussain	...	General Manager, J&K Dev. Finance Corporation
<u>J&K Bank (Convenor Bank, J&K SLBC)</u>		
35) Parvez Ahmad	...	Executive President
36) S. K. Bhat	...	President (LBD/SLBC)
37) Mohammad Amin	...	President (Credit)

38)	A. R. Sheigan	...	Vice President/Zonal Head Kashmir (Central)
39)	Mohd. Maqbool Lone	...	Vice President/Zonal Head Kashmir (South)
40)	Mohd. Younis Pattu	...	Vice President/Zonal Head Kashmir (North)
41)	Narjay Gupta	...	Vice President (J&K SLBC Secretariat)
42)	Manzoor Hussain	...	Vice President (Credit)
43)	Tabassum Nazir	...	Vice President (S&BD)
44)	Syed Rais Maqbool	...	Vice President (T&ISD)
45)	Gulzar Ahmad	...	Assistant Vice President (J&K SLBC Secretariat)
46)	Altaf Ahmad Zargar	...	Executive Manager (FID)
47)	Shadab Mehboob	...	Sr. Executive (DC Operations)
48)	Shah Hussain	...	Executive (S&BD)

Public Sector Banks

49)	D. K. Koul	...	DGM, SBI, Zonal Office, Jammu
50)	Mohinder Basson	...	Regional Manager, SBI, RBO-1, Srinagar
51)	M. K. Bhat	...	Chief Manager, Lead Bank, SBI, Jammu
52)	Pawan Kohili	...	Chief Manager, Punjab National Bank
53)	Ashutosh Singh	...	AGM, IDBI Bank, Jammu
54)	S. K. Saha	...	AGM, Allahabad Bank
55)	Ashutosh Kumar Sharma	...	AGM (Regional Head), Union Bank of India
56)	Dhian Singh	...	AGM, Bank of Baroda
57)	Satvinder Singh	...	Chief Manager, Punjab & Sind Bank
58)	Anurag Prakash	...	Chief Manager, Canara Bank
59)	Bhupindra Singh	...	Chief Manager, State Bank of Patiala
60)	Z. A. Pampori	...	Sr. Manager, UCO Bank
61)	Ashiq Hussain Bhat	...	Distt. Coord. Bank of Baroda
62)	Som Shivgotra	...	Sr. Branch Manager, Oriental Bank of Commerce
63)	Rakesh Kumar Gupta	...	BM, Central Bank of India, Srinagar
64)	Ms. Deachen Wangno	...	Agriculture Officer, Bank of India

Private Sector Banks

65)	Malik Saiyidain	...	Cluster Manager, ICICI Bank, Ltd.
66)	Maninder Singh	...	Cluster Manager, ICICI Bank, Ltd.
67)	Ajaz Ahmad	...	Branch Manager, HDFC Bank
68)	Tanveer Ahmad	...	Manager, Yes Bank
69)	Mohammad Moin Sheikh	...	Manager, Axis Bank, Srinagar

Regional Rural Banks

70)	Janak Raj	...	General Manager, J&K Grameen Bank
71)	Parvinder Bharti	...	Chairman, Ellaquai Dehati Bank
72)	M. L. Bhat	...	General Manager, Ellaquai Dehati Bank

Cooperative Banks

73)	Atta Mohammad Nath	...	MD, Anantnag Central Coop. Bank
74)	K. K. Malhotra	...	AGM, Jammu Central Coop. Bank
75)	Gh. Mohammad Bhat	...	Representative, J&K State Cooperative Bank

Insurance Companies

76)	S. S. Rism	...	Sr. Branch Manager, New India Assurance Co. Ltd.
77)	M. R. Bala	...	Branch Manager, National Insurance Co., Sgr.
78)	H. V. Mehta	...	Dy. Manager, New India Assurance Co. Ltd. Sgr.
79)	J. S. Dutta	...	Dy. Manager, LIC, D.O. Srinagar
80)	Veena Jee Shali	...	Oriental Insurance Co., Ltd.

Lead District Managers

81)	Ghulam Jeelani Shah	...	LDM, Shopian
82)	Mohammad Syed Shah	...	LDM, Pulwama
83)	Anoop Bhat	...	LDM, Rajouri
84)	Faizullah Qureshi	...	LDM, Ganderbal
85)	Mushtaq Ahmad	...	LDM, Srinagar
86)	Shahzad Hussain	...	LDM, Budgam
87)	Imtiyaz Ahmad	...	LDM, Kupwara
88)	Mufti Gh. Mohammad	...	LDM, Anantnag
89)	Javaid Ahmad Qureshi	...	LDM, Baramulla
90)	Mohammad Shafi Ayaz	...	LDM, Poonch

91)	Ghulam Nabi Dar	...	LDM, Kulgam
92)	Ashok Khashu	...	LDM, Kathua
93)	M. K. Pandita	...	LDM, Udhampur
94)	H. R. Hans	...	LDM, Samba
95)	N. C. Sambyal	...	LDM, Doda
96)	Sanjiv Bhardwaj	...	LDM, Reasi
97)	Satish Gupta	...	LDM, Kishtwar
98)	Nawang Tsering	...	LDM, Kargil