



Lead Bank/ SLBC (J&K)

Ref. No. LBD/SLBC-99/2015- 292

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

January 8, 2016

Sub: **Minutes of the 99th Meeting of J&K SLBC – for necessary action on actionable points.**

Sir,

We forward herewith a copy of minutes of the 99th Meeting of J&K State Level Bankers' Committee (SLBC) held on 16th November, 2015 at Hotel Fortune Inn, Riviera, 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 99th SLBC Meeting**

MINUTES OF 99th MEETING OF SLBC (J&K) HELD ON 16th NOVEMBER, 2015 AT JAMMU

The 99th 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 September, 2015 under Annual Credit Plan 2015-16, was held on 16th November, 2015 Hotel Fortune Inn, Riviera, Jammu

The meeting was presided over by Mr. B. R. Sharma, Chief Secretary, J&K Government. Agenda was steered by Mr. Mushtaq Ahmad, Chairman & CEO, J&K Bank (Convenor, J&K SLBC). Top functionaries of the State Government and regulators who attended the meeting included Mr. Navin Chowdhary, Commissioner/ Secretary (Finance), Mr. Bipul Pathak, Commissioner/Secretary, Housing & Urban Development, Mr. Shailendra Kumar Commissioner/ Secretary, Industries & Commerce/ Labour & Employment, Mr.M.A.Bukhari, Commissioner/ Secretary, Agriculture Production Department, Mr.Sanjeev Verma, Secretary, Social Welfare Department, Mr. D. Sethy, Regional Director, RBI, senior functionaries of State Government, Banks, Reserve Bank of India, NABARD, Heads of Government Departments & Developmental Agencies and representatives of various Insurance Companies operating in the State. List of the participants is enclosed as **Annexure "A."**

Commencing the proceedings Executive President J&K Bank (Convenor J&K SLBC) Mr.S.S.Sehgal welcomed the guests, dignitaries and participants to the 99th meeting of J&KSLBC and thereafter requested the Chairman/CEO, J&K Bank (Convenor, J&K SLBC) to deliver the keynote address.

KEYNOTE ADDRESS BY CHAIRMAN & CEO, J&K BANK (CONVENOR J&K SLBC):

Mr. Mushtaq Ahmad, Chairman & CEO, J&K Bank (Convenor, J&K SLBC) congratulated Mr. B. R. Sharma on his elevation as Chief Secretary of J&K Government and extended him a warm welcome to the first SLBC meeting being attended by him as the Chief Secretary of J&K Government. Mr. Mushtaq Ahmad also 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. Mushtaq Ahmad stated that J&K SLBC has been making concerted efforts in supporting and carrying forward policies framed by Government of India and Reserve Bank of India for expanding the fold of inclusive growth to bring in the excluded sections of population and for the overall economic development of the State. Commenting on financial inclusion, which is the prestigious project of Government of India, he stated that it has always remained our high priority to implement it in letter and spirit. He stated that answer to economic growth of the country is only creating opportunities for more and more demand and empowering the people by increasing their purchasing capacity. Commenting on the 'Make-in-India' slogan he stated that this programme can succeed only when it is complemented with 'consume-in-India'. Highlighting the achievements of banks, he stated that:

- After successful completion of Phase 1 of Financial Inclusion Program envisaging coverage of 795 identified unbanked villages having population over 2000, the Phase-II of Financial Inclusion Plan, with the target of providing ICT based banking services to 5,582 identified unbanked villages having population below 2000 in the

State, has also been completed with coverage of all the 5,582 villages by respective banks.

- Under Pradhan Mantri Jan Dhan Yojana (PMJDY), which was launched on 28.8.2014 across the Country, banks in J&K State have opened 16,90,671 accounts up to 30th September, 2015.
- As regards EBT Scheme, initially six districts of Srinagar, Ganderbal, Jammu, Rajouri, Kargil & Leh had been identified on pilot basis where the Scheme has been successfully implemented and benefits under IGNOAPs are being electronically transferred to the beneficiaries' accounts seamlessly. The scheme shall be implemented in 5 more districts of Doda, Ramban, Samba, Udhampur and Shopian very shortly.
- The initiative of 100% coverage of farmers in the J&K State under KCC Scheme is also nearing completion. Under this programme Agriculture Production Deptt., J&K Govt. had prescribed a target of covering 9.81 lakh farm-operating families in the State, against which banks have already issued 8.95 lakh KCCs upto 30.09.2015, constituting 91% of the target. He expressed optimism that 100% coverage shall be accomplished very soon.

Presenting a brief account of credit disbursements in J&K State during the first half of CFY 2015-16 under ACP Mr. Mushtaq Ahmad stated that 46 Banks/ Financial institutions operating in J&K State with a network of 1,959 branches as on 30th September, 2015 have extended total credit of Rs.8,080.21 Crore in favour of 2,14,155 beneficiaries (both under Priority as well as Non-priority Sectors) against annual target of Rs.23,605.23 Crore for 10,57,906 beneficiaries under ACP 2015-16, thereby registering an achievement of 34.23% in financial terms.

He stated that J&K Bank, with credit disbursement of Rs.5,337.53 Crore has emerged the major contributor (share 66%) followed by SBI with the disbursement of Rs.720.62 Crore (9%), PNB with Rs.533.80 Crore (7%), RRBs with Rs.364.08 Crore (5%) and Co-operative Banks with Rs.185.03 Crore (2.28%).

Highlighting the Sector-wise credit dispensation under Priority Sector Mr. Mushtaq Ahmad stated that under Agriculture Sector against annual target of Rs.4,669.29 Crore for 5,08,607 beneficiaries, banks have disbursed an amount of Rs.1,663.14 Crore in favour of 95,480 beneficiaries upto 30th September, 2015 registering achievement of 36% in financial terms.

He stated that under Micro & Small Enterprises Sector against the annual target of Rs.4,892.12 Crore for 1,71,414 beneficiaries, banks have disbursed an amount of Rs.3,094.57 Crore in favour of 66,982 beneficiaries upto 30th September, 2015, thereby registering an achievement of 63% in financial terms.

Mr. Mushtaq Ahmad however, expressed his displeasure that performance of banks under **Education and Housing Sectors has not been encouraging as the achievement has been to the extent of 5% and 4% respectively** of the ACP target.

Credit Deposit Ratio (CD Ratio)

Mr. Mushtaq Ahmad stated that the Credit Deposit Ratio, which has always remained a matter of concern for State Govt., RBI and banks, has improved from 47.27% as on 30.09.2014 to 49.34% as on 30.09.2015 as a consequence of higher growth in advances as compared to growth in deposits.

Credit flow under Government Sponsored Schemes:

Mr. Mushtaq Ahmad stated that against annual ACP target of Rs.171.61 Crore for 10,902 beneficiaries, achievement of banks in J&K State at the end of September, 2015 under four major Government Sponsored Schemes, viz. NRLM, PMEGP, NULM and SC/ST/OBC is of the order of Rs.40.21 Crore spread over 1,696 beneficiaries thereby registering achievement of 23% in financial terms against achievement of 19% as on corresponding date of previous financial year.

Expressing displeasure over the dismal achievement of banks under Government Sponsored Schemes Mr. Mushtaq Ahmad stated that this has always been a cause for concern. He stated that banks alone are not responsible for dismal credit dispensation under this segment but there are issues at sponsoring agency level, which need to be addressed.

Reminding the house that purpose of visit of Dr. Raghuram Rajan, Governor, Reserve Bank of India to J&K State was to ensure increased flow of credit in J&K State for which he had advised RBI to conduct a study. The study was conducted under the guidance of Mr.D.Sethy, Regional Director, RBI. He requested Mr. Sethy to elaborate on that and observed that the said study and the visit of Governor RBI would be purpose-oriented and fruitful only when it is addressed seriously and sincerely by all stakeholders.

Highlighting the significant role played by banks in the economic development of the State, Mr. Mushtaq Ahmad pointed out that banks continue to face difficulties in recovery of loans and requested the State Govt. to take necessary steps for removing the disabling factors for enabling the banks to move ahead.

He assured the State Government on behalf of the banking fraternity in the State that banks will redouble their efforts to achieve the targets and move shoulder to shoulder with the State Government for realizing economic growth of the State.

Address of the Chief Secretary, J&K State Mr. B. R. Sharma:

Mr. B. R. Sharma, Chief Secretary, J&K State, in his brief address to the house expressed thanks for the warm welcome extended to him on his attending first SLBC meeting after assuming the position of Chief Secretary of the State. He observed that substantial progress has been made and the C. D. Ratio of banks has improved to 49% though it is still much less than the national benchmark of 60% and impressed upon the banks to achieve that benchmark as soon as possible.

Mr. B. R. Sharma expressed satisfaction over the visit of Governor, RBI to the State a couple of months ago who was kind enough to release the Study for enhancing flow of credit to J&K State and subsequently agreeing to the request of State Government to constitute a Group for exploring the possibility of implementing some of the easily implementable suggestions of the Study, so that credit flow to the core sectors of economy in the State could be improved. Nominating the Commissioner/Secretary, Industries & Commerce, the Commissioner/Secretary Agriculture Production and the Director, Institutional Finance, J&K Government to represent the State Government in the said Group, Chief Secretary desired that the Group constituted for the purpose should prepare a definite time-frame for implementation of the suggested measures and efforts should be made to achieve them.

Commenting on the Agenda, Chief Secretary observed that quite a good number of items are listed for action by State Government and advised that before the next SLBC meeting State Government should make serious efforts to ensure that the agenda items requiring action at their level are settled, so that by the time next SLBC meeting is held,

Government should be in a position to knockout these issues from the Agenda. He assured the house of serious efforts from the State Government.

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 98th MEETING OF J&K SLBC

The Chairman, J&K Bank (Convenor, J&K SLBC) sought comments, if any, from the members regarding the minutes of the 98th meeting of J&K SLBC circulated vide Ref. No. LBD/SLBC-98/2015-177 dated 5.10.2015

The representative of National Housing Bank stated that the said minutes included some observation of Chairman, J&K Bank regarding some unsettled interest subsidy claims of J&K Bank with regard to Solar Capital Subsidy Scheme by National Housing Bank and requested that the said observations should be dropped from the minutes as the same have already been clarified by the National Housing Bank vide their communication dated November 5, 2015 addressed to the SLBC Secretariat.

Vice President, J&K SLBC Mr. Narjay Gupta informed the house that the communication of NHB was received on 8th of November wherein NHB has clarified about some of the interest subsidy claims having been settled by NHB while some of these are pending settlement. The Chairman observed that it has nothing to do with minutes of 98th SLBC meeting and the NHB communication/ clarifications will be taken care by the J&K Bank separately.

Since there were no further comments from any of the members, the minutes were confirmed by the House.

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

LEGISLATING SARFAESI ACT:

The Commissioner/ Secretary Finance Mr. Navin Chowdhary stated that the matter has been taken up with Law Department and formation of a state-specific SARFAESI Act is in progress, which would not be much different from the Central Act.

(Action: Finance Department, J&K Government)

The representative of Bank of Baroda requested the State Government to prescribe a time frame for enacting the State-specific SARFAESI Act.

The Commissioner/ Secretary Finance stated that the time-frame cannot be given in the SLBC meeting. He further stated that it has been clarified that Law Department is already working on it and will not be much different from the Central SARFAESI Act.

The Chairman, J&K Bank stated that since the Commissioner/ Secretary Finance has discussed it quite elaborately and assured that the exercise is underway, which is appreciable and, as such, banks need to wait till the time things are on track.

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 Commissioner/ Secretary Finance, stated that the Hon'ble Prime Minister had during his recent visit to the State announced a package for the State, which will include

rehabilitation and interest subvention for industry, trade and business. He assured that a comprehensive notification on the subject shall be issued by State Government very soon and the issue will be resolved.

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

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

The Commissioner/ Secretary Finance stated that as it has already been decided to establish 3 Farmers' Training Centres (FTCs) in the State, one each at Srinagar, Jammu and Ladakh regions, for which the State Government is required to allocate land. He assured that he will personally take up the matter with the Deputy Commissioners of all the three districts shortly for allotment of land to concerned banks for the purpose as soon as possible.

(Action: Finance Department, J&K Govt)

Inclusion of the Chapters of Financial Inclusion in the syllabus of schools:

The Commissioner/ Secretary Finance stated that State Government is waiting for chapters on financial inclusion to be worked out by RBI. Thereafter he will request the Secretary School Education to get the same introduced in the educational curriculum at school level.

(Action: Reserve Bank of India/Government of J&K)

Meetings of Governor, RBI with Finance Minister, J&K Govt./ State Govt. officials/CEOs of major banks held on September 14, 2015

Constitution of the Group under Regional Director, RBI for implementation of measures suggested in RBI Study Report for enhancing flow of credit to J&K:

The Commissioner/ Secretary Finance stated that the Commissioner/ Secretary Industries, Commissioner/ Secretary Agriculture and Director, Institutional Finance have been nominated to represent State Government in the Group constituted for implementing the measures suggested in the RBI Study Report. He however assured the house that whenever RBI requires, he will himself also be available to participate in the deliberations of the Group. He stressed the need for convening meetings of the Group by RBI as soon as possible.

The Regional Director, RBI Mr. D. Sethy informed that the Group so constituted has 5 members from major banks operating in the State who have already forwarded their nominations and stated that meeting of the Group shall be convened soon.

Basic infrastructure for Banks to perform well/ communication lines in Ladakh region:

Chairman, J&K Bank (Convenor, J&K SLBC) stated that State Government needs to take effective steps for providing basic infrastructure for banks to perform effectively especially the communication lines, which were very poor especially in Ladakh region. He observed that stability of communication system and availability of power are the basic requirement, which shall help the banks to perform better.

The Commissioner/ Secretary, Finance, J&K Government stated that the issue will be taken up with the Commissioner/ Secretary, Power Development Department to take necessary measures forthwith.

Chairman, J&K Bank observed that ATMs are being operated on Generators and other modes, but there should be some alternative system available to the banks to run the system in the event of difficulties.

Assets Reconstruction Company (ARC) in J&K

Commissioner/ Secretary Finance, J&K Government stated that the State Government is very serious about the issue of revival of State Financial Corporation (SFC) either by converting it into Assets Reconstruction Company (ARC) or through some other form. He stated that the process will take some time. He assured the house that by the time the next SLBC meeting is convened, some concrete proposal might emerge.

Action points requiring action by banks:

Concerned banks were advised to take necessary action in the respective matters as soon as possible and intimate progress to Convenor, J&K SLBC.

(Action: All concerned banks)

Action points requiring action by RBI:

The Regional Director, RBI stated that the Governor, RBI has suggested 12 action points to be implemented within a year or so, so that credit flow to the State improves substantially. He stated that some of the action points are meant for State Government, which, if implemented shall provide enabling environment to banks for extending finance to various potential projects. He stated that implementation of these 12 action points will be monitored at the Central Government level and Implementation Committee framed will meet under the Chairmanship of Chief Secretary, J&K State, with members from the State Government- Commissioner/ Secretary, Industries & Commerce, Commissioner/ Secretary, Agriculture and Director Institutional Finance besides representatives from 5 major banks operating in the State. He stated that all banks will have to follow the decisions of this High Power Implementation Committee. The Committee will meet once in three months and the first meeting of the Committee shall be convened within 10 days. Regional Director highlighted that Governor, RBI has desired that the progress report be submitted on quarterly basis, as such he advised all the members to extend their cooperation for implementing these action points.

Replying to the query from Chief Secretary regarding **setting up of Bankers' Training Institute in J&K State** or conducting the summer sessions of the training institute of RBI in Srinagar, for which the State Government would provide all infrastructural facilities, the Regional Director, RBI informed that Governor, RBI has sent necessary directions to Human Resources Development Department of RBI, which deals with such issues and he is personally monitoring the issue.

(Action: Reserve Bank of India)

Details of various meetings held during FY 2015-16

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

SEGMENT- 2 (FINANCIAL INCLUSION/ THRUST AREAS)**AGENDA ITEM NO: 99.01****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)**

Progress achieved by concerned FIP participating banks as on 30th September 2015 was taken on record.

Chairman, J&K Bank (Convenor, J&K SLBC) expressed pleasure that both the phases of the Financial Inclusion Plan, i.e. FIP-1 envisaging coverage of 795 identified unbanked villages having population over 2000 and FIP-II envisaging coverage of 5,582 identified unbanked villages having population below 2000, have been successfully accomplished

in the State. He, however, advised that henceforth the facilities that have to flow to these identified villages have to be monitored and appraised to house in the next meeting.

(Action: All FIP participating banks/ SLBC Secretariat)

Regional Director, RBI pointed out that Reserve Bank of India had given the target to the FIP participating banks that 279 villages (being 5% of unbanked villages allotted to these banks) have to be covered through brick & mortar model. But expressed displeasure that despite lapsing of timelines the brick & mortar branches have not come up in the State as per the RBI guidelines. He made it clear that unless sufficient number of the touch points are present on ground, the BCs will not be able to perform efficiently. He stated that since functioning of BCs include replenishing cash, depositing cash, and other such functions, as such, presence of the brick and mortar branches is imperative especially in the context of the peculiar topography of J&K State. The Regional Director impressed upon the FIP participating banks to focus on opening of requisite number of brick & mortar branches in the State. He stated that **General Manager (FIDD) Mr. Ramesh Chand shall be holding one-to-one meetings with all the concerned banks in this regard very shortly.** He advised that concerned banks need to give the timeframe/roadmap for achieving the target of opening requisite brick & mortar branches in the State.

(Action: FIP participating Banks/ RBI)

Chairman, J&K Bank (Convenor, J&K SLBC) stated that against the target of 279 branches banks have opened only 162 branches up to 30th September, 2015. He however expressed his optimism that some more branches must have been opened by the banks by now. Commenting on bank-wise performance, he stated that against target of 164 J&K Bank has covered 117 villages by opening brick & mortar branches, while as SBI against target of 38 branches has not covered any village through brick & mortar model. PNB has covered 2 villages by opening brick & mortar villages against target of 15.

Replying to the query of Commissioner/ Secretary Finance regarding timeframe for achieving the target, Mr. S. K. Bhat, President, J&K Bank informed that J&K Bank intends to open 7 more branches by December, 2015 and by the end of March 2016 the Bank is likely to open 20 more branches.

(Action: J&K Bank)

DGM, SBI informed that SBI has covered one village through brick and mortar model in Jammu district and the bank has identified five more locations to be covered through brick and mortar mode. He assured that SBI is likely to go for recruitment of staff especially for J&K State and expressed optimism that SBI will be able to clear the backlog on this account by March, 2016.

(Action: State Bank of India)

DGM, PNB informed that against the target of 15 branches PNB has opened only 2 branches so far. He, however, assured that by March, 2016 PNB will be opening 10 more branches, which have already been identified.

(Action: Punjab National Bank)

Regional Director, RBI pointed out that the two RRBs of the State J&K Grameen Bank and Ellaquai Dehati Bank, though allocated quite a good number of villages for coverage through brick & mortar mode, will not be able to open new branches owing to their weak financial parameters. He, therefore, desired that other banks like HDFC Bank, ICICI Bank, Central Bank of India, etc. operating in the State need to share that burden and open required number of brick and mortar branches in the allocated areas of these

banks. He advised that re-allocation of villages on this account needs to be done by J&K SLBC in coordination with the banks and the Reserve Bank of India. However, after threadbare discussions it was decided that:

- **Re-allocation of villages pertaining to two RRBs, viz. JKGB and EDB among other banks shall be decided by the Steering Sub-Committee of J&K SLBC to monitor IT-enabled Financial Inclusion, FLCCs and Credit Plus activities.**
(Action: J&K SLBC Secretariat/ concerned banks)

PRADHAN MANTRI JAN DHAN YOJANA (PMJDY) :

The house placed on record that under Pradhan Mantri Jan Dhan Yojana, which was launched by Hon'ble Prime Minister of India for implementation across the country in a mission mode, banks in J&K State have opened 16,90,671 fresh accounts upto 30th September, 2015 and issued RuPay Debit Cards to over 14,19,051 beneficiaries.

AGENDA ITEM NO: 99.02

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

Chairman, J&K Bank (Convenor, J&K SLBC) informed that after successful implementation of the EBT Scheme in six pilot districts of Srinagar, Ganderbal, Jammu, Rajouri, Leh and Kargil where benefits under IGNOAPS are being transferred into the beneficiaries' accounts directly without any manual intervention, the scheme is now being implemented in 5 more districts of Doda, Ramban, Samba, Udhampur and Shopian shortly.

Commissioner/ Secretary Finance pointed out that some departments are facing difficulties regarding Direct Benefit Transfer/ EBT because entire population has not been covered yet. He stated that Government is contemplating to roll out 25 services on EBT basis from 1st of April, 2016, which could be possible only when every individual/ Household shall have the bank account by 31st of March, 2016. He desired the house to fix the target of covering entire population in the State by 31st March, 2016

Regional Director, RBI stated that EBT cannot happen if the beneficiary does not have a bank account. He proposed that since banks need to work in coordination with State Government, therefore, there is need to convene a meeting of all bankers and concerned Government Departments in the State to workout a strategy for ensuring that every beneficiary has a bank account.

Commenting on the number of accounts opened under PMJDY Scheme, Chief Secretary desired to know the exact number of accounts that are actually required to be opened by the banks for the purpose of implementing EBT Scheme in the State.

Commissioner/ Secretary, Housing & Urban Development, Mr. Bipul Pathak pointed out that since all the beneficiaries in the State were required to have bank accounts, it is the responsibility of Social Welfare Department and other concerned departments to advise all their beneficiaries to open their accounts with the banks.

Commissioner/ Secretary Finance stated that Regional Director, RBI needs to convene a meeting in this regard, and prescribe a cut-off date to the concerned Government Departments where-after no cheques will be issued by the Department.

Secretary, Social Welfare commenting on the issue stated that all transactions from State Government to banks take place through electronic mode only. Elaborating his point, he stated that so far as the six pilot districts are concerned, where EBT Scheme is already implemented, the amount is transferred by Director Finance, Social Welfare Deptt., Civil

Secretariat to respective beneficiaries' accounts directly by clicking the button, whereas in the remaining districts the District Social Welfare Officers arrange for transfer of money directly into 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 money directly in their accounts.

Head of Data Centre, J&K Bank, Mr. Shadaab clarified that as for as EBT in 6 pilot districts is concerned, the funds are transferred to the beneficiaries' accounts directly in a seamless and paperless manner by Leader Bank (J&K Bank). These benefits are transferred into beneficiaries' accounts directly irrespective of the bank in which the accounts reside. But as regards other districts, the Social Welfare Department issues cheques / other instruments to District Social Welfare Officers and these transactions are executed through manual intervention.

Chief Secretary observed that EBT for six districts with one service (IGNOAPS) was started in 2013 and two years down the line we are still at six districts and one service, which indicates that virtually no progress has been made since then. He advised that all the beneficiaries should be advised to have a bank account and the benefits should be transferred to their respective bank accounts right from the Secretariat by clicking of button, without any intervention of the District Officers. He directed that District Social Welfare Officers should be advised to ensure that all beneficiaries have their accounts opened with banks within a specified cut-of-date and in case any beneficiary fails to open the bank account, the concerned District Officer should be put to task for the same. He also directed that data validation process should also be expedited and the department should send files to the bank and ensure that the same are validated within a reasonable time line.

- **After threadbare discussions it was decided that a meeting of all stakeholders, viz. Concerned Government Departments and banks will be convened shortly under the chairmanship of Chief Secretary, J&K State wherein the issue will be sorted out.**

(Action: State Government)

Seeding of Aadhaar numbers to bank accounts:

Regional Director, RBI stated that Aadhaar Cards are very effective and necessary for implementation of EBT Scheme, but in J&K State the Government has issued Aadhaar cards to only 49% of the population so far. Observing that in other states some banks have also been authorized by the Government to issue Aadhaar Cards he stated that Government can also take the help of banks in this regard, if required.

Executive President, T&ISD Department, J&K Bank, Mr. Vagesh Chander informed that J&K Bank has enabled its ATM network for seeding of Aadhaar numbers in the bank accounts, which is presently under testing and will take 4-6 weeks to be fully operational. He clarified that the customer need not go to the bank branch, but whenever he visits the J&K Bank ATM and makes a transaction an option will come on the screen where he can punch his Aadhaar Number for being seeded into his account.

Chief Secretary, J&K State observed that even though Aadhaar cards have been issued to only 49% of the population of State, but seeding of Aadhaar numbers to the bank accounts will not be more than 8-10%. **He advised that this issue shall be discussed in the meetings to be convened for the purpose of EBT and the Secretary, IT, J&K Govt. be also invited to participate in the said meetings.**

(Action: State Government)

AGENDA ITEM NO: 99.03**100% COVERAGE OF FARMERS IN J&K STATE UNDER KCC SCHEME:**

Commissioner/ Secretary, Agriculture Production, J&K Govt. pointed out that banks are yet to achieve 100% coverage under KCC in the State and that PNB has not accomplished its target prescribed by the SLBC in 96th meeting. He also stated that rejection rate of the KCC cases continues to be very high. Pleading for extension of the timeline for accomplishing 100% coverage of Farm Operating Families in the State, he stressed the need that banks should also ensure flow of credit to the farmers through the KCC mechanism and desired that whatever number of KCCs have been issued by banks, should be put on-line, so that the data is shared by all the stakeholders.

Chairman, J&K Bank (Convenor, SLBC) Mr. Mushtaq Ahmad stated that against the target of 9,81,449 Farm Operating Families prescribed by Agriculture Production Department, 8,94,983 families have already been provided with KCCs upto the end of September, 2015, which constitutes 91% of the target, thus leaving a shortfall of 86,466 Farm Operating Families. He expressed optimism that banks will be able to cover this shortfall by 31st December, 2015.

Chief Secretary, J&K State advised that the issue of high rejection level needs to be analyzed and it should be ascertained whether these rejected case can be reconsidered or not. The Chief Secretary desired to know whether there is any legal or procedural hitch in sharing the data relating to KCCs with the Agriculture Department and in putting the same on the website, so that the Department could also come to know about the borrowers who have availed the loans.

Assistant Vice President (LBD/J&K SLBC) pointed out that it would not be possible for the banks to disclose the information, as the secrecy of clients has to be maintained.

Commissioner/ Secretary HUDD observed that banks may not be able to share the credit information, but at least the names can be shared with the Government in respect of those who have taken the loan under KCC.

Regional Director, RBI stated that whatever information is sharable, it should be put on the J&K SLBC website, which is accessible to all.

(Action: J&K SLBC Secretariat)

Chairman, J&K Bank (Convenor, SLBC) pointed out that in case Government feels there are issues relating to KCC, a meeting of the banks and the department should be convened to sort out the same as was done earlier for reconciliation of the cases sponsored by the State Government and those sanctioned by banks.

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

Commissioner/ Secretary, Agriculture Production pointed out that in terms of the Budget Speech of Hon'ble Finance Minister the State Government had sought details on waiver of KCC loans wherein outstanding as on 31st March, 2015 was less than Rs.1.00 lakh, which is still awaited. He stated that the clarifications sought by banks have already been conveyed and requested that the requisite data be provided to the Government at the earliest, to enable the Government to take further action in the matter.

(Action: J&K SLBC Sectt./ Member Banks/Agriculture Prod. Deptt.)

AGENDA ITEM NO. 99.04**Branch Expansion Plan of banks in J&K State:**

Chairman, J&K Bank (Convenor, SLBC) informed the house that against the aggregate Branch Expansion Plan of 234 branches for CFY (2015-16) only 11 branches have been opened in the State so far, which was not satisfactory. Attributing it to scarcity of staff

with almost all banks operating in the State, he expressed optimism that since every bank is now quite serious about their recruitment programme in the State, the process of branch expansion in the State would go faster henceforth.

- **Concerned banks were advised to ensure opening of new branches in the State as per the approved Branch Expansion 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: 99.05

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

The House placed on record that during first half of the CFY (2015-16), a total of 809 Financial Literacy Camps were organized in which 62,370 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 2,888 persons out of which 1,878 persons have started their business ventures.

FINANCIAL LITERACY INITIATIVES BY RURAL BRANCHES OF BANKS:

The house also placed on record that 899 rural branches of 18 banks operating in the State have conducted 1,681 financial literacy camps during first half of the CFY 2015-16 in which 56,715 persons participated, against the target of holding 2,697 camps, which was not considered satisfactory.

- **Controlling offices of banks were again advised to reiterate necessary instructions to their rural branches operating in J&K State for strictly complying with the regulatory guidelines in this regard.**

(Action: All Member Banks)

AGENDA ITEM NO: 99.06

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

The house placed on record that against annual target of holding 392 programmes covering 10,450 candidates for CFY (2015-16), RSETIs have organized 158 programmes upto 30th September, 2015 wherein 4,051 candidates have been provided training thereby achieving 40% of the annual target. The house observed that concerned banks need to put in more efforts to improve the position and achieve the target fixed for the CFY.

Chairman, J&K Bank (Convenor, SLBC) pointed out that State Bank of India had some problem with regard to operationalizing of RSETI Kargil and sought progress from SBI on that account.

DGM, SBI informed that their Corporate Centre has taken a stand that RSETI at Kargil would not be feasible owing to various reasons, i.e. the District Administration has not been able to provide land for setting up the RSETI at Kargil, no premises is available there on rent for establishing the RSETI. Kargil remains cut off from rest of the State for several months due to snow fall and people migrate to Jammu and Srinagar during that period and majority of youth go out of Kargil for higher studies.

Expressing his disagreement with the contention of SBI, Chairman, J&K Bank stated that J&K Bank has got so many branches there, its Cluster Office and Currency Chest is functioning there. Disagreeing with the plea of SBI that Kargil remains cut off from rest of the State during the winter months, Chairman, J&K Bank offered that in case SBI is finding it difficult to have premises for RSETI in Kargil, J&K Bank could extend its help by

advising its Cluster Office there to find premises for SBI. He stated that delaying the RSETI in a district like Kargil is not acceptable.

Expressing his agreement with the observations of Chairman, J&K Bank, the Chief Secretary Mr. B. R. Sharma stated that there are various Colleges operating at Kargil and University Campus is being opened there.

Regional Director, RBI observed that even if we agree that Kargil remains cut off from rest of the State during the winter months, it is all the more important to have an RSETI established there to cater to the needs of those people. He advised that SBI should take concerted measures to make the RSETI in District Kargil operational as soon as possible.

(Action: State Bank of India)

STATUS REGARDING ALLOTMENT OF LAND BY STATE GOVERNMENT TO RSETIs:

The house noted with concern that State Government has not so far allotted land in favour of the RSETIs, as a consequence all RSETIs are operating from rented premises and these RSETIs have forfeited release of the one-time grant / assistance of Rs.1.00 Crore from Government of India for construction of building and furniture for each RSETIs, as the same is subject to allotment of land by the State Government.

- **State Government was again requested to take necessary measures for allotment of land to the RSETIs without any further delay.**

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

SEGMENT- 4 (PERFORMANCE REVIEW OF BANKING SECTOR)

AGENDA ITEM NO: 99.07

BANK-WISE/ SECTOR-WISE/ REGION-WISE ACHIEVEMENTS IN LENDING TO PRIORITY SECTOR UNDER ANNUAL CREDIT PLAN 2015-16:

The house noted that during first half of the CFY 2015-16 banks have extended total credit of Rs.8,080.21 Crore in favour of 2,14,155 beneficiaries (both under Priority as well as Non-priority Sectors) against the target of Rs.23,605.23 Crore for 8,83,458 beneficiaries under Annual Credit Plan 2015-16, thereby registering achievement of 34.23% in financial terms and 20.24% in physical terms.

This includes Priority Sector credit of Rs.5,023.48 Crore disbursed by banks in favour of 1,72,268 beneficiaries against the annual target of Rs.14,804.83 Crore for 8,16,524 beneficiaries (33.93% achievement in financial terms) and Non-priority sector credit of Rs.3056.73 Crore in favour of 41,887 beneficiaries against annual target of Rs.8,800.40 Crore for 2,41,382 beneficiaries (34.73% achievement in financial terms).

Chairman, J&K Bank (Convenor, SLBC) observed that although the achievement is comparatively better than the H1 achievement of last year at 28%, but it is still less than the 50% mark as was required to be achieved at the half year end.

Credit by Institutions:

Chairman, J&K Bank (Convenor SLBC) observed that degree of performance has remained different with different banks, i.e. J&K Bank has achieved 39.92% of its target, followed by PNB with 39%, SBI with 27%, Other commercial banks with 29.70%, Cooperative Banks with 19.89% and RRBs with 16.91% during the period under review.

Commissioner/ Secretary, Agriculture Production pointed out that performance of SBI and J&K State Cooperative Bank has not remained satisfactory and asked for the reasons from the concerned banks for such a low performance.

DGM, SBI informed that they have already assured Reserve Bank of India that SBI will take necessary measures to improve their performance in the State under priority sector, which is likely to take some more time.

Regional Director, RBI confirmed that the Zonal Head SBI had been called to RBI recently and he has assured that SBI will make serious efforts to improve the performance in the State, which is being monitored by RBI. He directed SBI that **by March, 2016 their performance must be nearer to the ACP target.**

(Action: State Bank of India)

Chief Secretary, J&K Government suggested that RBI should fix specific bench marks for banks at the state-level for disbursement of credit in such a way that in the event of their failure to achieve those bench-marks the banks could be penalized.

Regional Director, RBI clarified that RBI guidelines provide that out of total credit flow, 40% should be in priority sector and if the banks fail to achieve that 40% benchmark in priority sector they have to invest the amount equivalent to the deficit with NABARD under Rural Infrastructure Development Fund (RIDF), but these bench-marks are required to be maintained at Corporate Level and not at the state-level. However, commenting on the suggestion of Chief Secretary the Regional Director, RBI stated that in some States there is a Committee constituted for deciding parking of government funds with various banks operating there and if a particular bank does not perform to the satisfaction of State Government, that bank is deprived of the government fund as a mark of penalty.

DGM, SBI pointed out that under priority sector lending the NPA level is very high and the banks do not get support from the Government in recovery of dues, as a result the banks generally lend very cautiously under Priority Sector.

Chief Secretary, J&K Govt. expressed concern that **lending of the banking sector in the State under Housing and Education Sectors has been extremely low**, which requires focused attention of the banking sector.

Commissioner/ Secretary Finance pointed out that in the 98th SLBC meeting it was strongly debated that banks are not taking adequate measures for enhancing flow of credit to Education and Housing Sectors. He also stated that he has been discussing the issue with J&K Bank every month that enough measures are not being taken to attract customers for Housing Loans although we see constructions taking place everywhere in the State. He stated that J&K Bank despite having about 6.00 lakh accounts of Government Employees has disbursed only Rs.19.98 Crore under Housing Sector during first half of the CFY whereas SBI has performed comparatively better with disbursement of Rs.47.92 Crore during the said period.

Executive President (LBD/SLBC) Mr. S. S. Sehgal informed that in pursuance of the decision taken in the 97th SLBC meeting, a meeting of the Sub-Committee comprising of major banks, NABARD and National Housing Bank was convened on 28th of October, 2015 at J&K Bank, Corporate Headquarters, Srinagar, wherein the issue of low performance of banks under Education and Housing Sectors was discussed threadbare and various initiatives were worked out with the objective of enhancing flow of credit to

these two sectors. He stated that minutes of said Sub-Committee are being circulated to all members for compliance.

Chairman, J&K Bank advised Sr. President (S&BD/Credit) to look into the matter immediately and make an analysis of what is the total exposure in the Housing Sector for the J&K Bank as well as other banks operating in the State and keeping in view the available scope and potential under Housing Sector, fix target for J&K Bank, so that bank's lending under this sector is fairly enhanced during remaining period of the CFY.

(Action: S&BD/ A&AP, J&K Bank)

Regional Director, RBI stated that in terms of instructions of the Governor, RBI, Reserve Bank of India is also going to do a study on this issue. He pointed out that for Housing Loans the documentation is a hassle, that is why availing of personal/ consumption loans by the borrowers gets encouraged.

Commissioner/ Secretary, Housing & Urban Development also pleaded that land documentation is one of the biggest hassles associated with availing of Housing Loans not only for urban areas but also for the rural areas of the State, where people find it difficult to obtain revenue documents of their land, as a result the people find it easier to avail consumption loan, which although comes at a higher pricing but has no documentation hassles.

He highlighted that recently Govt has launched the new scheme named "**Housing for All**" wherein one component is '**Credit-linked subsidy**' for which Housing Board and the District Urban Development Agency (DUDA) are the Nodal / implementing agencies. For Srinagar and Jammu the cases shall be sponsored by Housing Board whereas for other districts the cases shall be sponsored by DUDA. He however, pointed out that although these agencies have already identified the beneficiaries and finalized the documentation, but it has been informed that banks are not accepting these cases, which need to be looked into by the house and banks be directed to entertain the cases.

Regional Director, RBI advised that all the banks operating in the State should look into this aspect.

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

Commissioner/ Secretary, Industries & Commerce Mr. Shailendra Kumar, invited attention of the house to Non-priority Sector lending and pointed out that Medium Industries has received just 7% of the credit share during the H1 of CFY, which is a matter of concern. He **suggested that a Working Group be constituted** to devise strategy as to how lending under this segment could be substantially enhanced. He stressed that MSMEs is the sector which has got enough scope for creating employment opportunities in the State, therefore this sector needs focus. He also suggested for devising a mechanism whereby monthly meetings of the prospective entrepreneurs with the major banks operating in the State should take place to discuss and sort out various issues like the kind of industries the entrepreneurs contemplate to set up in the State, the interest rates the banks would be charging for the credit facilities to these entrepreneurs, etc.

Chairman, J&K Bank (Convenor, SLBC) stated that the targets fixed under the ACP are very much on the lower side and there is urgent need to strategize what is the potential and what the target should be.

Sr. President (Credit), J&K Bank Mr. S. K. Bhat pointed out that there is already an Empowered Committee on MSMEs in the State, which is monitored at RBI level.

Regional Director, RBI confirmed that the Empowered Committee on MSMEs is already there and its meetings are co-chaired by Regional Director, RBI and the Commissioner/Secretary, Industries & Commerce, J&K Govt. **He assured that meeting of said Committee shall be convened soon for discussing the issue.**

(Action: **Reserve Bank of India**)

AGENDA ITEM NO: 99.08

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, the achievement at the end of September, 2015 under four major Government Sponsored Schemes, viz. NRLM, PMEGP, NULM and SC/ST/OBC has been of the order of Rs.40.21 Crore spread over 1,696 beneficiaries, thereby registering achievement of just 23% in financial and 16% in physical terms. The achievement was not considered satisfactory.

- **All member banks were advised to improve their performance under this segment during the remaining period of the CFY.**

(Action: **All Member Banks/ Sponsoring Agencies**)

AGENDA ITEM: 99.09

PERFORMANCE UNDER HANDICRAFTS/ HANDLOOMS:

Handicrafts/ ACC Scheme:

The house noted that against target of Rs.271.68 Crore for 26,287 beneficiaries for the CFY 2015-16, banks have disbursed an amount of Rs.26.79 Crore to 2,614 beneficiaries upto the end of September, 2015, which includes 524 sanctioned cases of previous financial year, indicating dismal achievement of just 10%.

Commissioner / Secretary, Industry & Commerce pointed out that there is an outstanding of about Rs.24.00 Crore as interest subsidy against the State Government and proposed that until that said outstanding is cleared, no new cases under this scheme should be sanctioned by banks. He informed that the Government is already in consultation with the Planning and Finance Departments on the issue and until some solution is reached, no further cases be sanctioned at least this year, lest the outstanding amount would swell further due to application of interest. He further pleaded that in case this scheme is to go on then the allocation of funds from Finance Department for the same shall have to be enhanced from the existing Rs.1.00 Crore.

Chief Secretary, J&K Government stated that the decision to stop sanctioning of cases under the Scheme shall have to be communicated by the Government and not by the banks. He directed that the scheme should be temporarily put on hold, during which its continuance or otherwise should be examined. He directed that Government should get necessary feedback from banks in this regard.

Chairman, J&K Bank (Convenor, SLBC) pointed out that while taking the decision to put the scheme on hold State Government should keep in consideration the 3,50,000 population of artisans in J&K State. He asked, even if the scheme is put on hold by the Government, what would be the fate of subsidy cases which are already pending and on account of that the accounts have turned NPA.

(Action: **Comm./Secretary Finance, Comm./ Secretary, Ind.& Com., J&K Govt.**)

Handlooms Schemes:

Achievement of banks at the end of September, 2015 was placed on record by the house.

Agenda Item No.99.10**Self Help Group Scheme:**

The house placed on record that upto the end of September, 2015 cumulative position of Self Help Groups formed in the State stood at 15,877, out of which 14,261 SHGs were savings linked and 10,687 SHGs have been credit-linked by the banks so far and loans to the extent of Rs.74.37 Crore were disbursed by banks in favour of the said SHGs.

Progress was not considered satisfactory and banks were advised to improve the position during the remaining period of the CFY.

(Action: All member banks)

Director, SLRM, Dr. G. N. Qasba pointed out that there are two agencies doing the SHG programme, one is the SLRM for which targets are fixed by Ministry of Rural Development, Gol. He stated that performance of that programme as at the end of September, 2015 in the State has remained quite satisfactory. He, however, pointed out that parallel to this NABARD is also doing SHG promotion in the State where under performance has not been satisfactory. He stated in the 98th SLBC meeting a Sub-Committee was set up under the Chairmanship of General Manager, NABARD to monitor the orderly and balanced growth of SHG-Bank Linkage Programme. He pointed out that the said Sub-Committee had to meet at quarterly intervals but it has not met so far and requested that meetings of the said Sub-committee be convened soon, so that the issues coming in the way of SHG Scheme are sorted out.

The house directed that NABARD should initiate necessary measures for convening meeting of the said Sub-Committee as soon as possible. Representative of NABARD assured that the issue shall be taken up with SLBC Secretariat soon.

(Action: NABARD)

AGENDA ITEM: 99.11**BANK CREDIT AT A GLANCE (OVERVIEW OF CREDIT SCENARIO IN J&K STATE)
STATISTICAL DATA OF VARIOUS BANKS IN J&K AS AT END OF SEPTEMBER, 2015:**

The Chairman, J&K Bank (Convenor SLBC) informed the house that total advances of all banks operating in the State stood at Rs.39,372.43 Crore as on 30th September, 2015 against Rs.34,398.97 Crore as at the corresponding period of previous financial year thereby recording YoY growth of 14.45%, while as total deposits in the State as on 30th September, 2015 stood at Rs.79,791.53 Crore against Rs.72,767.21 Crore as on corresponding period of previous year, indicating YoY growth of around 9.65%. As a result of this healthier credit growth C. D. Ratio has improved from 47.27% as on 30th September, 2014 to 49.34% as on 30th September, 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.24,778.58 Crore comprising 63% of total outstanding credit of Rs.39,372.43 Crore as at the end of September, 2015. The share of SBI is Rs.5,879.64 Crore (15%) and that of PNB is Rs.1,406.51 Crore (4%).

House noted that C.D. Ratio of J&K Bank has improved from 49.25% as on 30.9.2014 to 51.59% as on 30.9.2015 and that of SBI it has improved from 46.86% to 52.46% but in case of PNB it has drastically declined from 33.88% to 25.92% on YoY basis.

As regards the RRBs, it was noted that the C.D. Ratio of EDB has improved from 48.60% as on 30.09.2014 to 56.05% as on 30.09.2015 while as in respect of JKGB it has slightly declined from 44.97% to 44.70%. 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.

- **Banks operating in the State were advised to make concerted efforts to improve their CD Ratio to ensure that the National benchmark of 60% Credit Deposit Ratio is achieved in the State as soon as possible.**
(Action: All member banks)

AGENDA ITEM NO: 99.12**FLOW OF CREDIT UNDER CREDIT GUARANTEE FUND TRUST SCHEME FOR MSMEs:**

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

Commissioner/ Secretary, Industries & Commerce observed that progress under CGTSME Scheme is not satisfactory and keeping in view that the credit is guaranteed by Government of India, substantial progress should have been made under this scheme.

All the banks operating in the State were advised to take necessary measures to improve their performance substantially under the Scheme.

(Action: All member banks)

AGENDA ITEM NO: 99.13**FLOW OF CREDIT IN MINORITY CONCENTRATED DISTRICTS:**

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

AGENDA ITEM NO: 99.14**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 district-wise position of CD Ratio was taken on record. House observed with concern that 10 districts of the State, (i.e. Udhampur, Reasi, Jammu, Doda, Ramban, Kishtwar, Poonch, Rajouri, Leh and Kargil) continue to have subdued Credit Deposit Ratio.

- **Concerned LDMs were directed to ensure that the issue is strongly taken up in the meetings of Special Sub-Committees of DLCC to ensure that the C.D. Ratio of these districts is improved substantially.**

(Action: Concerned Lead District Managers)

AGENDA ITEM NO: 99.15**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 formed 470 JLGs in the State upto end of September, 2015, out of those 366 JLGs were credit-linked and an amount of Rs.551.06 lacs was disbursed by the banks in their favour. It was noted that SBI, HDFC Bank, ICICI Bank and Punjab & Sind Bank have not indicated any progress regarding JLGs though the individual targets were conveyed to the said banks in time.

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

(Action: All Member Banks)

AGENDA ITEM NO: 99.16**Swarozgar Credit Card Scheme – target for the year 2015-16:**

The house expressed concern that although Swarozgar Credit Card (SCC) Scheme was introduced in September, 2003 for providing adequate, timely and uninterrupted credit and NABARD is the Nodal Agency for implementation of the same, but during Q2 of the CFY no progress has been recorded by the banks under this scheme.

- **Concerned banks were advised to put in serious efforts to ensure that targets allocated are fully achieved during the remaining part of the CFY.**

(Action: All concerned banks)

AGENDA ITEM NO: 99.17**Recommendations of the Committee for strengthening Negotiable Warehouse Receipts (NWRs) by WDRA in the country – data reporting by banks:**

The house noted that RBI vide Circular dated 31.7.2015 addressed to Scheduled Commercial Banks have advised to furnish quarterly data on pledge financing against NWRs to farmers from centralized database as per prescribed format (Excel Template) to the respective SLBC Convenor Banks for review with a copy to respective Regional Offices of RBI within 20 days from end of each quarter - beginning the quarter ended September, 2015. As per RBI guidelines, the data shall also be reviewed in DCC/DLRC meetings through the LDMs of the State.

It was noted that despite instructions and continuous follow-up from SLBC Secretariat only a few banks had submitted the data. Therefore, all member banks were advised to observe strict compliance in the matter and submit the requisite data to SLBC/ RBI on quarterly basis regularly henceforth.

(Action: All member banks)

AGENDA ITEM NO: 99.18**Hon'ble Prime Minister's address to Nation on Independence Day regarding Start-up India Programme:**

It was noted that the 'Start-up India' Programme was launched by Hon'ble Prime Minister during his Independence Day address to the nation, envisaging that every branch must resolve to disburse loans for start-ups to the tribals in the locality (where there is any tribal habitation) and where there is no tribal habitation the bank branches can provide loans/ financial support to a dalit or a tribal, thus 1.25 lakh dalit entrepreneurs shall come up.

Since the RBI has advised that the above programme is in alignment with and complimentary to RBI existing instructions to increase credit flow to the micro sector and RBI priority Sector lending guidelines, therefore, banks have been advised to take appropriate action to implement the directions of Hon'ble Prime Minister for extending credit to tribal / dalit / women entrepreneurs through each of their branches, the progress whereof shall be monitored by SLBCs in their meetings regularly and progress report submitted to RBI commencing from December 31, 2015.

- **All member banks were advised to adhere to the guidelines of the programme and report progress to SLBC on quarterly basis for onward transmission to RBI.**

(Action: All member banks)

Agenda Item No: 99.19**Mortgage of project land in case of Mini and Micro Hydro Power Projects in the State of J&K:**

Sr. President, J&K Bank Mr.S.K.Bhat stated that J&K Bank is in the process of sanctioning some mini and micro hydle power projects and a lot of investment is pending.

He further stated that banks face problems while creating / executing charge on the fixed assets of the projects because of the clause stipulated by the Forest, Environment and Ecology Department (Agency which permits use of the forest land for construction of power project) in their intent letter that the forest land on which the project is set up/ commissioned cannot be mortgaged, reassigned, leased or subleased to any agency”.

Seeking attention of State Government the Sr. President J&K Bank requested the State Government to revisit the clause stipulated by Forest Department, so that banks do not face any problem in creating the mortgage on the financed assets and funding of such projects by the banks is not hampered.

Commissioner/ Secretary, Ind. & Com. Mr. Shailendra clarified that banks want permission of the State Government for mortgaging the forest land, which is not possible under the law.

However, Commissioner / Secretary, Housing & Urban Development Mr. Bipul Pathak presenting his view point in the matter stated that while financing a micro hydle power project the banks fundamentally securitize the future revenues from the power, therefore, there was no need for banks to create a charge over the forest land or for that matter any other land in the project.

Summing up deliberations on the issue Chairman, J&K Bank (Convenor, SLBC) stated that these are the issues that could be discussed and sorted out bilaterally and not at the SLBC level. He advised the Sr. President (Credit), J&K Bank to discuss the issue with the State Government separately for sorting it out.

(Action: J&K Bank)

Agenda Item No: 99.20

Capacity Building Training of the Banking Correspondents (BCs):

The house was informed that for successful implementation of Financial Inclusion Plan (FIP), Indian Banks' Association (IBA) emphasizes the need and importance of training and capacity building, has advised that all the Banking Correspondents (BCs) should be certified by Indian Institute of Banking and Finance (IIBF). For that purpose the BCs have to be trained, so that they are equipped to pass the on-line examination being conducted by IIBF. The trainings are to be imparted by Directors of RSETIs & In-charges of FLCs and the expenditure on account of training, travel, Registration fee and other related expenditure would be borne by concerned banks.

The House was also informed that Department of Financial Services, MoF, Govt vide their communication bearing F.No.21(14)/2014-FI(MISSION OFFICE) dated September 14, 2015 has advised all banks to draw a roadmap for completing the certification process of their BCs through IIBF before 31st December, 2015, beyond which the BCs shall not be allowed to function. It was decided that:

- **All the banks having engaged BCs in J&K State shall ensure that all the BCs are got trained and subsequently certified by IIBF before December 31, 2015.**

(Action: All FIP participating banks)

AGENDA ITEM NO: 99.21

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

Chief Secretary, J&K Government enquired about the non-issuance of Notification for the CFY (2015-16) by the Agriculture Production Department for coverage under NCIP Programme.

Responding to it the Commissioner/ Secretary, Agriculture Production Department stated that the issue is under examination with the Finance and Planning Departments.

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

AGENDA ITEM NO: 99.22

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

Representative of Sheep and Animal Husbandry Department, stated that in 2014 a target of 1,052 cases was prescribed by the department which was approved by the J&K SLBC also. He stated that cases sponsored to banks were not sanctioned but were returned to the department citing flimsy grounds like ‘**guidelines not received from the Corporate Offices**’ or “**does not fall within our jurisdiction**” etc.

Regional Director, RBI observed that rejection of cases by banks on flimsy grounds is not acceptable and advised that such cases should be referred to RBI for being looked into.

However, Vice President (J&K SLBC) informed the house that Deptt. of Animal Husbandry, Kashmir vide their letter No. DAHK/Tech/N-154/11343-44 dated 13.11.2015 have conveyed that **the scheme has been withdrawn by the Gol and subsumed with AKVY from the CFY**, as such, the agenda item may be dropped.

AGENDA ITEM NO: 99.23

Pradhan Mantri MUDRA Yojana (PMMY) for PSBs:

House noted that under Prime Ministers MUDRA Yojana banks have disbursed a total amount of Rs.545.17 Crore against target of Rs.4,712.43 Crore as at the end of September, 2015, constituting achievement of 11%, which included Rs.23.18 Crore under Shishu category, Rs.368.80 under Kishore category and Rs.153.19 under Tarun Category. The achievement was not considered satisfactory.

Commissioner/ Secretary, Industries & Commerce pointed out that MUDRA Scheme is a non-starter in J&K State and desired that MUDRA should be clubbed under MSMEs Sector in the ACP 2015-16 through a mid-term review.

(Action: LDMs /Member Banks)

Supplementary Agenda Item No. 99-S-01

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

House noted that banks operating in J&K State have recorded a total of 8,11,371 enrolments upto 10th November, 2015, which include 2,57,867 under PMJJBY, 5,48,696 under PMSBY and 4,808 enrolments under APY. Major contributors in J&K State are J&K Bank with 3,74,076 enrolments, SBI with 1,61,239 enrolments, Ellaquai Dehati Bank with 65,436 enrolments, J&K Grameen Bank with 64,387 enrolments and Punjab National Bank with 60,040 enrolments.

Secretary, Social Welfare, J&K Govt. pointed out that performance of banks in the State has not remained satisfactory. He requested that banks need to be proactive in promoting these schemes in the State. He highlighted that J&K is the only State in the country which has launched the AASRA Scheme wherein State Government will be depositing premium on behalf of the families whose annual income is upto Rs.75,000/-. He further desired that banks operating in the State be advised to work in coordination with the District Social Welfare Officers for organizing awareness camps across the State.

It was pointed out that a meeting with the Director Finance, Social Welfare Department was held on 29th October, 2015 in Civil Secretariat, Srinagar to discuss the implementation of the scheme by J&K Bank and it was decided that the Director Finance, Social Welfare Department will call another meeting of all the concerned after the Secretariat opens in Jammu for smooth implementation of the scheme.

- **All member banks were directed to make concerted efforts for promotion of these schemes, so that enrolment of people under these schemes is substantially improved.**

(Action: All Member Banks)

Supplementary Agenda Item No. 99-S-02
Calendar of SLBC meetings for the Calendar Year 2016:

The yearly calendar of SLBC meetings to be held during the Calendar year 2016 prepared in terms of RBI directive vide No. RBI/2010-11/343 dated December 29, 2010, was approved by the house.

VOTE OF THANKS

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

Assistant Vice President
(LBD/ J&K SLBC)

Annexure-A
List of participants of 99th meeting of J&K SLBC held on 16th November, 2015 at Jammu

S.No.	Name of participant	...	Designation / Department
S/Shri:			
Convenor			
1.	Mushtaq Ahmad	...	Chairman & CEO, J&K Bank
Chief Guest			
2.	B. R. Sharma (I.A.S.)	...	Chief Secretary
Government of J&K			
3.	Naveen Chowdhary (I.A.S.)	...	Commissioner/ Secretary Finance
4.	Bipul Pathak (I.A.S.)	...	Commissioner/ Secretary, Housing & Urban Development
5.	Shailendra Kumar (I.A.S.)	...	Commissioner/ Secretary, Ind.& Com./ Labour & Empl.
6.	M. Ashraf Bukhari (I.A.S.)	...	Commissioner/ Secretary, Agriculture Production
7.	Sanjeev Verma (I.A.S.)	...	Secretary, Social Welfare
8.	Athal Sethi	...	Addl. Secretary Law & Parliamentary Affairs
9.	P. K. Bhat	...	Addl. Commissioner, Commercial Taxes
10.	Bashir Ahmad Bhat	...	Director Resources, Finance Department
11.	M. Shafi Dar	...	Dy. Secretary to Govt. Information & Technology
12.	M. S. Sheikh	...	Special Secretary Finance
13.	Nazim Khan	...	Director, Industries & Commerce, Kashmir
14.	Gazanfar Ali	...	Director, Handicrafts
15.	Rajesh Sharma	...	Director, Handlooms
16.	M. L. Raina	...	Director, Rural Development, Jammu
17.	Dr. G. N. Qasba	...	Director, S.R.L.M.
18.	P. K. Sharma	...	Director Horticulture, Kashmir
19.	Ataf Andrabi	...	Director Agriculture, Kashmir
20.	Dr. S. S. Jamwal	...	Director Agriculture, Jammu
21.	Dr. M. I. Parray	...	Director, J&K EDI
22.	Mushtaq Peerzada	...	Registrar, Cooperatives
23.	Amit Sharma	...	MD, J&K SIDCO
24.	Dr. Naheed Soz	...	MD, J&K Women's Development Council
25.	Manoj Kumar	...	Joint Director (P), Animal & Sheep Husbandry Deptt.
26.	Dr. Mushtaq Ahmad	...	Joint Director, I&C, Jammu
27.	Jyoti Salathia	...	Joint Director, Employment
28.	M. L. Chadgal	...	Addl. Director, Sericulture
29.	Mir Afroz	...	Secretary/CEO, KVIC
30.	Yashpal Singh	...	Dy. Director, KVIC
31.	G. Q. Khatana	...	Divisional Manager, J&K SC/ST/OBC
32.	Sourab Bhatia	...	Computer Programmer, Social Welfare Department
Reserve Bank of India			
33.	Dr. D. Sethy	...	Regional Director (J&K),
34.	Ramesh Chand	...	General Manager (FIDD), R.O. Jammu
NABARD			
35.	Sanjeev Dhamija	...	DGM, NABARD, Jammu
36.	Sukhvinder Bhatia	...	DGM, NABARD, Jammu
Convenor Bank (J&K Bank)			
37.	Vagesh Chander	...	Executive President (T&ISD),
38.	Surjeet Singh Sehgal	...	Executive President (LBD/SLBC),
39.	S. K. Bhat	...	Sr. President (Credit/S&BD),
40.	Arvind Gupta	...	Vice President, Zonal Office Jammu (Central)
41.	Narjay Gupta	...	Vice President (LBD/SLBC), CHQ.
42.	Manzoor Ahmad Rather	...	Vice President (A&AP), CHQ.
43.	Gulzar Ahmad	...	Asstt. Vice President (LBD/SLBC), CHQ.
44.	Ataf Ahmad Zargar	...	Executive Manager, Financial Inclusion Deptt.
45.	Shadab Mehboob	...	Head, Data Center, CHQ.
Financial Institutions			
46.	Pawan Kumar	...	DGM, J&K Development Finance Corporation
47.	Karunish BA	...	Manager, J&K State Financial Corporation
Commercial Banks			
48.	A. K. Singh	...	DGM, State Bank of India
49.	B. S. Raina	...	Circle Head, Punjab National Bank

50.	A. S. Kohli	...	R.H. Bank of Baroda
51.	R. K. Swan	...	DGM, Canara Bank
52.	R. K. Sharma	...	DGM, UCO Bank
53.	Satpal Sharma	...	Distt. Coordinator, Punjab National Bank
54.	M. K. Bhat	...	Chief Manager, State Bank of India
55.	Rakesh Ranjan	...	Chief Manager, Canara Bank
56.	Bhupendra Singh	...	Chief Manager State Bank of Patiala
57.	Satish Tagra	...	Chief Manager, Central Bank of India
58.	Puneet Gupta	...	Chief Manager, Amritsar Zone, Bank of India
59.	R. K. Bhat	...	Chief Manager, Union Bank of India
60.	Rajinder Mugloo	...	Sr. Branch Manager, Oriental Bank of Commerce
61.	Gaurav Kumar	...	Officer, Bank of Baroda
62.	Vishesh Bangotra	...	Officer, Punjab & Sind Bank
63.	R. K. Sarin	...	Sr. Manager, Allahabad Bank
<u>Private Sector Banks</u>			
64.	Sachin Mahajan	...	Cluster Head, HDFC Bank
65.	Vivek Gupta	...	Cluster Head, ICICI Bank
66.	Pankaj Sharma	...	CSDL (Yes Bank)
67.	Ashutosh Singh	...	AGM, IDBI Bank
<u>Regional Rural Banks</u>			
68.	R. K. Chhibber	...	Chairman, J&K Grameen Bank
69.	Parvinder Bharti	...	Chairman, Ellaquai Dehati Bank
70.	I. K. Raina	...	RM, EDB, Jammu
<u>Cooperative Banks</u>			
71.	B. A. Lone	...	MD, Baramulla Central Cooperative Bank
72.	Ashok Goswamy	...	MD, Citizen's Cooperative Bank, Jammu
73.	M. Y. Sheikh	...	DGM, Anantnag Central Cooperative Bank
74.	Kuldeep Malhotra	...	AGM, Jammu Central Cooperative Bank
<u>National Housing Bank</u>			
75.	Aditya Sharma	...	Regional Manager, National Housing Bank
<u>Insurance Companies</u>			
76.	D. S. Motten	...	Sr. DM, Oriental Insurance Company
77.	Dr. Shiv Lal	...	Sr. DM, National Insurance Company
78.	V. K. Anand	...	Sr. DM, New India Assurance Company Ltd.,
79.	M. L. Verma	...	Divisional Manager, United India Insurance Company
80.	H. L. Pandita	...	Sr. Branch Manager, Life Insurance Corporation of India
81.	S. L. Bhagat	...	Manager, Life Insurance Corporation of India
82.	Ashwani Bhat	...	Field Officer, Agriculture Insurance Corporation
<u>Lead District Manager</u>			
83.	Mushtaq Ahmad Bhat	...	LDM, Srinagar
84.	Faizullah Qureshi	...	LDM, Ganderbal
85.	Shahzad Hussain	...	LDM, Budgam
86.	Javed Ahmad Qureshi	...	LDM, Baramulla
87.	Imtiaz Ahmad Khan	...	LDM, Bandipora
88.	Imtiyaz Ahmad	...	LDM, Kupwara
89.	Mufti Gh. Mohammad	...	LDM, Anantnag
90.	Gh. Nabi Dar	...	LDM, Kulgam
91.	Gulam Jeelani Shah	...	LDM, Shopian
92.	Mohammad Syed Shah	...	LDM, Pulwama
93.	Yashpal Bhagat	...	LDM, Jammu
94.	Sanjiv Bhardwaj	...	LDM, Reasi
95.	Rajesh Sharma	...	LDM, Samba
96.	Talwar J.P.Singh	...	LDM, Kathua
97.	Arun Khajuria	...	LDM, Ramban
98.	N. C. Sambyal	...	LDM, Doda
99.	Anoop Bhat	...	LDM, Rajouri
100.	Rakesh Sudan	...	LDM, Poonch
101.	Satish Gupta	...	LDM, Kishtwar
102.	Nawang Tsering	...	LDM, Kargil
103.	Mohammad Shafi Khanday	...	LDM, Leh

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