

**Agenda/ background papers**  
*For*  
**Meeting of Steering Sub-Committee of J&K SLBC**  
**To monitor flow of credit to Agriculture Sector**

**Dated:** 28<sup>th</sup> March 2013  
**Time:** 11.00 a.m.  
**Venue:** Meeting Hall, 1<sup>st</sup> Floor,  
Civil Secretariat, Jammu

**Background:**

In terms of Gol, MoF guidelines dated 19.08.2011 (copy enclosed for ready reference) the common format of application form for KCC was approved by the Steering Sub-Committee of SLBC to monitor flow of credit to Agriculture in its first meeting held on 13.12.2011 and the following recommendations were made for the purpose of ensuring 100% coverage of farmers in J&K State under KCC Scheme:

- Printing of the said common format of application be undertaken by the J&K Bank on behalf of other banks operating in the state and the expenses to be incurred on that account shall be shared by other concerned banks on pro-rata/ proportionate basis.
- Distribution of forms amongst the farming community shall be undertaken by the Agriculture Production Department, J&K Government through its field agencies/ functionaries.
- Collection of the forms from the farmers for being presented to concerned banks within the service area shall be done through the medium of Panchayats Raj Institutions in coordination with DCC.
- Workshops be organized at DCC level by the lead banks for sensitization of all the concerned quarters/ agencies involved in the process in order to ensure that the programme is implemented successfully and in a result oriented order.

All these recommendations were ratified by J&K SLBC in its 83<sup>rd</sup> meeting held on 14.12.2011 and it was decided that the target should be accomplished by the end of **March 2013**.

Subsequently, in the 85<sup>th</sup> SLBC meeting held on 28<sup>th</sup> May 2012, which was chaired by the Hon'ble Chief Minister, J&K State, on observing that the progress achieved in issuance of KCCs to the farmers was not satisfactory, the Hon'ble Chief Minister directed that the target of 100% coverage of farmers under KCC Scheme should be accomplished by the end of **September 2012**.

### **Progress achieved as on 31.12.2012**

In the 88<sup>th</sup> SLBC meeting held on 16.2.2013, while reviewing the progress achieved in 100% coverage of farmers in J&K State under KCC Scheme, it was noted that upto the end of December, 2012 banks have sanctioned 4.16 lakh KCCs to the farmers thereby registering 34% of the target of 12.37 lakh KCCs to be issued in the State, out of which 3,47,430 KCCs have been disbursed credit amounting to Rs.1,615.50 Crore. In the said SLBC meeting the Chairman informed the house that the Hon'ble Union Finance Minister on observing that J&K State was lagging far behind in 100% coverage of farmers under KCC, has extended the timeline to **30<sup>th</sup> of June 2013**

However, in the said SLBC meeting it was observed that the data (regarding issuance of KCCs to the farmers) coming from the various stakeholders, viz. banks and the Agriculture Production Department are at variance with each other. As such, following decisions were taken:

- **Agriculture Production Department shall provide bank-wise details of the KCC forms sponsored by them to various banks for issuance of KCCs.**
- **A meeting be convened within the next few days, wherein banks should also be present, for reconciliation of the figures relating to KCC cases sponsored by the Agriculture Production Department to the banks, cases sanctioned by the banks and the cases pending with the banks.**
- **Organizing camps for generating awareness and on-the-spot sanction and issuance of KCCs to the farmers be launched at a massive scale, wherein all the stakeholders, viz. Agriculture Department, Revenue Department as well as Banks shall ensure to participate.**
- **Banks to ensure that all the pending cases are cleared as soon as possible. The cases where banks face difficulties could be left aside, the other cases, which are in order, to be cleared immediately.**
- **Banks will take necessary measures to ensure that the complaints of seeking guarantees from government employees and other deviation from GoI/ RBI guidelines on the part of branch functionaries are thoroughly addressed. For this purpose the staff posted in the business units should be appropriately sensitized and wherever required, necessary punitive action is taken.**
- **The Chairman advised the President (A&AP) and the Zonal Heads of J&K Bank to ensure that pendency of KCC cases at branches of J&K Bank is cleared immediately and the complaints of branch functionaries asking for guarantees of Government employees are strictly checked and there are no violations or deviations as for as guidelines are concerned.**

Accordingly, today's meeting has been convened with the objective of reconciling the figures regarding cases of KCC sponsored by Agriculture Department to banks, and the cases received, cases sanctioned, cases returned and the pendency at the banks' level.

**Agenda Item No: 01**

**Progress regarding 100% coverage of farmers in J&K State under KCC Scheme as on 28.02.2013:**

In terms of the decision taken in 88<sup>th</sup> SLBC meeting, all the banks operating in J&K State and the Directors of Agriculture (Jammu as well as Kashmir Divisions) were requested to furnish progress of KCCs as of 28<sup>th</sup> February 2013, for the purpose of reconciling the figures.

**Feedback (Bank-wise) received from Directorate of Agriculture:**

As per the feedback received from the Directorate of Agriculture, J&K Government, the bank-wise position of Kissan Credit Cards sponsored by Agriculture Department to banks and the KCCs issued by banks to the farmers in J&K State upto the end of February 2013 is given in **Annexure A & B**, summary whereof is given below for information of members:

Name of the Bank	Target (No. of farmer families)	No. of KCC cases sponsored by APD to Banks	No. of KCCs issued by the banks	%age of Progress Viz-a-viz Sponsorships	Cases rejected	Cases pending with banks
Jammu Division:	6,08,457	3,25,203 (53.44% of target)	1,83,117	56%	2,843	1,39,243 (42.82% of cases sponsored)
Kashmir Division (Upto 31 <sup>st</sup> Jan., 2013)	6,28,266	3,37,923 (53.78% of target)	1,58,394	47%	...	1,79,539 (53% of cases sponsored)
<b>GRAND TOTAL</b>	<b>12,36,723</b>	<b>6,63,126</b> (53.61% of target)	<b>3,41,511</b>	<b>52%</b>	<b>2,843</b>	<b>3,18,782</b> (48% of cases sponsored)

Note: Despite repeated reminders the bank-wise data as of 28.02.2013 in respect of Directorate of Agriculture (Kashmir) was not made available to SLBC Secretariat, as such, the figures of Kashmir Division shown in the above table represent the position as of 31.01.2013.

**Feedback received from banks operating in J&K State regarding progress achieved upto the end of February 2013:**

The Bank-wise statement showing cumulative number of KCCs issued by the banks in J&K State upto the end of February 2013 indicates that a total of 4,64,977 cases were sponsored by the Agriculture Department to various banks, against which banks have sanctioned KCCs in favour of 3,40,920 farmers in J&K State so far, thereby achieving 73.32% of the cases sponsored, 51,750 cases have been rejected and 72,307 cases are pending with banks, which accounts for 15.55% of cases sponsored by Agriculture Department.

In addition to above, banks have sanctioned 2,34,237 KCCs to the farmers directly, which includes the KCCs issued by the banks prior to 01.04.2012, i.e. the date of start of the

campaign of 100% coverage of farmers under KCC Scheme. The summary of aggregate number of KCCs issued by the banks is given as under:

Particulars	No. of KCC cases sponsored by APD to Banks	No. of KCCs sanctioned by the banks	Cases rejected	Cases pending with banks
Against the cases sponsored by Agriculture Deptt.	4,64,977	3,40,920	51,750	72,307
Cases taken up by banks directly	...	2,34,237	...	...
Total number of KCCs issued by banks		5,75,157		

The bank-wise detail is enclosed as **Annexure-C & D** for information of the members.

**Banks may inform the strategies evolved for clearing the pending cases.**

**Agenda Item No: 02**

**Reimbursement of the cost of printing of KCC forms by other banks to J&K Bank:**

In terms of the decision taken in the first meeting of the Steering Sub-Committee of J&K SLBC to monitor flow of credit to Agriculture, held on 13.12.2011, J&K Bank arranged printing of 17.00 lakh application forms (for use by all banks), which were delivered to Directorate of Agriculture (Kashmir and Jammu) for distribution amongst the farmers for the purpose of ensuring 100% coverage of farmers under KCC Scheme. On this account an amount of Rs.9.69 lakh was incurred, which, as per the SLBC decision has to be shared by other concerned banks on pro-rata basis. The bank-wise shares worked out by SLBC on the basis of the branch network of various banks, was arrived as under:

S. No.	Name of the bank	Amount (In Lacs)	Remarks
1	<b>J&amp;K Bank</b>	<b>1.69</b>	<b>Already Reimbursed</b>
2	State Bank of India	1.50	Awaited
3	<b>Punjab National Bank</b>	<b>1.50</b>	<b>Already Reimbursed</b>
4	J&K Grameen Bank	1.50	Awaited
5	Ellaquai Dehati Bank	1.50	Awaited
6	HDFC Bank	0.50	Awaited
7	Central Bank of India	0.50	Awaited
8	Punjab & Sind Bank	0.50	Awaited
9	Oriental Bank of Commerce	0.50	Awaited
	<b>TOTAL</b>	<b>9.69</b>	

But despite repeated reminders issued from SLBC Secretariat during the last one year the said reimbursement of cost is awaited from all the above-mentioned banks except J&K Bank and Punjab National Bank.

**Concerned banks may send their reimbursement to SLBC Secretariat without any further delay.**