



State Level Bankers Committee

66th Meeting

•The Jammu and Kashmir Bank



Structure of Presentation:

- ❖ Annual Credit Plan 05-06: A Brief Recap
- ❖ Performance Analysis : First Quarter
 - ❖ Service provider (Banks)
 - ❖ Sectors
 - ❖ Spaces
 - ❖ Sponsored Schemes:
 - ❖ By Scheme
 - ❖ By Bank



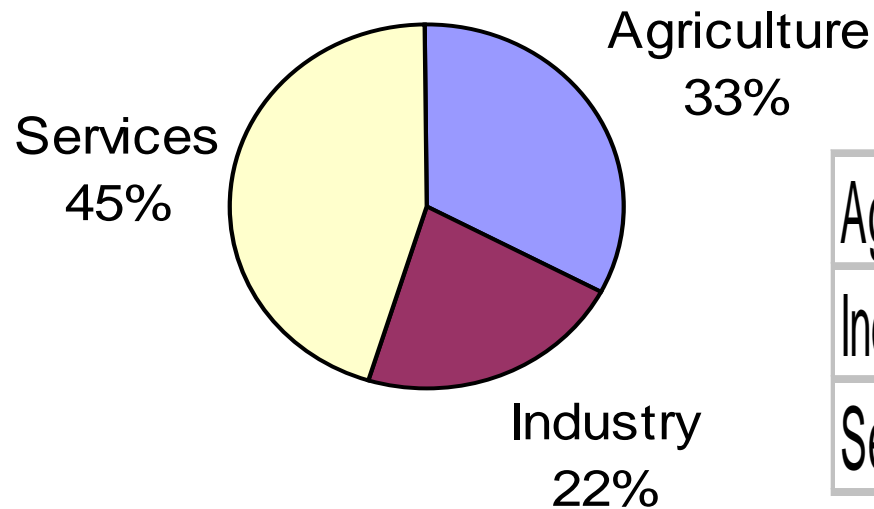
Annual Credit Plan : Recap

- Target for fiscal 05-06 : Rs 1076.33 crore
- Growth of 31.55 per cent over fiscal 04-05
- SDP growth estimated at 13 per cent
- Implied credit buoyancy is 2.4
- National credit elasticity is 1.4
- Implied elasticity in J&K expected to be 1



ACP: Structure & Composition

Credit 2005-06: By Sector



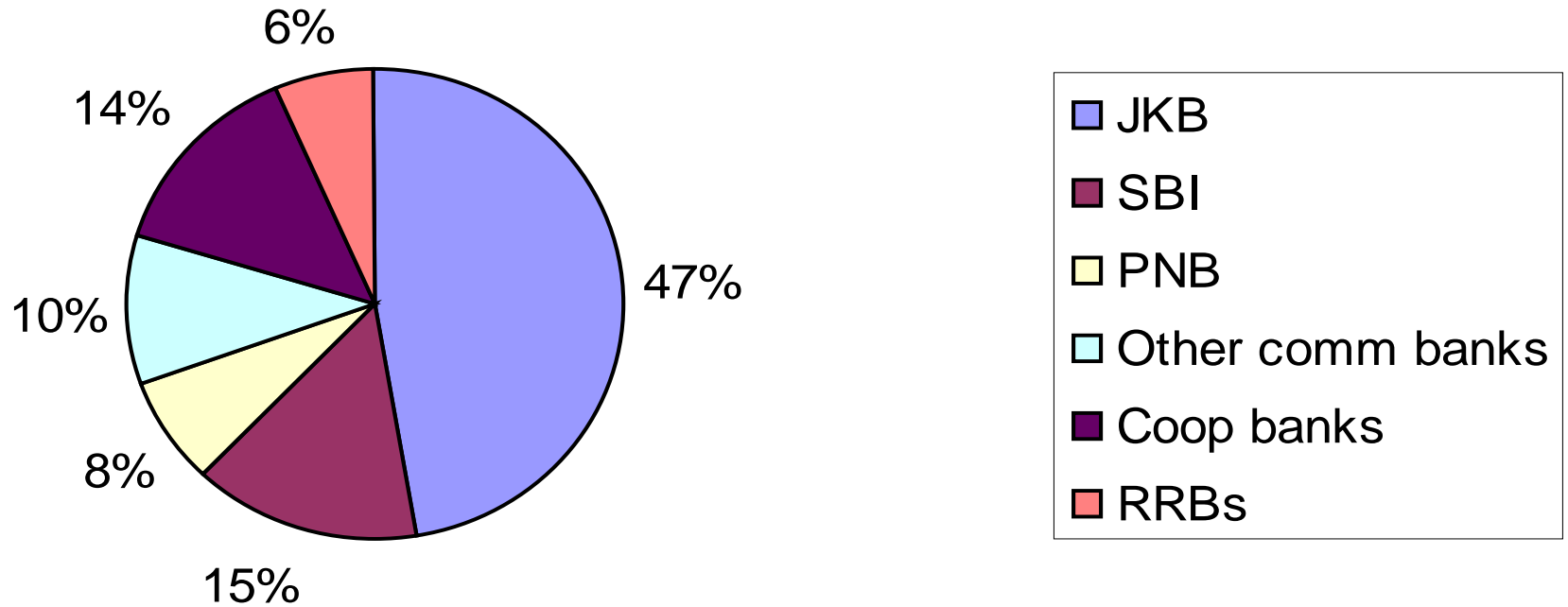
Agriculture	352.42
Industry	232.84
Services	491.07



ACP

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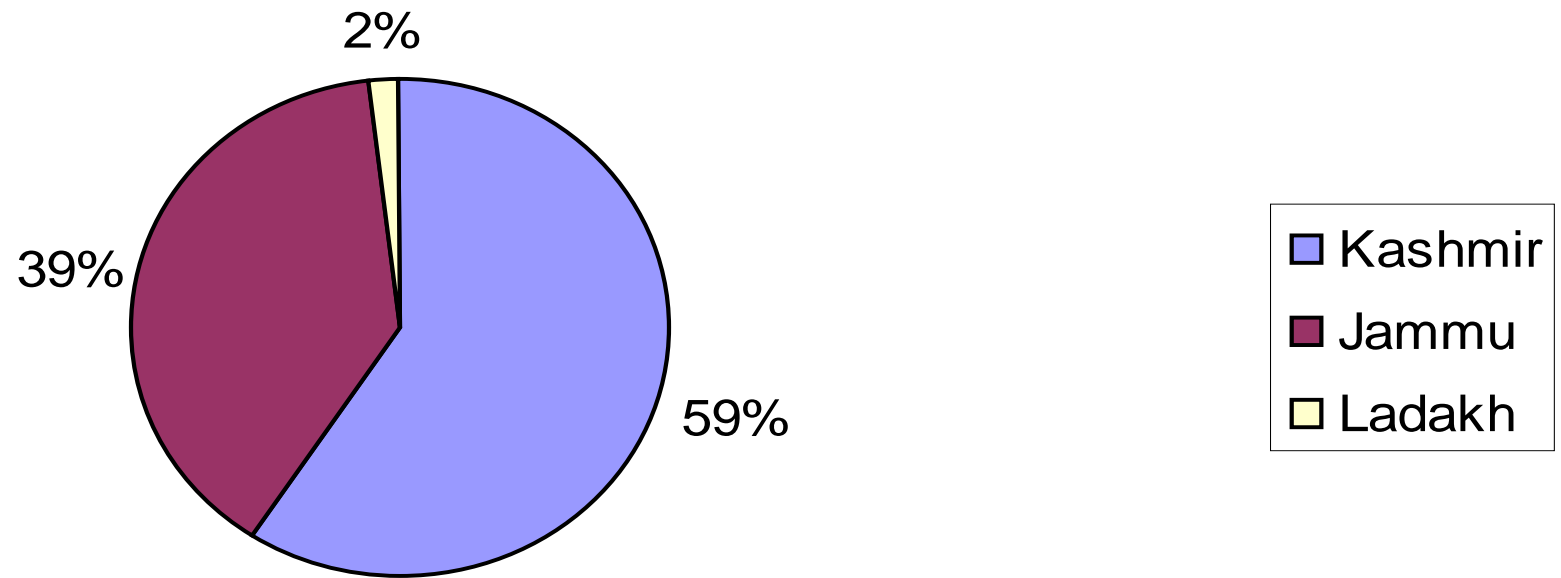
Credit : By Institution





ACP : Regional Dimension

Credit 2005-06: By Region





Issues:

- Is the targeted credit growth consistent with the estimated growth in GDP and its composition?
- Is the targeted credit growth within the credit elasticity of economic growth ?
- Is the credit absorptive capacity factored in while doing sectoral allocations of credit?
- Is the allocation of bank's share in line with their market share and or their distribution network?

Performance in Q1



➤ Total Credit:

➤ Rs 293.81 crores

➤ 27.3 per cent of the year end target

➤ Better than last year; in Q1 04/05, 21.4 percent was achieved

➤ 23,559 beneficiaries

Performance in Q1



➤ By Banks:

- J&K Bank did 32.3 per cent; against 30.2 per cent last year
- SBI did 27.7 per cent; better than last year of 21.2 per cent
- Except RRBs all other banks have done better than last year

Performance in Q1



➤ By Banks in sectors:

- J&K Bank achieved 48 per cent of its agricultural target in Q1; best among all
- SBI did the lowest at 12.08
- Other commercial banks best performers in industry with 34.6 per cent of annual target
- SBI the leader in meeting 38 per cent of target in Q1
- Overall J&K Bank the best performer at 30 per cent of target in Q1

Performance in Q1



➤ By Regions:

- In Kashmir: 29.3% of target achieved in Q1
- In Jammu : 25.2% achieved in Q1
- In Ladakh: 21.7% achieved in Q1
- Highest achievement in Agriculture in Kashmir with 43% done in Q1
- Followed by Industries in Jammu with 30 per cent achieved in Q1
- Poorest performance of 3.9% in Agriculture in Ladakh



Issues II

- Do we need to get more aggressive in lending? Last year achievement of over 100 per cent and this year Q1 suggest that we are being conservative?
- Do we need to reprioritise in terms of sectors?
- Do we need to focus more on some regions in view of the differential performance?
- Do we have to have some incentive/penalty for performing and laggard banks?



Sponsored Schemes

- Annual Target for sponsored schemes: Rs 238.7
- Q1 achievement : 21.46 ;
- This is 9% of the year end target
- Marginally better than last year; it was 8.2%
- Less than 10% achievement in all schemes in Q1.



Sponsored Schemes

- Q1 performance by scheme:
 - SGSY : Rs 5.16 crore; 10.37% achievement in Q1
 - PMRY&JKSES: Rs 2.83 cr; 7.5 % & 10.2%
 - SJSRY : Rs 1.26 crore; 7%
 - KVIB : Rs 3.80 crore; 8%
 - SC/ST/OBC scheme: Rs 34 lakhs; 4.70%

Recovery Record



POSITION OF GOVT. SPONSORED in J & K Bank AS ON 30.06.2005

Rs. In Lacs			
S.No.	Name of Scheme	Amount outstanding	NPA
1	IRDP	139	83
2	PMRY	3298	1170
3	DRI	92	20
4	SUME	29	9
5	SEPUP	38	15
6	NRV	3	1
7	SJSRY	1090	464
8	SGSY	2017	423
9	JKSES	4885	961
10	Handicrafts	437	175
11	Handlooms	156	38
12	KVIB	911	77
13	SHGs	136	15
14	Others	11620	998
	Total	24851	4449



Recovery Record

Recovery Performance in J & K Bank under Government Sponsored Schemes as on 31.03.2005

Rs. In Lacs

Name of Scheme	Balance outstanding as on 31.03.2005	Demand at the end of Previous Half year	Demand during Current Half Year	Total Demand	Recoveries affected during current Half Year	Net Overdue	%age of Recovery to Demand.
PMRY	2954.93	1077.96	383.08	1461.04	408.39	1052.65	27.96%
JKSES	4387.62	904.6	509.69	1414.29	517.27	897.02	36.58%
SJSRY	1089.91	410.49	102.2	512.69	93.62	418.62	18.26%
SC/ST/OBC	185.91	76.52	24.09	100.61	25.36	75.25	24.21%
KVIB	733.31	90.09	89.87	179.96	79.09	100.87	43.95%



Issues III:

- Recovery record is DISMAL
- Identification process of beneficiaries not satisfactory
- Banks have no defined role in due diligence
- Skill set and experience not a defined criteria
- Viability of schemes for a particular geography not studied resulting in over-financing
- Effective training across the whole business process from production to marketing not imparted
- No marketing support
- No post sanction/disbursement follow-up
- Release of margin money/subsidy by sponsoring agency takes longer than anticipated



THANK YOU!