

Minutes of the meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion in J&K State held on 15th January 2014 at Reserve Bank of India, Regional Office, Rail Head Complex, Jammu.

A meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion in J&K State was held on 15th January 2014 at Reserve Bank of India, Regional Office, Rail Head Complex, Jammu. The meeting was chaired by the Regional Director (for J&K), Reserve Bank of India, Mr. K. K. Saraf. Representatives of all members of the Steering Sub-Committee attended the meeting. The list of participants is enclosed as “**Annexure A**”

At the outset Mr. S. K. Bhat, President (LBD/SLBC), J&K Bank welcomed all the participants and stated that the meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion could not be convened within stipulated time frame because of some unavoidable preoccupations. He reiterated that financial inclusion was the highest national priority for extending benefits of economic prosperity to the excluded segments and briefed the participants about the objectives of the meeting. Thereafter, he requested the Chairman to take up the Agenda for deliberation.

The deliberations on the agenda of the meeting proceeded as under:

Agenda Item No. 01

Financial Inclusion Plan (FIP) for providing banking services in the identified villages

FIP (Phase-I)

Under Financial Inclusion Plan Phase-1, 6 villages i. e (1)Forest Block Baramulla (2)Yoordu Kishtwar(3)Rinaie Kishtwar(4)Qadera Kishtwar(5)Chanjer Kishtwar and(6)Deharna Kishtwar were left uncovered by J&K Bank due to lack of connectivity and other infrastructure deficiency to access these locations.

President (FI), J&K Bank, Mr. R. K. Chibber informed the forum that coverage to the said 6 residual villages has been provided by J&K Bank through BC Model.

It was noted with satisfaction that with the coverage of 6 residual villages by J&K Bank, under the Phase-1 of Financial Inclusion Plan, which envisaged the coverage of 795 identified unbanked villages having population >2000 in J&K State, has been successfully accomplished.

FIP (Phase- II)

Regarding Phase-II of FIP for coverage of villages having population less than 2000, President (LBD/SLBC), stated that against the cumulative target of 2573 villages set upto 31st March 2014, 2331 villages were covered upto 31st December 2013, which included 1188 villages covered upto the end of March, 2013, thereby achieving 91% of the cumulative target. He expressed optimism to achieve 100% target by the end of current financial year.

Regional Director, Reserve Bank of India, Mr. K. K. Saraf expressed his satisfaction on the overall achievement of the banks under Phase-II of FIP as on 31st December 2013, but on reviewing the performance of the individual banks it was observed that all FIP participating banks have not achieved their allocated targets. While JK Bank, SBI, JKGB and EDB have achieved more than 80% of their respective targets as on 31st December 2013, Punjab National bank has lagged behind by achieving just 54% of the target. He expressed his concern over the poor performance of Punjab National Bank under Phase-II of FIP. It was stated that Punjab National Bank has faced lot of criticism over number of issues in the 91st SLBC meeting and that the bank needs to put in serious efforts to fulfil all the commitments it has made.

The representative of Punjab National Bank attributed the low performance of bank in Phase-II of FIP to the busy schedule of the bank with switching over to new online banking solution. He, however, assured the forum that bank will cover at least 120 villages against the target of 143 village's upto 31st March 2014.

On the issue of services being provided by EDB to most of covered villages by Mobile Vans, the Regional Director, RBI stated that providing banking services to the allocated villages by EDB is not a sustainable banking solution and that the bank should look for other permanent banking alternatives to cover these villages.

The representative of EDB assured the forum that all the villages will be covered by fixed locations (BC model) by 31st March 2015.

As regards 82 villages which stand already covered by the FIP participating banks, it was taken on record that these villages shall continue to remain within the targets already fixed under FIP Phase-II and coverage of these villages be shown as an achievement for the respective banks under FIP Phase II.

After thorough deliberations on the issue it was decided that:

- **All FIP participating banks to ensure achievement of their allocated targets under Phase-II of FIP by 31st March 2014.**
(Action: J&K Bank, SBI, PNB, JKGB & EDB)
- **The 82 villages which stand already covered by the banks shall continue to remain within the targets already fixed under FIP Phase-II.**

Agenda Item No: 02

A) Financial Literacy Centres (FLCs):

It was noted that FLCs have been operationalized in all the districts of the State by the concerned banks, viz. J&K Bank in 12 districts and SBI in 10 districts and all the FLC centres are conducting indoor as well as outdoor awareness camps and 3,243 persons have availed indoor services and 15,936 persons have been benefited from 214 outdoor activities conducted by these FLCs during the 1st Half of FY 2013-14.

In pursuance to the decision taken in the 89th meeting of J&K SLBC held on 6th June 2013 that all the banks having rural branches operating in the State, should hold at least one financial literacy programme every month in terms of RBI guidelines, the house observed that 436 financial literacy camps have been conducted by the rural branches of 5 major banks in which 18,702 persons were benefited.

However, on reviewing the performance made by the rural branches of the individual banks in conducting the monthly financial literacy programmes, it was observed that performance of PNB, JKGB & EDB in conducting the monthly financial literacy programmes was dismally low when compared with the size of their branch network in rural areas.

The representative of PNB acknowledged that bank has not done enough to conduct financial literacy programmes considering the number of their rural branches in J&K State but at the same time he attributed the same to non-availability of Financial Literacy Material.

On the non-availability of Financial Literacy Material as pointed out by the representative of PNB, the General Manager NABARD Mr. Ranbir Singh stated that Literacy material is already available on RBI website and banks can use the same at an individual level.

On the initiatives taken by the FLCs President (LBD/SLBC), J&K Bank Mr. S. K. Bhat reiterated the decision taken by J&K SLBC in its 91st meeting that in the next SLBC meeting the house should be provided the data/information about the number of persons who after attending awareness camps have actually set up their income generating units and

also have availed credit facilities from various banks. He advised the banks to ensure the submission of desired information to SLBC Secretariat for placing the same before the house in the ensuing SLBC meeting.

It was decided that:

- **all the Scheduled Commercial Banks having rural branches operating in the State shall strictly ensure to hold financial literacy programmes every month through their rural branches, for which progress report, as per the prescribed format already circulated by SLBC to the banks, shall be submitted by them to the Convenor bank by 5th of every month without fail.**

(Action: All banks having rural branches operating in J&K State)

- **Convenor Bank shall compile the data received from banks and submit consolidated progress report to Reserve Bank of India before 10th of every month.**

(Action: Convenor, J&K SLBC)

- **All banks holding financial literacy programmes shall submit the data and information about the number of persons who after attending awareness camps have actually set up their income generating units and also have availed credit facilities from various banks.**

(Action: All banks)

B) Standardized Financial Literacy Material:

It was noted that Financial Literacy Material is now available in all the three languages viz Urdu, Hindi and English on RBI Website and that SLBC secretariat has to assess the quantity of Standardized Financial Literacy Material and the cost of printing thereof for all the rural branches of scheduled commercial banks and 22 Financial Literacy Centres operating in J&K State for submission to NABARD for their final assessment.

Regional Director, RBI, Mr. K. K. Saraf advised the SLBC Secretariat to complete the process including printing by 22nd January 2014 so that the material is distributed to all concerned without further delay.

(Action: Convenor, J&K SLBC)

Agenda Item No. 03

Setting up of Rural Self-Employment Training Institutes (RSETIs):

The Regional Director, RBI, Mr. K. K. Saraf expressed satisfaction that J&K Bank and SBI have operationalized RSETIs in their respective Lead Districts of the State.

It was observed that a total of 2434 persons have been trained in all the 22 RSETIs upto 31st December 2013. J&K Bank has trained 1681 persons during the first half of the Current Financial year in all its 12 RSETIs and SBI has trained only 753 persons in its 10 RSETIs during the said period.

On the number of persons trained in RSETIs managed by SBI, President (LBD/SLBC) Mr. S. K. Bhat, stated that SBI should pay focussed attention towards increasing the number of beneficiaries in the RSETIs managed by it. He impressed upon both the banks to make serious efforts so that cumulative position as on 31st March 2014 surpasses the cumulative achievements made as on the 31st March of previous financial year.

The forum was informed that J&K Bank has set a target of 6000 persons to be trained during the current financial year and bank has imparted training to 3500 persons upto 31st December 2013 but the major impediment in the process is the poor sponsorship from the Government agencies. It was informed that of the 2434 persons trained in 22 RSETIs during the first half of the current financial year less than 10% cases have been sponsored by the Government agencies.

On the issue of low sponsorship by the Government President (LBD/SLBC) stated that the concerned State Government Department should come forward and enhance the sponsorship of persons to the RSETIs.

Status of allotment of land by State Government for the RSETIs

It was noted that possession of land has been handed over to the concerned sponsoring banks in districts of Kulgam and Bandipora. In 15 districts of the State the land has been identified by the Government while in remaining five districts viz Kathua, Kishtwar, Ramban, Anantnag and Srinagar the State Government has not been able to identify the land till date.

On the issue of allotment of land President (LBD/SLBC) Mr. S. K, Bhat emphasized that these institutes are made functional from their own premises and the process of allotment of land for raising permanent infrastructure for the R-SETIs needs to be taken to its logical conclusion. He said SLBC will take up the issue with the concerned State Government Department.

Taking part in the deliberations, Special Secretary (Finance), J&K Government informed the forum that this issue came up for discussions in the meeting taken by Chief Secretary, J&K Government on 3rd January 2014 wherein instructions have been passed to Commissioner Secretary, Rural Development Department to coordinate with the concerned District Commissioners and assess the progress made in this regard on day to day basis.

Regional Director, RBI requested Special Secretary (Finance), J&K Government Mr. Shakeel-ur-Rehman Rather to intervene in the matter and pursue with the concerned Department of the State Government for ensuring early allotment of land in favour of all the RSETIs operating in the State.

(Action: Finance Deptt. Govt. of J&K)

It was decided that

- **Both the Banks i.e J&K Bank and SBI shall communicate the latest feedback on the allotment of land for RSETIs by J&K Government, to Convenor Bank so that the issue could be taken with the concerned quarters.**

(Action: J&K Bank, SBI)

Agenda Item No. 04

Implementation of Electronic Benefit Transfer (EBT) Scheme in J&K State:

President (LBD/SLBC) stated that even though the MOU has been signed between Finance Department, J&K Government and J&K Bank for hassle-free implementation of EBT Scheme in J&K State but on the ground level it appears that nothing concrete has come out till date.

The Incharge, Data Centre, J&K Bank, Mr. Shadab Mehboob informed that J&K Bank has validated approximately 80% of the accounts pertaining to beneficiaries of IGNOAPS having accounts with J&K Bank in respect of six pilot districts viz Srinagar, Ganderbal, Jammu, Rajouri, Kargil and Leh. The testing of the data exchange in a seamless manner between the J&K Government and J&K Bank has been completed. He said that J&K Bank is ready to carry out the transfer of funds through EBT without any manual intervention once the CSV file is received from the Government on the Bank SFTP Server. He informed that the validation of accounts of beneficiaries pertaining to other Banks i.e. SBI, PNB and Grameen Bank has yet to be completed as these banks have not conveyed the SFTP details to J&K Bank despite being requested for the same.

Regional Director, RBI while expressed satisfaction on validation of 80% of the accounts impressed on J&K Bank, as being the leader bank in all 22 districts, to expedite validation of remaining 20% accounts.

The forum impressed upon Special Secretary representing Finance Department, J&K Government in the meeting to expedite the process of sending the CSV transaction file in a secured seamless manner on J&K Banks SFTP Server.

(Action: Finance Deptt. Govt. of J&K)

President (FI), J&K Bank Mr. R. K. Chhibber taking part in the deliberations on data validation assured that J&K Bank shall send the details of the beneficiaries for validation by other banks within two days and requested for adequate cooperation from State Government for hassle free implementation of EBT Scheme.

(Action: FI Deptt. J&K Bank)

Regional Director, RBI advised that Mr. Ravi Magotra, Chief Financial Consultant in the Finance Department, J&K Government who is coordinating on EBT Project from the Government side be henceforth made an invitee to the meetings of Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion.

(Action: Convenor Bank)

Agenda Item No. 05

Strengthening of Lead Bank office of State Bank of India:

Convenor, J&K SLBC pointed out that State Bank of India has placed a single person to carryout the activities at more than one office. The list of the officials of State bank of India carrying out the activities at more than one office is given hereunder:

- Mr B. M. Sharma is the Incharge of LDO Samba and Kathua and also Incharge of FLC Kathua
- Mr. M. K. Gupta is Incharge of RSETI and FLC District Samba
- Mr. Rohit Mehta is Incharge of LDO, RSETI and FLC Reasi
- Mr. I. B. Sharma is Incharge of LDO and FLC Doda
- Mr. Nirmal Singh is Incharge of LDO and FLC Ramban
- Mr. Keshav S. Badwal is Incharge of RSETI and FLC Kishtwar
- Mr. Nawang Tsring is Incharge LDO, RSETI and FLC Kargil
- Mrs. Yanchan Dolma is Incharge of LDO, RSETI and FLC Leh.

The issue also came up for discussions in the previous meeting of Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion held on 24th July 2013 wherein instruction were passed to SBI to suitably strengthen their Lead Bank Offices but no action has been taken by SBI in this regard till date.

Regional Director, Reserve Bank of India, Mr. K. K. Saraf expressed his displeasure over the issue of deployment of single person by SBI to carryout the activities at more than one office. He cautioned the representatives of SBI to sort out the issue immediately so as to avoid criticism in future.

After discussions on the issue the forum decided that:

- **The State Bank of India shall suitably strengthen their Lead Bank Office and ensure to post sufficient staff in all their Lead District Offices, so that the lead bank activities are carried out smoothly and the delay experienced in submission of data to RBI, SLBC and other quarters is avoided. State Bank of India was directed to take action in the matter expeditiously and confirm the same to SLBC/ RPCD, RBI.**

(Action: State Bank of India)

The meeting ended with a vote of thanks to the Chair, which was presented by Mr. S. K. Bhat, President (LBD/SLBC), Convenor Bank.

Executive Manager
Lead Bank/ J&K SLBC

Annexure "A"

List of Participants of the Steering Sub-Committee of SLBC to monitor IT-enabled Financial Inclusion, FLCs & Credit Plus Activities, held on 15th January 2014

<u>S. No.</u>	<u>Name of Participant</u>	<u>...</u>	<u>Designation/ Organization</u>
<u>Chairman</u>			
1)	Mr. K. K. Saraf	...	Regional Director, R.O. Jammu
<u>Convenor Bank(J&K SLBC)</u>			
2)	Mr. S. K. Bhat	....	President (LBD/SLBC)
<u>Reserve Bank of India</u>			
3)	Mr. R. B. Gupta	...	AGM(RPCD),R. O. Jammu
<u>State Government (Finance Deptt.)</u>			
4)	Mr. Shakeel-ur-Rehman	...	Special Secretary Finance
<u>J&K Bank</u>			
5)	Mr. R. K. Chhibber	...	President (FI)
6)	Mr. A. K. Pandita	....	Vice President(A&AP)
7)	Mr. Gulzar Ahmad	...	Asstt. Vice President (LBD/SLBC)
8)	Mr. Altaf Ahmad Zargar	...	Executive Manager (FID)
9)	Mr. Shadab Mehboob	...	Incharge, Data Centre
<u>NABARD</u>			
10)	Mr. Ranbir Singh	...	GM, NABARD, R. O. Jammu
11)	Mr. Ramesh Kumar	....	AGM, NABARD, R. O. Jammu
<u>State Bank of India</u>			
12)	Mr. S. K. Kapoor	...	DGM(officiating)R.O Jammu
13)	Mr. R. L. Lochan	....	Chief Manager
<u>Punjab National Bank</u>			
14)	Mr. S. S. Chib	...	District Co-ordinator
15)	Mr. RVS Jasrotia	....	Chief Manager
<u>J&K Grameen Bank</u>			
16)	Mr. Vagesh Chander	...	Chairman
<u>Ellaquai Dehati Bank</u>			
17)	Mr. D. N. Bhat	...	General Manager
