

Minutes of the meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion, FLCCs and Credit Plus activities in J&K State held on 24th June 2014 at Reserve Bank of India, Office, Amir Manzil, Srinagar.

A meeting of the Steering Sub-Committee of J&K SLBC to monitor IT enabled Financial Inclusion, FLCCs and Credit Plus activities in J&K State was held on 24th June 2014 at Reserve Bank of India Office, Amir Manzil, Srinagar. Since Regional Director (J&K State), Reserve Bank of India, who is the Chairman of the said steering Sub-Committee, could not attend the meeting due to some preoccupations, the meeting was chaired by the Executive President, J&K Bank (Convenor Bank), Mr. Parvez Ahmad and co-chaired by Dy. General Manager, Reserve Bank of India, Mr. B. S. Katoch. 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. B. S. Katoch, Dy. General Manager, RBI welcomed all the participants and briefed about the objectives of the meeting. He stated that despite good performance under Financial Inclusion Plan there is no room to relax as we have to catch up with the rising trend and the new thinking of inclusive growth which is picking up in the nation. He stated that financial inclusion was the highest national priority for extending benefits of economic prosperity to the underprivileged and vulnerable groups and emphasized the need for concerted and serious efforts for bringing into the banking fold the people who are still financially excluded. Thereafter he requested the Executive President, J&K Bank (Convenor Bank), Mr. Parvez Ahmad to take up the Agenda for deliberation.

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

Agenda Item No. 01

- (I) ‘Swabhimaan Campaign’ for coverage of villages with population above 2000**
- (II) Provision of banking services to villages with population below 2000:**

FIP (Phase-I)

It was noted with satisfaction that the Swabhimaan Campaign/ Financial Inclusion Plan Phase-I, has successfully been accomplished with the coverage of all the 795 villages with population above 2000 by the concerned participating banks.

As regards providing banking services to village Malikote Tehsil Mahore District Reasi and coverage of some other left out villages under FIP Phase-1 in respect of district

Kargil in the population segment of >2000 which were allocated to J&K Bank and SBI in the ratio of 5:3, the forum noted with concern that SBI is yet to cover the allocated villages while as J&K Bank has provided coverage to all the allocated 5 villages through BC Model.

The representative of State Bank of India stated that the issue is under the active consideration of Financial Inclusion Department of the Bank. He assured the forum that coverage to the villages, which were left out during Swabhimaan Campaign/ Financial Inclusion Plan Phase-I and allotted to SBI, shall be provided by 15th July 2014.

(Action: SBI)

The Chairman of the meeting Mr. Parvez Ahmad thereafter initiated the Bank-wise review of the achievements in providing coverage to the households in the unbanked village's viz-a-viz targets. He observed that while FIP participating banks have achieved the respective targets of providing coverage to all the 795 villages with population above 2000 under Phase-I of FIP, but there is a gap between the total number of households to be covered and the number of financial accounts opened upto 31st March 2014. He advised concerned banks to make concerted efforts for ensuring time bound coverage of all the households in the allocated villages so that the initiatives relating to financial inclusion launched by Gol are taken to logical end. He stated that reporting of data with regard to coverage of households as captured in the agenda note is not clear and advised SLBC secretariat to devise proforma in a manner that captures the desired and relevant information.

(Action: SLBC Secretariat/ FI participating Banks)

The President (SLBC), Mr. S. K. Bhat apprised the forum that the idea was to provide at least one bank account per household during the initial stage of FIP but there was no restriction in opening of as may accounts in the name of the other family members of the household.

After thorough deliberations on the issue it was decided that:

- Data in respect of number of households covered under Financial Inclusion Plan Phase-I should henceforth be reported to the forum as per the format devised by NABARD.

- Individual Banks shall collect the data in respect of number of households covered by them in the allocated villages against the allocated targets and shall submit the same to SLBC Secretariat latest by 15th July 2014 for the quarter ended June 2014 and thereafter regularly on quarterly basis.

FIP (Phase- II)

Regarding Phase-II of FIP for coverage of villages having population less than 2000, Executive President (Convenor Bank), stated that against the cumulative target of 2573 villages set upto 31st March 2014, 2734 villages were covered upto 31st March 2014 by the FIP participating Banks, which included 1188 villages covered upto the end of March, 2013, thereby achieving 106% of the cumulative target.

The forum placed on record that all the banks have surpassed the respective allocated targets as on 31st March 2014 except Punjab National Bank which shows a shortfall of 35 centers / villages against the target of 143 centers as at the end of the FY 2013-14. The performance of PNB was viewed with concern by the forum and representative of PNB was advised to take immediate and concrete steps to clear the backlog during the current quarter.

Dy. General Manager, PNB informed the forum that shortfall of 35 villages have been reduced to 14 by providing coverage to 21 more villages. He assured the forum that remaining villages shall be covered by 30th of July 2014.

On the issue of services being provided by EDB to most of covered villages by Mobile Vans, Dy. General Manager, RBI, Mr. B. S. Katoch reminded Chairman of the Bank about the commitment of covering all the villages by fixed locations (BC Model) by 31st March 2015.

The Chairman, EDB, Mr. A. K. Razdan informed the forum that the bank has till date covered 12 villages by BC Model and assured that all the remaining villages will be covered by BC model by 31st March 2015.

(Action: concerned FI Banks)

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 are

conducting indoor as well as outdoor awareness camps smoothly. During the FY 2013-14, 15,865 persons have availed indoor services and 75,480 persons have been benefited from 999 outdoor activities conducted by the FLCs.

Dy. General Manager, RBI while appreciating the J&K Bank and SBI for having completed the process of operationalization of FLCs in their respective Lead Districts, impressed upon both the banks to explore the possibility of opening of more FLCs in potential areas of the State.

The house placed on record that activities (both indoor & outdoor) undertaken by all the 22 FLCs during the quarter ended March 2014 facilitated credit linkage to 2,013 entrepreneurs out of which 1,540 entrepreneurs have established their income generating ventures.

The Executive President, J&K Bank Mr. Parvez Ahmad expressed that the basic objective of the FLCs is to create awareness among the masses and educate them on management of finances. He emphasized that the people should be provided financial assistance to start their own business ventures, otherwise it would simply be an academic exercise. He suggested for setting of targets to FLCs to ascertain that all the persons getting awareness are facilitated with credit linkage.

In pursuance to the decision taken in the 89th meeting of J&K SLBC held on 6th June 2013 that all 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 placed on record that 834 financial literacy camps have been conducted by 758 rural branches of six major banks during the Q4 of FY 2013-14 which is not satisfactory based on RBI guidelines which stipulates holding of at least one camp per rural branch per month. The non-compliance of RBI guidelines by the banks operating in the State was viewed with concern and forum decided that controlling offices of the banks should issue strict directions to all their rural branches operating in J&K State for strict compliance of the said regulatory guidelines.

It was decided that:

- **all the Scheduled Commercial Banks with rural branches 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)

- **All FLCs and rural branches of the banks should henceforth capture the number and name of the villages where FL Camps have been organized, in the data reporting format.**

(Action: All FLCs/ banks)

Printing/ distribution of Standardized Financial Literacy Material

The forum noted with satisfaction that in pursuance to the guidelines issued by Reserve Bank of India the Financial Literacy Material (i.e. Financial Literacy Guide, Financial Diary and Financial Literacy Posters) was got printed by J&K SLBC Secretariat in three languages viz English, Urdu and Hindi and sufficient quantity was distributed among Financial Literacy Centers and rural branches of Banks in all the districts of the State for use at Financial Literacy Camps being organized by them.

Agenda Item No. 03

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

The forum noted that J&K Bank and SBI have operationalized RSETIs in their all respective Lead districts in J&K State and placed on record that 7,288 persons were trained by the 22 RSETIs during the FY 2013-14 against 4,054 persons trained during the previous financial year.

The forum also took on record that activities undertaken by all the 22 RSETIs during the quarter ended March 2014 facilitated credit linkage to 441 entrepreneurs out of which 426 entrepreneurs have established their income generating ventures. The forum expressed satisfaction over the working of RSETIs but advised that the credit linkages be improved.

(Action: JKBL/SBI/SLBC Secretariat)

Status regarding allotment of land by State Government to RSETIs

It was noted that in two districts i.e Kulgam and Bandipora possession of land has been handed over to the concerned sponsoring bank while in 16 districts the land has already been identified by the State Government. In four districts i.e Anantnag, Kupwara, Kargil and Kishtwar the land has not been identified as yet.

The Forum emphasized that that concerned State Government Department should ensure that the land for these RSETIS, which stands identified in most of the districts,

be transferred to the respective banks without delay so that permanent structures for housing these institutes are constructed and in the remaining districts the identification of land should be taken up on priority.

(Action: Rural Development Deptt. Govt. of J&K)

Agenda Item No. 04

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

The forum noted with satisfaction that in the first phase the Electronic Benefit Transfer (EBT) scheme has been implemented in six pilot districts of the State i.e Srinagar, Ganderbal, Jammu, Rajouri, Kargil & Leh and benefits under IGNOAPS have been transferred into the accounts of beneficiaries successfully. As regards implementation of EBT Scheme in other districts of the State and coverage of other social security schemes under EBT Scheme as envisaged, it was taken on record that the data validation in respect of remaining 16 Districts is under process and these districts shall be covered under the scheme very soon.

The Incharge, Data Centre, J&K Bank, Mr. Shadab Mehboob informed the forum that account validation in all districts of J&K State is underway and till date 1,17,662 accounts have been received from various banks for validation. A total of 91,184 accounts have been validated out of 1,06,001 accounts received from J&K Bank whereas in respect of other banks, 2896 accounts have been validated out of 11,661 received accounts. He expressed that overall account validation status is satisfactory but the progress in respect of banks other than J&K Bank is not up to the mark. It was stated that State Bank of India and Punjab National Bank have not validated their accounts whereas the account validation of Grameen Bank has a high percentage of rejection. The representatives of these Banks were advised to expedite the account validation so that the process is completed positively by 15th of July, 2014.

Mr. Shadab requested Chief Financial Consultant, J&K Government, Mr. Ravi Magotra to ensure that the transaction file for disbursement of benefits is sent one day before actual disbursement so that the process is carried out in a smooth manner.

(Action: Finance Deptt. J&K Government, SBI, PNB, JKGB, JKB)

Agenda Item No. 05

Strengthening of Lead Bank office of State Bank of India:

The forum took strong note of placing of single person by SBI to carryout the activities of Lead District Office, Branch Office and RSETI/FLC simultaneously in some of their allocated districts.

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 15th January 2014 wherein instruction were passed on to SBI to suitably strengthen their Lead Bank Offices but no action has been taken by SBI in this regard till date.

President (SLBC) Mr. S. K. Bhat while expressing concern over the issue stated that despite lot of discussions and assurances over the issue in the previous meeting, SBI has not sorted out the issue till date.

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.

Assistant Vice President
(Lead Bank/ J&K SLBC)

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Annexure "A"

List of Participants of the Steering Sub-Committee of SLBC to monitor IT-enabled Financial Inclusion, FLCs & Credit Plus Activities, held on 24th June 2014

<u>S. No.</u>	<u>Name of Participant</u>	<u>...</u>	<u>Designation/ Organization</u>
<u>Convenor Bank</u>			
1)	Mr. Parvez Ahmad	...	Executive President (Chaired the meeting)
2)	Mr. S. K. Bhat	....	President (LBD/SLBC)
<u>Reserve Bank of India</u>			
3)	Mr. B. S. Katoch	...	DGM (RPCD), R. O. Jammu (Co-Chaired the meeting)
4)	Mr. R. B. Gupta	...	AGM (RPCD), R. O. Jammu
5)	Mr. Rakesh Sharma	...	AGM (RPCD), R. O. Jammu
<u>NABARD</u>			
6)	Mr. Dinesh K. Kapila	...	DGM, NABARD, Srinagar
<u>State Government (Finance Deptt.)</u>			
7)	Mr. Ravi Magotra	...	Chief Financial Consultant
<u>J&K Bank</u>			
8)	Mr. M. I. Wani	...	Vice President (FI)
9)	Mr. A. K. Pandita	....	Vice President (A&AP)
10)	Mr. Gulzar Ahmad	...	Asstt. Vice President (LBD/SLBC)
11)	Mr. Altaf Ahmad Zargar	...	Executive Manager (FID)
12)	Mr. Shadab Mehboob	...	Incharge, Data Centre
13)	Mr. Sajad Wani	...	Sr. Executive, T&ISD
<u>State Bank of India</u>			
14)	Mr. Sukhdev Singh	....	AGM, SBI
<u>Punjab National Bank</u>			
15)	Mr. M. L. Mir	...	Dy. General Manager
<u>J&K Grameen Bank</u>			
16)	Mr. Gurcharan Singh	....	General Manager
<u>Ellaquai Dehati Bank</u>			
17)	Mr. A. K. Razdan	....	Chairman
